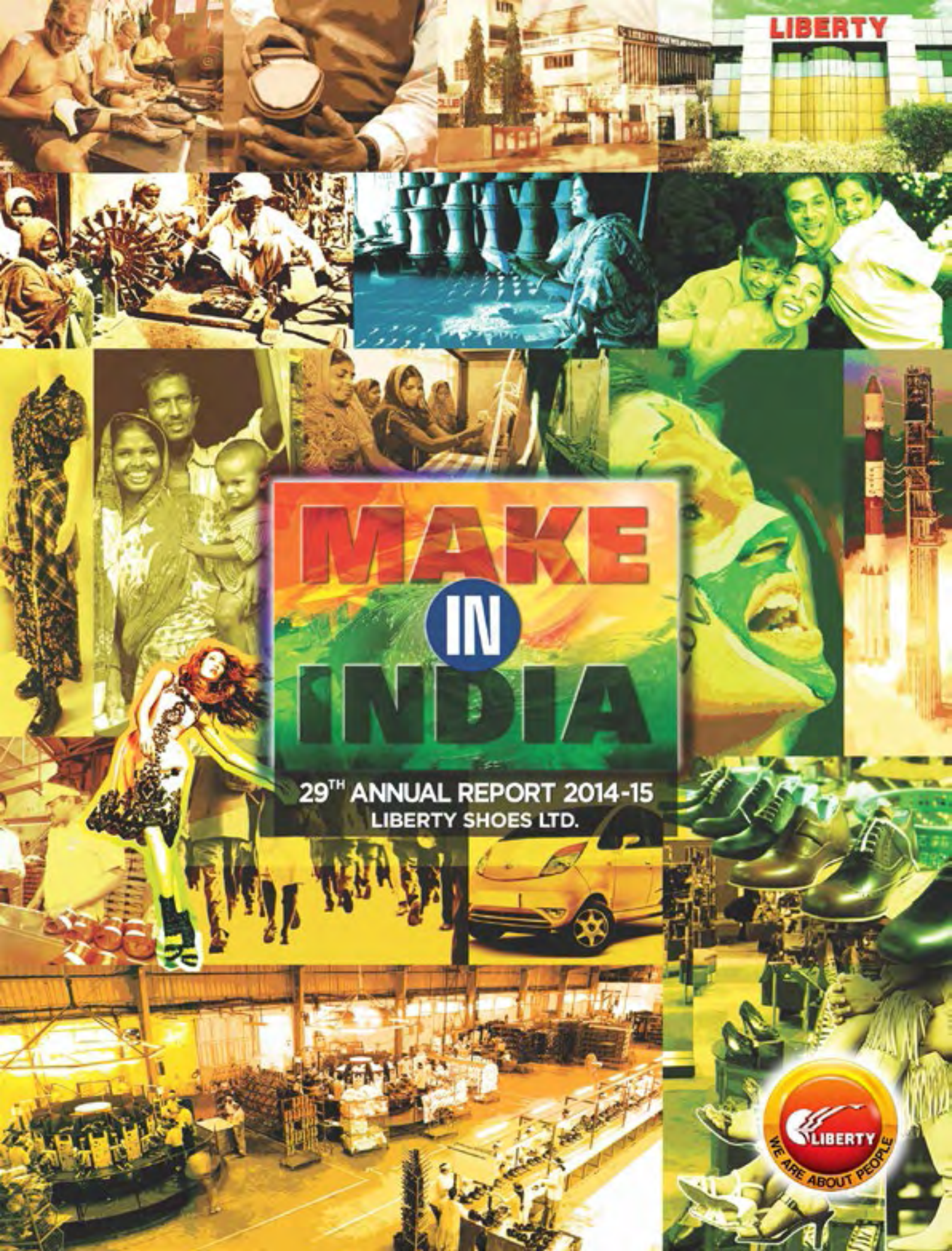
LIBERTY
MAKE
IN
INDIA
29TH ANNUAL REPORT 2014-15
LIBERTY SHOES LTD.
LIBERTY
WE ARE ABOUT PEOPLE

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)

Ashok Kumar
Executive Director
(DIN - 06883514)

Raghubar Dayal
Independent Director
(DIN - 00481803)

Amitabh Taneja
Independent Director
(DIN - 00031257)

Vivek Bansal
Independent Director
(DIN - 00939232)

Ramesh Chandra Palhan
Independent Director
(DIN - 05241019)

Pushpinder Singh Grewal
Independent Director
(DIN- 06364475)

Lovelena Mody
Women Director
(DIN- 01279148)

Company Secretary & Compliance Officer

Munish Kakra
Chief Financial Officer & Company Secretary

Audit Committee

Raghubar Dayal
Ramesh Chandra Palhan
Vivek Bansal
Sunil Bansal

Nomination and Remuneration Committee
Raghubar Dayal
Ramesh Chandra Palhan
Pushpinder Singh Grewal

Management Committee
Adesh Kumar Gupta
Adarsh Gupta
Shammi Bansal
Ramesh Chandra Palhan
Raghubar Dayal

Stakeholders Relationship Committee
Sunil Bansal
Adarsh Gupta
Ramesh Chandra Palhan

Corporate Social Responsibility Committee
Shammi Bansal
Adeesh Kumar Gupta
Raghubar Dayal
Ramesh Chandra Palhan

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

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

Statutory Auditors

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

www.libertyshoes.com

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From The CEO's Desk

Dear friends,

These are very eventful times for a Company that was founded on the belief that the key to success is to 'Make in India'. It is indeed gratifying to find that our country today has adopted this 'Mantra' for success as part of our national ethos for making a mark on the global stage.

'Make in India' is more than just a slogan. It is the reiteration of a belief that we have, what it takes to make India the global hub of manufacturing for quality footwear.

Global hub of manufacturing is an onerous responsibility- one that demands, a very high level of commitment to excellence. It's a commitment that your Company has lived up to in a very demanding environment.

Today your Company has become a byword for fashion and comfort in footwear especially for discerning customers, who set the trend by identifying style with attitude. For them footwear is more than an accessory, it is a defining statement.

By understanding their needs and adopting a customer-centric approach with emphasis on innovation, we have shown a steady growth in sales over the past few years. The growth has not only filled up our coffers, it has given us a strong base for expanding our marketing base from metros and mini-metros to tier two & three cities across the length and breadth of our country. This has given the Liberty brand the strength and the visibility to boost earnings.

What is very welcome, is the recognition being granted to Indian footwear sector by Government of India, acknowledging of its role as the growth engine of Indian Industry, as a generator of large scale employment, especially for the weaker sections, and as a major earner of foreign exchange. You can trust Liberty to be even more motivated today to go from strength to strength.

The rewards of this vibrant new chapter of the Liberty growth story are being shared with you in the form of a 15% dividend for the year 2015.

So, as we step into the future I am sure you can expect more "Achhey Din" to greet you every step of the way.

Adesh Kumar Gupta
Chief Executive Officer

Notice

Notice is hereby given that the 29th (Twenty Ninth) Annual General Meeting of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Tuesday, 29th September, 2015 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 BUSINESESS:

Item No. 1-Adoption of Financial Statements

To receive, consider and adopt:

a) the Audited Financial Statements of the Company for the year ended March 31, 2015 together with the Reports of the Board of Directors and the Auditors thereon.

b) the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2015 together with the Reports of the Auditors thereon.

Item No. 2-Declaration of Dividend

To declare a dividend of ₹1.50/- per Equity Share for the financial year 2014-15.

