

Celebrating the global success of an Azad Indian brand



Liberty Shoes Ltd.
36th Annual Report 2021-22

The Management Team at the helm of affairs



Standing from Left to Right: Sh. Vivek Bansal,
Sh. Adish Kumar Gupta, Sh. Raman Bansal, Sh. Anupam Bansal
Sitting from Left to Right: Sh. Sunil Bansal, Sh. Adesh Kumar Gupta,
Sh. Shammi Bansal

CONTENTS

Company Information	2
From The Management's Desk	3
Notice	4
Directors' Report	21
Secretarial Audit Report	44
Corporate Governance Report	47
Management Discussion and Analysis Report	84
Independent Auditors' Report	89
Balance Sheet	100
Statement of Profit & Loss	101
Statement of Changes in Equity	102
Cash Flow Statement	103
Notes to the Financial Statement	104
E-Communication Registration Form	-

Liberty Shoes Ltd.

Board of Directors

Aditya Khemka

Independent Director
(DIN-00514552)

Arvind Bali Kumar

Independent Director
(DIN-02520675)

Sanjay Bhatia

Independent Director
(DIN-00080533)

Dr. Sujata

Women Independent Director
(DIN-09289128)

Gautam Baid

Independent Director
(DIN-00021400)

Adesh Kumar Gupta

CEO & Executive Director
(DIN-00143192)

Sunil Bansal

Executive Director
(DIN-00142121)

Shammi Bansal

Executive Director
(DIN-00138792)

Adish Kumar Gupta

Executive Director
(DIN-00137612)

Ashok Kumar

Executive Director
(DIN-06883514)

Company Secretary & Compliance Officer

CS Munish Kakra

Chief Financial Officer & Company Secretary

Audit Committee

Arvind Bali Kumar

Sanjay Bhatia

Aditya Khemka

Sunil Bansal

COMPANY INFORMATION

Nomination and Remuneration

Committee

Arvind Bali Kumar

Dr. Sujata

Aditya Khemka

Stakeholders Relationship Committee

Aditya Khemka

Sunil Bansal

Adish Kumar Gupta

Corporate Social Responsibility Committee

Shammi Bansal

Adish Kumar Gupta

Dr. Sujata

Management Committee

Adesh Kumar Gupta

Shammi Bansal

Adish Kumar Gupta

Raman Bansal

Anupam Bansal

Registrar & Share Transfer Agent

Link Intime India Private Limited

Noble Heights, 1st Floor, C-1 Block

Near Savitri Market, Janakpuri,

New Delhi-110058

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

Fax: (91) - 11- 41410591

E-mail: delhi@linktime.co.in

Registered Office

Libertypuram, 13th Milestone,

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

Distt. Karnal - 132114, Haryana

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

Fax: (91) - 1748 - 251100

E-mail: lpm@libertyshoes.com

Website: www.libertyshoes.com

Corporate Office

Ground Floor, Tower - A, Building No. 8,

DLF Cyber City, Phase - II,

Gurugram - 122002, Haryana

Tel.: (91) - 0124 - 4616200

Fax: (91) - 0124 - 4616222

Email:corporate@libertyshoes.com

Bankers

HDFC Bank Ltd.

IndusInd Bank Ltd.

State Bank of India

Union Bank of India

Auditors

M/s U. Shanker & Associates

Chartered Accountants

303, Vikas Surya Shopping Mall,

Manglam Place,

Sector 3, Rohini, Delhi-110085

Secretarial Auditors

M/s JVS & Associates

Company Secretaries

Flat No. 588, Pocket No. 4

Sector-11, Dwarka

New Delhi-110075

Corporate Identity Number (CIN):

L19201HR1986PLC033185

Email ID for Investor

care/grievance

investorcare@libertyshoes.com

www.libertyshoes.com

Buy Liberty Foot Fashion online on


libertyshoesonline.com

Join us on:

facebook.com/libertyshoes

www.libertyshoes.com

Buy Liberty Foot Fashion online on
libertyshoesonline.com

Join us on 

facebook.com/libertyshoes

Dear Shareholder,

Collective vision, debated, sought after and implemented for the sustainable growth and improved bottom line for the company is a way to go at Liberty. By the time you finish browsing through the report you would have seen company's financial performance for the first quarter ended 30th June, 2022 and noticed the changes we have put in place that would bear dividend in the days ahead.