Item No. 3-Appointment of Directors

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

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

Item No. 4-Appointment of Auditors

To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at their 28th Annual General Meeting held on 29th September, 2014, appointment of M/s Pardeep Tayal & Co., Chartered Accountants (Firm Registration No. 002733N) as the Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESESS:

Item No. 5-Appointment of Smt. Lovelena Mody (DIN-01279148) as an Independent Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement(s), Smt. Lovelena Mody (DIN: 01279148), who was appointed as an Additional Director, of the Company by the Board of Directors w.e.f. 23rd January, 2015 to hold the office till the date of forthcoming Annual General Meeting, in terms of the provisions of Section 161 of the Act, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a member under Section 160 the Act proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, effective from 29th September, 2015 for a term of 3 (three) consecutive years from 29th September, 2015 to 28th September, 2018.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

Item No. 6-Appointment of Sh. Ashok Kumar (DIN - 06883514) as a Director

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 (the "Act") and in accordance with the Articles of Association of the Company, Sh. Ashok Kumar who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 23rd January, 2015 and who holds office till the date of forthcoming Annual General Meeting, in terms of the provisions of Section 161 of the Act, and in respect of whom the Company has received a notice in writing along with requisite deposit from a member under Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

Item No. 7-Appointment of Sh. Ashok Kumar (DIN - 06883514) as an Executive Director

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with the Schedule V of the Companies Act, 2013 (hereinafter referred to as "the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and all the

other applicable provisions of the Act, if any, and in accordance with provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the appointment of Sh. Ashok Kumar as the Executive Director of the Company for a period of 3 years effective from 1st June, 2015 and on such terms and conditions including the remuneration, payable as minimum remuneration, as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Ashok Kumar.

RESOLVED FURTHER THAT the draft of the Service Agreement as placed before the meeting, as required to be entered into between the Company and Sh. Ashok Kumar and initialled by Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company for the purpose of identification is placed before the meeting with liberty to the Board of Directors of the Company (the "Board"), to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Sh. Ashok Kumar subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof, be and is hereby approved.

RESOLVED FURTHER THAT the remuneration, proposed to be paid to Sh. Ashok Kumar, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and shall be for the period of 3 years from the date of this appointment.

RESOLVED FURTHER THAT in the event of any statutory modification(s) or amendments, or relaxations by the Central Government to Schedule V of 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 including the monetary value thereof as specified above within the provisions of Schedule V of the Act to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with the provision(s) under the Act or Schedule appended thereto, and / or any Rules or Regulations there under.

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

Item No. 8-Re-appointment of Sh. Adesh Kumar Gupta (DIN - 00143192) as a CEO & Executive Director

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with the Schedule V of the Companies Act, 2013 (hereinafter referred to as "the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provisions of the Act, if any, and in accordance with provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sh. Adesh Kumar Gupta as the "Chief Executive Officer & Executive Director" of the Company for a further period of 3 years w.e.f. 1st April, 2015 on such terms and conditions including the remuneration payable as minimum remuneration and as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adesh Kumar Gupta.

RESOLVED FURTHER THAT, the draft of the Service Agreement as placed before the meeting and as required to be entered into between the Company and Sh. Adesh Kumar Gupta and initialled by Sh. Sunil Bansal, Executive Director of the Company for the purpose of identification, to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Sh. Adesh Kumar Gupta subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof, be and is hereby approved.

RESOLVED FURTHER THAT the remuneration, proposed to be paid to Sh. Adesh Kumar Gupta, as minimum remuneration as approved by the Members in their 27th Annual General Meeting held on 20th September, 2013, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and shall be for the period of 3 years from the date of this re-appointment.

RESOLVED FURTHER THAT in the event of any statutory modification(s) or amendments, or relaxations by the Central Government to Schedule V of 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 including the monetary value thereof as specified above within the provisions of Schedule V of the Act to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with the provision(s) under the Act or Schedule appended thereto, and / or any Rules or Regulations thereunder.

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

Item No. 9-Re-appointment of Sh. Adarsh Gupta (DIN - 00161193) as an Executive Director

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with the Schedule V of the Companies Act, 2013 (hereinafter referred to as "the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provisions of the Act, if any, and in accordance with provisions of Articles of Association of the Company, the

consent of the Members of the Company be and is hereby accorded for the re-appointment of Sh. Adarsh Gupta as an Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015 on such terms and conditions including the remuneration payable as minimum remuneration and as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adarsh Gupta.

RESOLVED FURTHER THAT the draft of the Service Agreement as placed before the meeting and as required to be entered into between the Company and Sh. Adarsh Gupta and initialled by Sh. Sunil Bansal, Executive Director of the Company for the purpose of identification, to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Sh. Adarsh Gupta subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof be and is hereby approved.

RESOLVED FURTHER THAT the remuneration, proposed to be paid to Sh. Adarsh Gupta, as minimum remuneration as approved by the Members in their 27th Annual General Meeting held on 20th September, 2013, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and shall be for the period of 3 years from the date of this re-appointment.

RESOLVED FURTHER THAT in the event of any statutory modification(s) or amendments, or relaxations by the Central Government to Schedule V of 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 including the monetary value thereof as specified above within the provisions of Schedule V of the Act to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with the provision(s) under the Act or Schedule appended thereto, and / or any Rules or Regulations thereunder.

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

Item No. 10-Re-appointment of Sh. Shammi Bansal (DIN-00138792) as an Executive Director

To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with the Schedule V of the Companies Act, 2013 (hereinafter referred to as "the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and all the other applicable provisions of the Act, if any, and in accordance with provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sh. Shammi Bansal as an Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015 on such terms and conditions including the remuneration payable as minimum remuneration and as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Shammi Bansal.

RESOLVED FURTHER THAT the draft of the Service Agreement as placed before the meeting and as required to be entered into between the Company and Sh. Shammi Bansal and initialled by Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company for the purpose of identification, to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Sh. Shammi Bansal subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof, be and is hereby approved.

RESOLVED FURTHER THAT the remuneration, proposed to be paid to Sh. Shammi Bansal, as minimum remuneration as approved by the Members in their 27th Annual General Meeting held on 20th September, 2013, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and shall be for the period of 3 years from the date of this re-appointment.

RESOLVED FURTHER THAT in the event of any statutory modification(s) or amendments, or relaxations by the Central Government to Schedule V of 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 including the monetary value thereof as specified above within the provisions of Schedule V of the Act to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with the provision(s) under the Act or Schedule appended thereto, and / or any Rules or Regulations thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and is hereby authorized 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
CFO & Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

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

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special businesses to be transacted at the Annual General Meeting, set out in the Notice, is annexed hereto and forms part of the Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AFORESAID ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED AND SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.**

4. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of the 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 Member.

5. 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 authorizing their representative(s) to attend and vote at the Annual General Meeting.

6. 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.

7. The Register of Members and Share Transfer Books shall remain closed from Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive) for the purpose of payments of the dividend for the financial year ended March 31, 2015 and the 29th Annual General Meeting.

8. Dividend on Equity Shares as recommended by the Board of Directors of the Company for the financial year ended March 31, 2015, if declared at the Annual General Meeting, will be paid to:

   a) those members whose names shall appear in the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company/RTA on or before the closing hours of Tuesday, 22nd September, 2015.

   b) those "Beneficiary Owners" in respect of shares held in electronic form, whose names shall appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on Tuesday, 22nd September, 2015.

9. In terms of the Circular No. CIR/MRD/DP/10/2013, dated 21st March, 2013 issued by the Securities and Exchange Board of India, listed Companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Services (ECS), LECS (Local ECS)/RECS (Regional ECS)/ NECS (National ECS), NEFT etc. for making cash payments like dividend etc. to the members. Therefore, Members holding shares in physical mode are requested to provide their bank details to the Company/RTA. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participant(s) concerned.

10. 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 Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd, 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028.

11. 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. 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 the Depository Participants by the Members.

12. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 205A and Section 205B of the Companies Act, 1956 (Section 124 of the Companies Act, 2013 not yet notified), be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    Members who have not encashed their Dividend warrants so

far for the financial year 2013-14, the details of which are available at the website of the Company viz. www.libertyshoes.com are requested to address their claim to the CFO & Company Secretary, Liberty Shoes Limited at Libertypuram, 13th Milestone, G.T. Karnal Road, P.O. Bastara, Distt. Karnal -132114, Haryana, (India) or Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd. at their above address.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd.

14. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make a nomination in respect of Shares held by them in Form No. SH. 13 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 their respective depository in case of shares in electronic form. The nomination form can be downloaded from the Company's website www.libertyshoes.com under section "Investor Relations".

15. Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., for consolidation in to a single folio.

16. 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.

17. A brief profile along with necessary information of the Directors seeking their appointment/re-appointment in the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement is annexed to the Notice of this Annual General Meeting as Annexure A of Annexure to the notice.

18. Members/Proxies/Authorized Representative(s) are requested to bring their Attendance Slip duly filled in and signed for attending the Meeting. Members who hold Equity Shares in Dematerialized Form are requested to write the Client ID and DP ID Number and those who hold Equity Shares in physical form are requested to write their Folio Number in the Attendance Slip for easier identification of attendance at the Meeting.

19. 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.

20. Members holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd. And Members holding shares in electronic form must advise their respective depository participants about change in address and not to the Company or the Company's Registrar.

21. As per Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, 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 or with the Depository. Members, who have not registered their e-mail address with the Company 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 RTA of the Company. Members holding shares in demat form are requested to register their e-mail address with their 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.

22. 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 Annual General Meeting to attend the same.

23. 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.

24. 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 1.00 P.M. up to the date of the aforesaid Annual General Meeting or any adjournment thereof, except on Sundays and other holidays.

25. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendment thereof including Companies (Management & Administration), Amendment Rules, 2015 and the Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting and ballot form facility to the Members to cast their votes electronically on all resolutions set forth in this Notice. The process and general instructions for 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) Log on to the e-voting website www.evotingindia.com

(II) Click on "Shareholders" tab.

(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 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) • Members who have not updated their PAN with the Company/Depository 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.
	• 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 (v).

(VII) After entering these details appropriately, click on "SUBMIT" tab.

(VIII) Members holding shares in physical form will then reach directly 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 resolution contained in this Notice.

(X) Click on the EVSN (150820026) for Liberty Shoes Limited 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 out print of the voting done by you by clicking on "Click here to print "option on the voting page.

(XVI) If Demat account holder has forgotten the changed 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) 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.
- 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 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.

(i) 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 Tuesday, 22nd September, 2015 may follow the same instructions as mentioned above for e-Voting.

(ii) 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 an email to helpdesk.evoting@cdslindia.com

(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. (XVII) above to cast vote

General Instructions:

I) The voting period begins on Saturday, 26th September, 2015 at 10.00 a.m. and ends on Monday, 28th September, 2015 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 Tuesday, 22nd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the Shareholder shall not be allowed to change it subsequently.

II) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

III) 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 Tuesday, 22nd September, 2015.

IV) Member can also download the notice of the meeting at www.libertyshoes.com for exercising their e-Voting rights.

V) Members desiring to exercise vote by Physical Postal Ballot form are requested to carefully read the instructions printed on the Postal Ballot Form and return the form duly completed & signed in the attached pre-paid postage Self addressed envelope so as to reach the scrutinizer not later than the close of working hours i.e 5.00 p.m. on Monday,28th September, 2015.

VI) The Board of Directors has appointed Sh. Sukesh Gupta, partner of M/s Pardeep Tayal & Co. (Chartered Accountants), Panipat, Haryana, as Scrutinizer for conducting the remote e-voting and Postal ballot process in a fair and transparent manner. The pre-paid postage self addressed envelope attached to this Notice bears the address to which duly completed Postal ballot is to be sent.

VII) At the end of the remote e-voting period, Scrutinizer will download the entire voting data using its

Scrutinizer login.

VIII) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of 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.

IX) The Chairman of the Meeting or any person of the Company, duly authorised by him, in writing, shall announce the result of remote e-voting and ballot form facilities after receiving of consolidated scrutinizer's report from the scrutinizer.

X) 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 and on the website of CDSL within three days of passing of the resolutions at the 29th Annual General Meeting of the Company to be held on Tuesday, 29th September, 2015, and communicated to National Stock Exchange of India Ltd. and BSE Ltd.

XI) The resolution shall be deemed to be passed on the date of Annual General Meeting, subject to the receipt of sufficient votes through a compilation of voting results (i.e. remote e-voting and ballot form facilities along with the voting held at the Annual General Meeting).

However, in terms of Clause 35B of the Listing Agreement, those members, who do not have access to remote e-voting facility, may send their assent or dissent in writing on the Ballot Form attached with this Annual General Meeting Notice in the enclosed self addressed postage pre-paid envelope so as to reach the Scrutinizer at 4/42, Punjabi Bagh (West), New Delhi-110026 on or before close of business hours of Monday, 28th September, 2015. Any Ballot Form received after this date will be treated as if the reply from the members has not been received. The Scrutinizer's decision on the Validity of a Ballot form facilities will be final.

IMPORTANT NOTE:

As Liberty Shoes Ltd., being a listed Company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the members at the 29th Annual General Meeting in view of the further provisions of Section 107 read with Section 114 of the Act.

Annexure to the Notice

(Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013)

ITEM NO. 5

Smt. Lovelena Mody is a renowned Business personality and actively participates in State level CII activities. She is having a vast experience of managing the hospitality sectors. The Board of Directors of the Company in their meeting held on 23rd January, 2015 appointed her as Women Director in compliance of the provisions of Section 149 of the Companies Act, 2013 (the "Act") and Clause 49 of the Listing Agreement(s) and in terms of the provisions of Section 161 of the Act, her office as Director is coming to an end on the date of forthcoming AGM. The Board of Directors of the Company, considering her profile, experience and qualification and based on the recommendation of the Nomination and Remuneration Committee, pursuant to section 178 of the Companies Act, 2013 and rules framed there under and in compliance of the above provisions of the Act and Listing Agreement(s), proposed Smt. Mody to be appointed as Independent Director of the Company.

Section 149 of the Companies Act, 2013 inter-alia stipulates the criteria of Independence, if a Company proposes to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the board of a Company and he/she shall not be included in the total number of Directors for retirement of rotation. It may be noted that Smt. Lovelena Mody is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given a declaration that she meets the criteria of Independence as provided in Section 149 (6) of the Act and also under clause 49 of the Listing Agreement(s) to act as an Independent Director of the Company.

In the opinion of the Board, Smt. Lovelena Mody, proposed to be appointed, fulfils the conditions specified in the Act and the rules made there under and listing agreement and the proposed Director is Independent of the Management. The Company has received notice from the member along with requisite deposit under the provisions of Section 160 of the Act proposing her candidature for the office of Director of the Company for a period of 3 (three) years effective from 29th September, 2015.

A copy of the draft letter of appointment setting out the terms and conditions of 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 as obtained from her 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.

Brief resume 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 Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Annexure A of the Annexure to this Notice and also in Corporate Governance Report forming part of the Annual Report.

The Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Smt. Lovelena Mody does not hold any Equity Shares in the Company.

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 resolutions.

ITEM NO. 6 & 7

Sh. Ashok Kumar is a Law Graduate and has been advising the Company on various legal matters for last several years. A brief profile detailing qualification and experience has been provided in Annexure- A to the Notice of this Annual General Meeting.

Sh. Ashok Kumar was appointed as Additional Director of the Company w.e.f. 23rd January, 2015 to hold the office up to the date of this Annual General Meeting. Accordingly, his office is coming to an end on the date of forthcoming Annual General Meeting and the Board of Directors in their meeting held on 29th May, 2015, considering his experience, qualification and valuable contribution to the Company, proposed his appointment as Director of the Company liable to retire by rotation and further as Executive Director for a period of 3 years w.e.f. 1st June, 2015 to 31st May, 2018 subject to the approval of the Members of the Company in this Annual General Meeting on the following remuneration, payable as minimum remuneration in terms of the provisions of Schedule V of the Companies Act, 2013 and on such terms and conditions, as set out in the draft Service Agreement to be executed between Sh. Ashok Kumar and the Company. The appointment and remuneration payable to Sh. Ashok Kumar has been recommended by the Nomination and Remuneration Committee in their Meeting held on 29th May, 2015 in compliance with the provisions of Section 178 of the Companies Act, 2013.