Let's start with the fact that Footwear sales are expected to grow to 2900 Cr. pairs by 2025 after the 35% drop in 2021 because of Covid-19. That means in value terms it is slated to grow to INR 13,800 Cr.-INR 14500 Cr. So we are in a growing industry and let us assure that we are setting up on the right path.

At Liberty, we have leveraged the 3 Ts which stands for Thinking, Technology, and Timing to achieve the best results. We are innovative in our thinking. Innovative in design, performance, and aesthetics. Be it slippers, sandals, or shoes we are innovating our offerings continually. We are innovating and have set up the ambitious sales targets, knowing the rising opportunities with the premium portfolio of the company including Leap 7X and Healers. The focus is on taking these brands through the premium retail route. Check them out in the markets and you will feel the waves they are creating. This is a new shift in the policy and will drive increased profits for the company as its own brands are now being nurtured. The other set of company owned brands are Aha & Lucy & Luke the casual styles that are also making waves. These are spreading out in the market through the route of Distributors. The response of the Distributors has been very keen and the numbers are already showing.

The second T stands for technology which has always been the thrust area of your company and the management is happy to share about the implementation of new technology and launch of innovative shoes made with new Technology in its upcoming winter range. The new technology made up of two layers of foam Nitrogen infused EVA foam and Profoamlite foam which increase levels of softness and responsiveness.

Your management has a strong belief that with this innovation your company's perception would further accelerate and consumers would find substitutes herein India to fulfill their aspirations of wearing global brands.

We have also implemented le3 (real-time billing system) that provides real-time information on store sales which benefits all participants. We have included a Merchandise planning tool -Increff that instantly turns your high-level financial plan into an infinitely granular merchandise plan so you always know if you're purchasing too much or too little with automated flags and hard-stops driven by AI.

The fashion conscious athleisure styling has seen many a brand fighting to find a place in the consumer mind. The management is happy to share that Leap 7X, the company's newly introduced brand has started showing promising trends and would help company in near future to increase its presence further in the growing footwear markets. These are the result of innovations done by our in-house research and production teams. As we innovate to further our presence and deliver a sense of consumer delight some accolades on respected public platforms have been coming our way. The Liberty brand was tagged as the Most Iconic Brand for 2021-2022 by ET Edge.

We are investing in the mediums of today to carry the Brand Story into the consumers mind. Huge investments have been made in the Digital Platform and the Brand salience is on the rise. We are also seeing B2B e-platforms taking on a more important role, bringing down marketing, collection, and logistics costs leading to higher wealth creation for partners, business associates, and associated manufacturing vendors besides giving us a robust balance sheet that will benefit our shareholders and employees in the coming years. The contribution of e platform in the overall sales of the company is increasing and it would have higher attention from the management perspective in the coming days.

We believe that given proper market access and incentives, we are in a position to turn India into a footwear export hub and to set as an outsourcing alternative to the major international footwear giants. The Government of India has recognized the footwear industry as a priority sector under the Make In India mission. With favorable government policies, infrastructure, elimination of high taxes, support in capacity building, skill education, and technology up-gradation the Indian footwear industry is now all set to put its best foot forward and Liberty could lead the way.

The Management Team

NOTICE

NOTICE is hereby given that the 36th (Thirty Sixth) Annual General Meeting ("36th AGM" or "e-AGM" or "AGM") of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Friday, 30th September, 2022 at 11 A.M.** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:-

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.

ORDINARY BUSINESS:

Item no. 1-Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.

Item no. 2-Appointment of Director

To appoint a Director in place of Sh. Shammi Bansal (DIN-00138792), who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Shammi Bansal (DIN-00138792), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

Item no. 3-Appointment of Director

To appoint a Director in place of Sh. Sunil Bansal (DIN-00142121), who retires by rotation and being eligible, offers himself for re appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Sunil Bansal (DIN-00142121), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

Item no. 4-Appointment of Statutory Auditors of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 including any amendments, statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to all the applicable laws and regulations, including but not limited to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s Pardeep Tayal & Co., Chartered Accountants (Firm Registration Number 002733N), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of Forty-First AGM to be held in the year 2027, at such remuneration plus reimbursement of out-of-pocket and other incidental expenses in connection with the audit, as recommended by the Audit Committee and approved by the Board of Directors in consultation with the Statutory Auditors."