In the opinion of the Board, Sh. Ashok Kumar, proposed to be appointed, fulfils the conditions specified in the Act and the rules made there under. The Company has received notice from the member along with requisite deposit under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

The abstract of the terms and conditions of the appointment of Sh. Ashok Kumar as Executive Director along with Memorandum of his interest or concern is set out as below:

(i) Period: For a period of 3 years w.e.f. 1st June, 2015 to 31st May, 2018.

(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. In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Ashok Kumar is the minimum remuneration and the total remuneration, of 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.

Draft of the said Service Agreement and other relevant documents are available for inspection at the Company's registered office on any working day between 10:00 A.M. to 1:00 P.M. up to the date of forthcoming Annual General Meeting.

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.

ITEM NO. 8 -10

Sh. Adesh Kumar Gupta, 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 has over two decades of rich experience in footwear industry. As a CEO & Executive Director, 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 also guiding the leather shoes production team and Exports business with his appreciable expertise.

Sh. Adarsh Gupta, Commerce graduate and having Diploma in Shoe Designing from the globally recognized ARS Sutoria Institute, Milan, Italy has been working as Director of the Company since 1990 and further appointed as Executive Director in 1995. He is having experience of more than two decades in footwear Industry. He

represents promoter group and is Executive Director in Liberty Shoes Ltd. He participates in overall management of the Company right from the stage of formulation of policies till its implementation and follow-up. He spends substantial time not only in overseeing the working and performance of the Company as per the operations plans & policies formulated but also involved in formulating strategy and providing vital inputs towards effective working of Company's retail operations, Brand Promotions, Investors Relations and formulating the plan for growth of the Company.

Sh. Shammi Bansal has been associated with the Company as a Director since 1990 and promoted as the Executive Director in 1995. During his association with the Company, he has been credited with various initiatives in field of leather and footwear technology including use of E. P. Polymers, introduction of E.V.A. compound in Indian footwear Industry. He is having experience of more than two decades in footwear Industry. Sh. Shammi Bansal has currently been looking after the production designing and development of footwear at Company's plants at Haryana, Uttrakhand and Himachal Pradesh.

A brief profile detailing the qualification and experience of Sh. Adesh Kumar Gupta, Sh. Adarsh Gupta and Sh. Shammi Bansal in compliance with the Clause 49 of the Listing Agreements 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 Meeting held on 29th May, 2015 have proposed the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Adarsh Gupta and Sh. Shammi Bansal as Executive Directors for a further period of 3 years w.e.f. 1st April, 2015 subject to the approval of the Members of the Company in the Annual General Meeting on the following remuneration, payable as minimum remuneration in terms of the provisions of Schedule V of the Companies Act, 2013 and on such terms and conditions, as set out in the respective draft Service Agreement to be executed between Sh. Adesh Kumar Gupta, Sh. Adarsh Gupta and Sh. Shammi Bansal and the Company. The respective appointment and remuneration payable to Sh. Adesh Kumar Gupta, Sh. Adarsh Gupta and Sh. Shammi Bansal has been recommended by the Nomination and Remuneration Committee at their Meeting held on 29th May, 2015.

The respective abstract of the terms and conditions of the re-appointment of Sh. Adesh Kumar Gupta, Sh. Adarsh Gupta and Sh. Shammi Bansal 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 2015.

(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.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Adesh Kumar Gupta is the minimum remuneration and the total remuneration, of 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. 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 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Adarsh Gupta & Sh. Adesh Kumar Gupta, Executive Director of the Company may be deemed to be concerned or interested in the proposed resolution no. 8

(B) Abstract of the terms and conditions of the re appointment of Sh. Adarsh Gupta

(i) Period: For a period of 3 years w.e.f. 1st April 2015.

(ii) Nature of Duties: Sh. Adarsh 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.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Adarsh Gupta is the minimum remuneration and the total remuneration, of 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. Adarsh 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. Adarsh Gupta as Executive Director shall be liable to retire by rotation.

c) No sitting fee shall be paid to Sh. Adarsh Gupta for attending the Board or Committee Meeting(s)

d) Sh. Adarsh 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Adesh Kumar Gupta & Sh. Adarsh Gupta, Executive Directors of the Company may be deemed to be concerned or interested in the proposed resolution no. 9.

(C) 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 2015.

(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.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Shammi Bansal is the minimum remuneration and the total remuneration, of 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.

Draft of the respective Service Agreement to be executed with the above Directors and other relevant documents are available for inspection at the Company's registered office on any working day between 10:00 A.M. to 1:00 P.M. up to the date of forthcoming AGM.

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. 10.

The Board of Directors of the Company recommends the resolutions set out in item no(s) 5 to 10 above for the approval of the members in this Annual General Meeting of the Company.

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra
CFO & Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Annexure-A of Annexure to the Notice

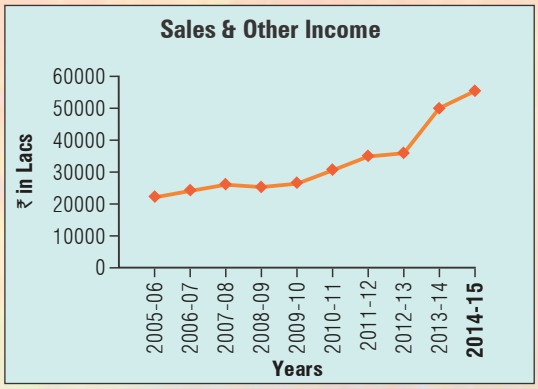
A BRIEF PROFILE ALONGWITH THE NECESSARY INFORMATION OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT THEREOF IN THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE OF CLAUSE 49(IV)(G) OF LISTING AGREEMENT.

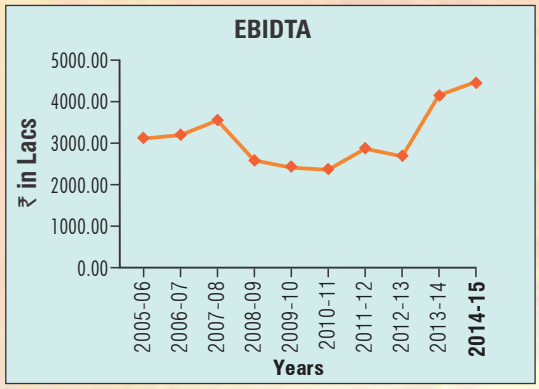
Name of the Director	Sh. Adesh Kumar Gupta	Sh. Adarsh Gupta	Sh. Shammi Bansal	Sh. Sunil Bansal Bansal	Smt. Lovelena Mody	Sh. Ashok Kumar
Age	55 Years	53 Years	54 Years	56 Years	62 Years	47 Years
Date of Appointment as Director	28th September, 1990	28th September, 1990	28th September, 1990	28th September, 1990	23rd January, 2015	23rd January, 2015
Relationship with other Directors Inter se	Brother of Sh. Adarsh Gupta	Brother of Sh. Adesh Kumar Gupta	Brother of Sh. Sunil Bansal	Brother of Sh. Shammi Bansal	None	None
Experience/ Expertise in Specific Functional Areas	• 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 two 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.	• He has been working as Director of the Company since 1990 and as Executive Director since 1995. • He is having experience of more than two decades in footwear Industry. • He participates in overall management of the Company right from the stage of formulation of policies till its implementation and follows up. • He is also guiding the core functional team of the Company with his vital inputs towards effective working of Company's retail operations, Brand Promotions, Investors Relations and formulating the strategies and plan for growth of the Company.	• He has been working as Director of the Company since 1990 and as Executive Director since 1995. • He is having experience more than two decades in footwear Industry. • He has been credited with various initiatives in 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 at Haryana, Uttrakhand, and Himachal Pradesh.	• He has been working as Director of the Company since 1990 and as Executive Director since 2009. • He is having experience of more than two decades in footwear Industry. • He has been looking after the overseas operations of the Company and has played a key role in all strategic matters and also guiding Leather Shoes production team with his experience.	• A renowned Business personality and actively participates in State level CII activities. • She is having vast experience of managing the hospitality sectors.	• He is a Law Graduate and has been advising the Company on various legal matters of the Company for last several years. • He possesses a vast wealth of legal knowledge and has a proven record of providing indispensable legal advice to the Company and delivering positive outcomes for the Company.
List of directorship held in other Companies	• Geofin Investments Pvt. Ltd. • Liberty Automotive Pvt. Ltd. • Liberty Organosys Ltd. • Sunfest Infratech & Power Pvt. Ltd. • Sunfest Runcom Technology Pvt. Ltd.	• Inspiration Idea Innovations & Productions Pvt. Ltd. • Liberty Foot Fashion Middle East FZE, Dubai	• Little World Constructions Pvt. Ltd.	• Little World Constructions Pvt. Ltd.	• Great Value Hotels Pvt. Ltd. • Great Value Express Hospitality Private Limited	None
List of membership in committees of other Companies	None	None	None	None	None	None
Shareholding of Executive / Non-Executive director(s)	95,000 Equity Shares	11,000 Equity Shares	2,40,640 Equity Shares	2,13,640 Equity Shares	Nil	Nil

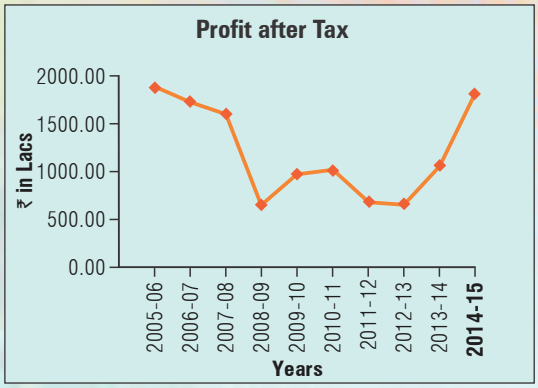
Ten Years' Figures at a Glance

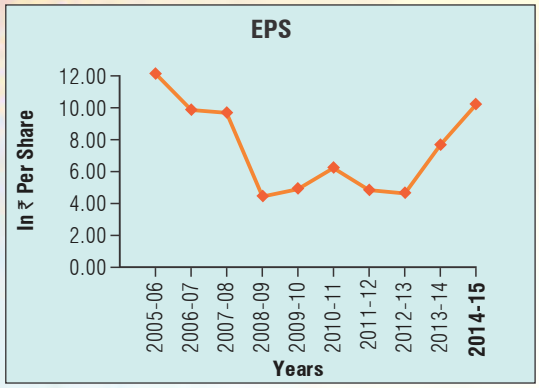
(₹ In Lacs)

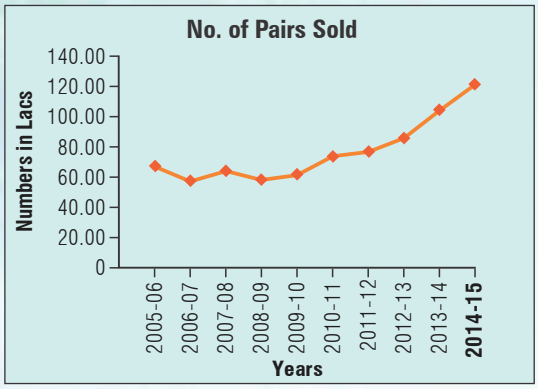
S. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	Sales & Other Income	22223.09	23921.76	26296.46	24863.46	26684.94	30658.18	34726.67	35433.33	50136.12	**54874.47**
2	EBIDTA	3227.05	3245.01	3542.73	2609.18	2464.13	2450.33	2958.26	2740.23	4116.46	**4371.95**
3	Profit after tax	1849.28	1701.95	1605.14	754.52	967.21	1028.95	757.85	717.29	1339.45	**1706.20**
4	EPS (In ₹)	12.88	9.99	9.42	4.43	5.68	6.04	4.48	4.21	7.86	**10.01**
5	No. of Pair sold (In Lacs)	67.91	58.87	64.31	59.12	64.31	76.57	78.15	85.34	113.10	**121.79**
6	Gross Block	7970.30	11055.30	12606.40	13172.97	13653.25	14595.28	15343.40	16150.64	19269.80	**20831.56**

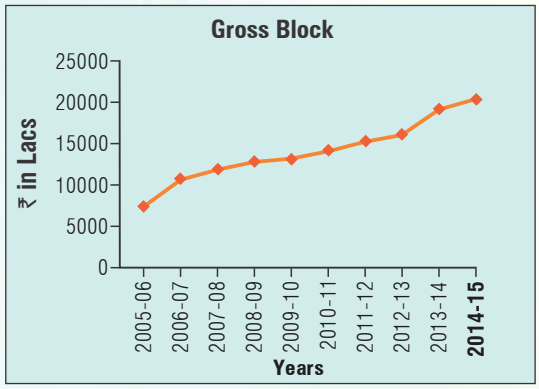












Key Revenue Statement

Statement of Value Addition

(₹ In Lacs)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Income from Production	20473.18	22214.56	24785.08	24044.38	26066.87	29694.02	33228.52	33492.67	48348.87	**52389.01**
Other Income	111.11	167.28	507.11	140.79	73.46	128.16	103.84	160.41	75.93	**228.30**
Total Corporate Output	20584.29	22381.84	25292.19	24185.17	26140.33	29822.18	33332.36	33653.08	48424.80	**52617.31**
Less: Cost of Materials	9017.53	10109.70	12497.39	12821.95	13691.90	15400.19	17119.62	17088.72	25333.30	**27298.94**
Less: Manufacturing Expenses	6315.46	6852.68	6944.59	6626.81	7234.68	8344.47	9898.89	9858.92	13164.50	**14686.84**
Gross Value Addition	5251.30	5419.46	5850.21	4736.40	5213.75	6077.52	6313.85	6705.44	9927.00	**10631.53**
Less: Depreciation	399.99	463.35	637.97	659.46	679.25	680.94	738.91	805.11	1106.56	**1242.38**
Net Value Addition	4851.31	4956.11	5212.24	4076.94	4534.50	5396.58	5574.94	5900.33	8820.44	**9389.15**
Allocation Amongst Employees	1991.56	2123.27	2260.92	2091.86	2703.17	3567.90	3679.42	3965.21	5798.18	**6282.44**
Taxes	571.84	249.22	11.62	(25.84)	(35.06)	(21.16)	(34.93)	18.13	116.12	**(44.98)**
Interest & Financial Charges	474.18	881.69	1334.57	1256.41	899.19	820.89	1172.60	1230.09	1607.27	**1606.67**
Dividend	253.50	-	-	-	-	-	-	-	255.60	**255.60**
Previous year adjustments	(42.57)	(16.38)	8.97	2.43	46.90	20.68	(4.79)	(30.39)	2.86	**(108.85)**
Retained Earnings	1602.80	1718.32	1596.16	752.08	920.30	1008.27	762.64	717.29	1040.41	**1398.27**

*The Impact of Provision for Excise Duty against finished goods lying in stocks has not been considered. For Retained earnings previous year adjustment, if any, has been considered.