SPECIAL BUSINESS

Item no. 5-Appointment of Sh. Gautam Baid (DIN: 00021400) as an Independent Director of the Company

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

"RESOLVED THAT Pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b), Regulation 25 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the

recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") given at their respective meetings held on 30th March, 2022 and 31st March, 2022, Sh. Gautam Baid (DIN:00021400), who was appointed as an Additional Director of the Company with effect from 1st April, 2022 pursuant to Section 161 of the Act and Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term from 1st April, 2022 to 28th September, 2024.

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

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra

Place: Libertypuram, Haryana

CFO & Company Secretary

Dated: Tuesday, 6th September, 2022

M. No.ACS 6262

Registered Office

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

P.O. Bastara, Distt. Karnal - 132114, Haryana

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

E-mail:lpn@libertyshoes.com, Website: www.libertyshoes.com

CIN: L19201HR1986PLC033185

NOTES:

1. **e-AGM:** In view of the situation arising due to COVID-19 pandemic and resultant restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020, No. 20/2020, 02/2021, 19/2021, 21/2021 and No. 02/2022, dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 13, 2022 (hereinafter, collectively referred as the "SEBI Circulars") has allowed companies to conduct their Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 36th Annual General Meeting (the "AGM" or the "Meeting") of Liberty Shoes Limited (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULARS, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY**

FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 36TH AGM OF THE COMPANY (THE "NOTICE").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Power of Attorney/appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at sukeshgupt@gmail.com with a copy marked to investorcare@libertyshoes.com

3. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice. **The deemed venue for the 36th AGM shall be the Registered Office of the Company.**
4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are also provided in the said Statement. Necessary information of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.

6. DISPATCH OF ANNUAL REPORT THROUGH E-MAIL

Pursuant to the MCA Circulars and the SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2022, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Link Intime India Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2022 shall be available on the websites of the Company viz., www.libertyshoes.com and of the Stock Exchanges where Equity Shares of the Company are listed.

The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., Link Intime India Private Limited, (LIPL) viz., instavote.linkintime.co.in

7. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM by using their remote e-Voting login credentials.

The instructions for attending the AGM are annexed separately and form part of this Notice.

8. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of Link Intime India Private Limited to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to

cast their votes electronically in respect of the businesses to be transacted at the Meeting. **The instructions to cast votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.**

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date of Friday, 23rd September, 2022**. The remote e-Voting period will commence **on Tuesday, 27th September, 2022 (9:00 A.M. IST) and will end on Thursday, 29th September, 2022 (5:00 P.M. IST)**. During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Friday, 23rd September, 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on **Friday, 23rd September, 2022 being the cut-off date**, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Friday, 23rd September, 2022 should treat this Notice for information purpose only.**

The Board of Directors has appointed M/s Sukesh Gupta & Co. (Firm Registration No. 036441N),

Chartered Accountant, or failing whom, such other Practicing Company Secretary or Chartered Accountant as the Board of Directors of the Company may appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner.

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

The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.libertyshoes.com) and on the e-Voting website of Link Intime India Private Limited viz. <https://instavote.linkintime.co.in> immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the Equity Shares of the Company are listed. The results declared along with the said Report shall also be made available for atleast 3 days on the Notice Boards of the Company at its Registered Office in Libertypuram and at the Corporate Office in Gurugram, Haryana. Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice/the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Friday, 30th September, 2022. Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at investorcare@libertyshoes.com or to the RTA at delhi@linkintime.co.in :

- (i) Scanned copy of a signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;

- (ii) Self-attested scanned copy of PAN Card; and

- (iii) Self-attested scanned copy of any document (such as AADHAAR card/latest Electricity Bill/latest Telephone Bill/Driving License/Passport/Voter ID Card/Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding. Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company/the RTA, need not take any further action in this regard.

9. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement/Annexure shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM.

Members desirous of inspecting the same may send their requests not later than Wednesday, 28th September, 2022 at 11:00 A.M. at investorcare@libertyshoes.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at <https://instameet.linkintime.co.in> or at www.libertyshoes.com.

10. Book Closure Period for the AGM

Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Share Transfer Books and Register of Members of the Company will remain closed from **Saturday, 24th September, 2022 to Friday, 30th September, 2022** (both days inclusive) for the purpose of the AGM.