Statement of Import/Export

(₹ In Lacs)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
CIF value of Imports & other Expenses	2168.63	3819.94	1407.26	872.67	876.02	1469.66	1872.63	1793.94	2203.33	3115.49
FOB Value of Exports	6135.64	4624.39	4478.04	3779.78	3678.98	4298.82	4735.73	3789.09	4511.56	4850.73
Net Gain/Loss	3967.01	804.45	3070.78	2907.11	2802.96	2829.16	2863.10	1995.15	2308.23	1735.34

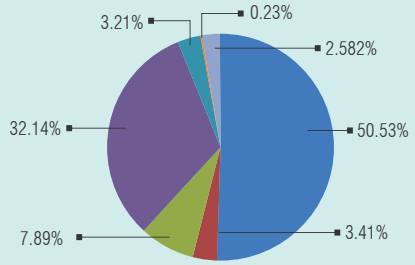
Statement of Contribution to Public Exchequer

(₹ In Lacs)

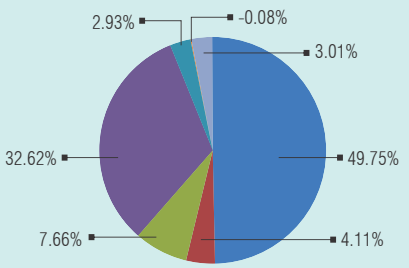
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Income Tax	523.31	281.71	220.78	149.40	210.05	235.92	207.57	142.65	276.63	316.34
Custom Duty*	566.42	866.43	435.66	257.09	216.95	356.75	422.17	642.74	605.99	771.41
Excise Duty*	1638.81	1539.93	1004.27	708.29	544.62	836.00	1394.31	1797.90	1711.33	2257.15
Sales Tax/VAT	1196.19	1232.98	1112.60	820.58	915.18	977.30	991.94	1207.74	1616.99	2300.20
Total	**3924.73**	**3921.05**	**2773.31**	**1935.36**	**1886.80**	**2405.97**	**3015.99**	**3791.03**	**4210.94**	**5645.10**

*Excise Duty includes service tax & CENVAT reversal on exempted goods.

Distribution of Rupee Earned (in%) for 2013-14 & 2014-15



Total Rupees Earned in Lacs 50136.123 2013-14



Total Rupees Earned in Lacs 54874.46 Lacs 2014-15

- Raw Materials (%)
- Excise Duty (%)
- Manufacturing Expenses (%)
- Administrative Expenses and Other Expenses (%)
- Interest & Financial Charges (%)
- Taxation (%)
- Profit After Tax (%)

Directors' Report

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report of the Company together with the Audited Annual Accounts for the financial year ended 31st March, 2015.

In addition to the Audited Annual Accounts for the financial year ended 31st March, 2015, your Company has also presented its consolidated financial statements after considering the Audited Annual results of its overseas wholly owned subsidiary Liberty Foot Fashion Middle East FZE in accordance with the requirements of the applicable Accounting Standards and provisions of the Listing Agreement with the Stock Exchanges.

Financial Highlights (Standalone):

The highlights of the financial statements are as under:-

(₹ In Lacs)

Particulars	2014-15	2013-14
Gross Sales	54,646.16	50,060.20
Less: Excise Duty	2,257.15	1,711.33
Net Sales	52,389.01	48,348.87
Add: Other Income	228.30	75.93
Revenue from Operations and Other Income	52,617.31	48,424.79
Profit before Depreciation, Finance Costs and Tax	4,420.43	4,148.54
Less: Finance Costs	1,606.68	1,607.27
Less: Depreciation & Amortisation	1,242.38	1,106.57
Profit Before Exceptional Items	1,571.37	1,434.71
Less: Exceptional Items	71.34	19.72
Profit Before Tax Expense	1,500.03	1,414.99
Less: Tax Expenses	(206.17)	75.54
Net Profit for the year	1,706.20	1,339.45
Proposed Dividend (Including Provision for Corporate Dividend Tax)	307.93	299.04

Review of the operations of the Company:

Your Company, during the year under consideration continuing with its focus on strengthening its front end operations, has achieved Gross Sales of ₹5,46,46.16 Lacs as against of ₹50060.20 Lacs in the previous year. Your Company for the year under consideration achieved a Net Profits of ₹1706.20 Lacs which was 27% higher than the Net Profits of ₹1339.45 Lacs earned in the previous corresponding year

The domestic sales have increased by over 9% whereas exports have grown by around 8% as compared to their performance in the corresponding previous year. Your Company, in its continuous efforts to better its position in the footwear market has further improved its merchandising range and quality which has resulted in over 9% growth in number of pairs sold by the Company during the year under consideration.

In terms of geographical presence, though North India still contributes a significant portion in Domestic Sales but Sales in South India, where Company has been focusing for last few years, has also witnessed a notable growth in the year under consideration. In future, besides strengthening these two zones, the Company has plans to increase its presence in other potential areas also.

The members are aware that Your Company had arrangements with M/s. Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms of the Group in which few of the directors and their relatives are interested, for the exclusive use of their manufacturing facilities and fixed assets, trademarks & distribution networks valid till March 31, 2015. The members were also informed earlier that considering the enduring benefits of unlocking the shareholders' value by acquiring the said tangible and intangible assets of these two firms, your Company had proposed the acquisition of the assets from the aforesaid firm(s).

In pursuance of the Company's earlier proposal, Your Company has executed a Memorandum of Understanding (MOU) with the above two Partnership firms on March 31, 2015 for acquisition of their respective business of footwear. In terms of the said MOU, the related transactions are 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 subject to the approval of the shareholders and the requisite statutory approvals required, if any

Your Directors have also pleasure in informing that M/s CARE Ltd., the accredited rating agency has awarded A- (Pronounced as Single A(-) rating to the Company's credit facilities wherein the outlook of the rating has been stated as having adequate degree of safety regarding timely servicing of financial obligation. This has helped Company to avail favorable terms from its bankers for its various banking facilities.

Your Directors, have been mentioning that footwear has a tremendous potential in domestic as well as in the overseas markets because of its inherent strength. Your Directors would continue to strive its efforts to exploit this potential and with improvement in the present economic scenario and new strategies in place, your Directors foresee a better opportunity to increase its foot print and emerge as a stalwart

in the growing footwear markets.

Awards and Recognition

Your Directors are pleased to inform that your Company has been awarded with various prestigious awards and recognitions during the year under consideration amongst those, Awards received from "Admired Brand of Asia", Admired Leader of Asia, CII Innovation Award and quality & excellence in IT operations are the prominent one besides receiving of recognitions by leading business and industrial magazines/news papers.

Subsidiary Company & Consolidated financial statement:

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

The Wholly Owned Overseas Subsidiary of the Company M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai has not yet started its operation and has incurred nominal routine expenses during the year under consideration which has been accounted while consolidating its financial statements with the Company. Your Company till 31st March, 2015 has invested a sum of ₹302.42 Lacs (Previous Year ₹302.42 Lacs) in LFF as its capital contribution. The financial results of LFF have been consolidated with the Company in compliance with AS-21 of the Accounting Standard issued by the Institute of Chartered Accountants of India.

As required under the Listing Agreements entered into with the Stock Exchanges, Consolidated financial statements of the Company and its subsidiary Company is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 129 of the Companies Act, 2013.

The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's wholly owned subsidiary are given in Annexure I in Form AOC-1 and the same forms part of this report.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of wholly owned subsidiary, are available on the website of the Company. The annual accounts of the wholly owned subsidiary and the related information will be made available to any member of the Company/its wholly owned subsidiary seeking such information and are available for inspection by any member of the Company/ its wholly owned subsidiary at the Registered Office of the Company.

Appropriations:

Dividend

Your Directors have recommended a dividend of ₹1.50/- per Equity Share on ₹17,04,00,000 Equity Share Capital (i.e. 15% on equity share of ₹10/- each) for the financial year ended 31st March, 2015 for the payment to the shareholders subject to the approval of the members at the ensuing Annual General Meeting. The total outflow on equity dividend including corporate tax on dividend for the year ended 31st March, 2015 will be ₹307.93 Lacs as against ₹299.04 Lacs paid last year. The dividend, if approved at the ensuing Annual General Meeting of the Company will be payable to those shareholders whose names appear on the Company's register of members as at the end of business hours of Tuesday, 22nd September, 2015. In respect of shares held in dematerialized form, the dividend shall be payable on the basis of beneficial ownership as at the end of business hours of Tuesday, 22nd September, 2015 as per the details furnished by National Securities Depositories Ltd./Central Depositories Services (India) Ltd. for the purpose, as on that date.

Transfer to Reserves

Your Directors proposed to transfer ₹600.00 Lacs (Previous Year ₹600.00 Lacs) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹138.94 Lacs (Previous Year ₹440.41 Lacs) 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, 2015, 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.

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 for 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 program extended to the Non-executive & Independent Directors during the year are disclosed on the Company website viz. www.libertyshoes.com.

Nomination & Remuneration Policy

The Board of Directors of your Company has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted a policy for selection, appointment and remuneration of Directors & Senior Management Personnel. The contents of the policy and evaluation criteria are stated in the corporate Governance Report. The above Nomination and Remuneration Policy is set out in Annexure II of this Report. The Policy is also available on the website of the Company i.e. 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 and Clause 49 of the Listing Agreement, the Company has developed a Risk Management Policy to build and establish the process and procedure for Identifying, assessing, quantifying, minimized, 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 types 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.

Whistle Blower Policy (Vigil Mechanism)

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013, Your Company has an effective mechanism of reporting illegal or unethical behaviour. 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 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. ethicscounselllors@libertyshoes.com. Individuals can also raise their concerns directly to the CEO or the Chairman of the Audit Committee of the Company. The Ethics Committee comprises of four members including CEO & Executive Director, CFO & Company Secretary, Internal Auditor and a senior functional head. The committee is authorised by the Board of Directors of the Company for the purpose of receiving all complaints under the policy and in ensuring appropriate action. Any allegation that fall within the scope of the concerns identified are investigated and dealt with appropriately. The ethics counsellors periodically submit the report on complaints received, if any and the action taken to the Audit Committee. During the year under consideration, no Individual 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. Shammi Bansal and Sh. Sunil Bansal, Directors of the Company, retire by rotation in pursuance of the provisions of Section 152 of the Companies Act, 2013 and being eligible offer themselves for the re-appointment at the ensuing Annual General Meeting.

Re-appointement(s) of office of Directors

Sh. Adesh Kumar Gupta, CEO & Executive Director, Sh. Adarsh Gupta and Sh. Shammi Bansal, Executive Director(s), whose period of office has come to an end on 31st March, 2015. The Board of Directors, in their meeting held on 29th May, 2015, have approved their re-appointment for further period of 3 years w.e.f. 1st April, 2015, subject to the approval of the members.

A brief profile along with the necessary details of Directors seeking their re-appointment thereof has been provided in the Annexure-A of the Annexure to the Notice of the Annual General Meeting as required under Clause 49 of the Listing Agreement entered into with Stock Exchange(s).

Appointment(s) and Cessation of office of Directors

(a) Appointment of Smt. Lovelena Mody as Women Director

Smt. Lovelena Mody is a renowned Business personality and actively participates in State level CII activities. She is having a vast experience of hospitality sectors. Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI guidelines, the Board of Directors in their meeting held on 23rd January, 2015 appointed Smt. Lovelena Mody as Women Director. Smt. Mody was appointed as additional director in terms of the provisions of Section 161 of the Companies Act, 2013 to hold the office up to the date of this Annual General Meeting. Accordingly, her office is coming to an end on the date of forthcoming Annual General Meeting. Considering her profile, qualification, experience, independent relationship with the management of the Company and in compliance with the above provisions and the rules made there under and the requirements of the above provisions of the Companies Act, 2013 and SEBI guidelines, the Board of Directors in their meeting held on 29th May, 2015 proposed the appointment of Smt. Mody as Independent Director of the Company for a period of 3 (three) years w.e.f. 29th September, 2015 to 28th September, 2018, subject to the approval of the members.

(b) Appointment of Sh. Ashok Kumar as Executive Director

Sh. Ashok Kumar is a Law Graduate and has been advising the Company on various legal matters of the Company for last several years. Sh. Ashok Kumar was appointed as Additional Director of the Company w.e.f. 23rd January, 2015 to hold the office up to the date of this Annual General Meeting. Accordingly, his office is coming to an end on the date of forthcoming Annual General Meeting and the Board of Directors, considering his experience, qualification and valuable contribution in the Company, in their meeting held on 29th May, 2015 proposed his appointment as Director of the Company liable to retire by rotation and further as Executive Director for a period of 3 years w.e.f. 1st June, 2015 to 31st May, 2018, subject to the approval of the members.

A brief profile along with the necessary details of Directors seeking their appointment/ re-appointment thereof has been provided in the Annexure-A of the Annexure to the Notice of the Annual General Meeting as required under Clause 49 of the Listing Agreement entered into with Stock Exchange(s).

c) Cessation of office of Sh. Satish Kumar Goel, Director of the Company due to resignation

Sh. Satish Kumar Goel, Non-Executive Director of the Company due to his pre-occupation has resigned from the position of Directorship of the Company w.e.f. 29th May, 2015. The Board members acknowledged the valuable services rendered by Sh. Satish Kumar Goel during his tenure as Director of the Company and expressed its appreciation and gratitude for the same.

Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMPs) of the Company as per the provisions of the Companies Act, 2013 (the Act) and were already in office before the commencement of the Act:-

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

After commencement of the Act, Sh. Munish Kakra was appointed as Chief Financial Officer (CFO) of the Company during the year under consideration.

Subject to the approval of the members, Sh. Ashok Kumar was appointed as Executive Director of the Company w.e.f. 1st June, 2015. None of the above KMPs has resigned during the year under consideration.

Number of meetings of the board

Six meetings of the board were held during the year. Details of the board meetings held during the year, has been given in Corporate Governance Report.

Annual Evaluation of Directors and Board as a whole

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by 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 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 Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The performance evaluation as carried out by the Board of Directors, Nomination and Remuneration committee and Independent Directors at their respective meetings were based on Feed-back form received from Directors. Feed-back form carried a structured questionnaire prepared after taking in to consideration various aspects of the Board's functioning and submit their report accordingly.

The basis of the report submitted by the Board of Directors, Nomination and Remuneration committee and Independent Directors in regard to performance evaluation of Independent Directors, Board, Committee and other individual Directors evaluate its own performance and of its committees and of the Independent Directors as per the provisions of Section 134 (3) (p) and Clause VIII of schedule IV of the Companies Act, 2013. The said reports were discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

The Directors expressed their satisfaction with the entire performance of evaluation process.

Events Subsequent to the Date of Financial Statements

As per the provisions of Section 134 (3) (1) of the Companies Act, 2013, no material changes or commitments affecting the financial position have been occured between the end of financial year of the Company to which the financial statements relates 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 Clause 49 of the Listing Agreement.

Directors' Responsibility statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, yours directors, to the best of their knowledge and their belief, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no

material departures;

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;

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 2014-15.

Audit Committee and their Recommendations/ Observations

The details pertaining to composition of Audit Committee are 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, 2015 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s Pardeep Tayal & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company from the conclusion of the Twenty Eight (28th) Annual General Meeting held on 29th September, 2014 till the conclusion of the Thirty First (31st) Annual General Meeting of the Company to be held in the year 2017, subject to the ratification of their appointment by the Members of the Company in their every Annual General Meeting.

Your Company's Directors have examined the Statutory Auditors' Report on Annual Accounts of the Company and observed that no reservation, qualification or adverse remark was 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.

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 2014-15 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, 2015 has been submitted by M/s Sanjay Grover & Associates and 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 was made by the Secretarial Auditors except emphasis on unspent amount on CSR activities as required pursuant to section 135 of the Act and Composition of Board of Directors in terms of clause 49 of the Listing Agreement. The Board of Directors have given reason of unspent amount on CSR activities in the Section "Annul Return on CSR Activities" forming part of this report as Annexure V. As on date of this report, the Requirements of clause 49 of the Listing Agreement with regard to the Composition of Board of Directors have been complied with.

Internal Auditors and their Report

Your Directors have appointed M/s Rakesh Kanwar & Co. Karnal, Haryana, Chartered Accountants, 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 2014-15 for conducting the Internal Audit of the books of accounts and 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 31st, 2015 has been submitted by M/s Rakesh Kanwar & Co. Karnal, Haryana, Chartered Accountants which has been duly considered and requisite actions were taken by the Audit Committee and reports thereon 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 was made by the Internal Auditors.

Particulars of loans, guarantees and investments

As per the provisions of Section 186 (4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 Company has not granted any loan, Guarantee or made any investments during the year under review.

Significant and material regulatory 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 2014-15, all transactions entered by the Company with Related Parties as defined under the Companies Act, 2013, Rules made thereunder and revised clause 49 of the Listing Agreement with Stock Exchanges, 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. During the year under consideration, the Audit Committee and Board of

Directors granted their approval for other transactions not repetitive in nature with the related parties in terms of section 188 of the Companies Act, 2013 and rules made thereunder. Your Company does not have a material unlisted subsidiary. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Your Company did not have any related party transactions which required prior approval of the Shareholders. However, the Company has been doing transactions for last 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 the Companies Act, 1956. All the related party transactions have been disclosed in the Notes to the financial statements as required under AS-18.

The Board had approved and adopted policies on Related Party Transactions which have been uploaded on the Company's website www.libertyshoes.com under the investors relations section.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III and the same forms part of this report.

During the financial year 2014-15, 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.

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.

Corporate Social Responsibility (CSR)

Liberty has always initiated the activities for the development of Society at large to help the needy and poor people like every year. The Company, as its social initiative, has focused on providing the medical facilities to the local community at Karnal, donations for development of roads and footpaths at Karnal, providing skill enhancement training to local people and promoting sports by sponsoring programmes at district level.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under consideration are set out in Annexure V of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is also available on the website of the Company.

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, 2015, the Committee did not receive any complaint pertaining to sexual harassment.

Disclosure requirements

As per Clause 49 of the listing agreements entered into with the stock exchanges, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and Analysis Report are attached, which form part of this report.

Details of the familiarization program of the Independent Directors are available on the website of the Company (URL: www.libertyshoes.com/investors).

Policy on dealing with related party transactions is available on the website of the Company (URL: www.libertyshoes.com/investors).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: www.libertyshoes.com/ investors).

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).

Acknowledgements:

Your Directors place on record their sincere appreciation for the cooperation and support received from the shareholders, Bankers, Channel Partners and the Government Authorities.

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

Place: New Delhi
Dated: Friday, 29th May, 2015

Annexure-I to Directors' Report

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures.

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

(Amount in ₹ except % of shareholding)

1	Name of the Subsidiary Company	Liberty Foot Fashion Middle East, FZE*
2	Financial period ended	31st March, 2015
3	Reporting Currency/ Exchange rate	1 AED = ₹16.97
4	Share capital	1,69,70,000
5	Share Application Money	2,61,23,211
6	Reserves & Surplus	(61,61,675)
7	Total Assets	4,14,18,225
8	Total Liabilities	4,14,18,225
9	Investments	-
10	Turnover*	-
11	Profit (Loss) before taxation	(13,93,100)
12	Provision for taxation	-
13	Profit (Loss) after taxation	(13,93,100)
14	Proposed Dividend	-
15	% of shareholding	100

*The Wholly owned subsidiary Company has not commenced its operations.

Annexure-II to Directors' Report

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 and senior management 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 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.

In Liberty Shoes Ltd., the Board of Directors at its meeting held on 29th May, 2014 reconstituted and changed the nomenclature of the existing Remuneration and Selection Committee of the Board to "Nomination and Remuneration Committee" and on the recommendation of the Nomination and Remuneration Committee approved this policy during the financial year 2014-15 as "Nomination and Remuneration Policy" of Liberty Shoes Limited.

DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Liberty Shoes Ltd."
- "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" 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.

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 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 and Senior Management.

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.

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:

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

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- 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 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 1 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:

  The 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. 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 P.F, 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:

     Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
  4. Stock Options:

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

Annexure-III to Directors' Report

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	57.14
Sh. Adarsh Gupta	-
Sh. Shammi Bansal	57.14
Sh. Sunil Bansal	57.14
Sh. Adeesh Kumar Gupta	57.14

Sh. Adarsh Gupta has not drawn remuneration during the financial year 2014-15

Non Executive directors: No remuneration has been paid to the Non Executive Directors, except payment of sitting fee for attending the Board Meeting or Committee thereof.

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

Directors, Chief Executive officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year (%)
Sh. Adesh Kumar Gupta, CEO & Executive Director	-
Sh. Adarsh Gupta, Executive Director	-
Sh. Shammi Bansal, Executive Director	-
Sh. Sunil Bansal, Executive Director	-
Sh. Adeesh Kumar Gupta, Executive Director	-
Sh. Munish Kakra, CFO & Company Secretary	10.00

(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: 2418

(e) The explanation on the relationship between average increase in remuneration and Company performance: On an average, employees received an annual increase of 10% in India. The individual increments varied from 5% to 15%, based on individual performance. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organisation performance, apart from an Individual performance.

(f) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnels (KMPs) in financial year 2015 (₹ In Lacs)	225.00
Revenue (₹ In Lacs)	54,646.17
Remuneration of KMPs (as a % of revenue)	0.41
Profit before Tax (PBT) (Rs. In Lacs)	1,500.03
Remuneration of KMPs (as a % of PBT)	15.00

(g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (₹ In Lacs)	42,174.00	25,202.16	67.34
Price Earning Ratio (PE Ratio)	24.73	18.82	31.40

(h) Percentage increase over decrease in the market quotations of the shares of the Company comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	August 9, 1994 (IPO)	July 18, 2005 (IPO)*	% Change
Market Price (BSE)	247.00	99.00	49.50	398.99
Market Price (NSE)	247.50	99.00	49.50	400.00

*Adjusted for 1:1 bonus issue in 2005

(i) 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 are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 10%. However, during the course of the year, the total increase is approximately 11%, after accounting for promotions and other event based compensation revisions.

There was no increase in the managerial remuneration for the current year in comparison to the last year.

(j) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Sh. Adesh Kumar Gupta, CEO & Executive Director	*Sh. Adarsh Gupta, Executive Director	Sh. Shammi Bansal, Executive Director	Sh. Sunil Bansal, Executive Director	Sh. Adeesh Kumar Gupta, Executive Director	Munish Kakra, CFO & Company Secretary
Remuneration in FY 15 (₹ In Lacs)	48.00	-	48.00	48.00	48.00	33.00
Revenue (₹ In Lacs)	54,646.17					
Remuneration as % of revenue	0.09	-	0.09	0.09	0.09	0.06
Profit before Tax (PBT) (₹ In Lacs)	1,500.03					
Remuneration as % of PBT	3.20	-	3.20	3.20	3.20	2.20

*Sh. Adarsh Gupta has not drawn remuneration during the financial year 2014-15

(k) The key parameters for any variable component of remuneration availed by the directors: During fiscal 2015, no director received remuneration with variable component.

(l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: During fiscal 2015, no employee received remuneration in excess of the highest-paid director.

(m) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

Annexure- IV to Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015
[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 Ltd.
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	2910	100

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	Liberty Foot Fashion Middle East FZE P.O. Box 50553, Dubai, UAE	Not Applicable	Subsidiary	100	2(87)

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

I.	Category-wise Share Holding Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	A. Promoters									
a.	Individuals/Hindu Undivided Family	6506630	83360	6589990	38.67	6506630	83360	6589990	38.67	-
b.	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	4472517	-	4472517	26.25	4472517	-	4472517	26.25	-
d.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		**10979147**	**83360**	**11062507**	**64.92**	**10979147**	**83360**	**11062507**	**64.92**	**-**
2	**Foreign**									
a.	Individuals (Non-Resident Individuals/ Foreign Individuals	-	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A)		**10979147**	**83360**	**11062507**	**64.92**	**10979147**	**83360**	**11062507**	**64.92**	**-**
B.	**Public Shareholding**									
1	Institutions									
a.	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	11160	700	11860	0.07	12844	700	13544	0.08	0.01
c.	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	-	-	-	-	21000	-	21000	0.12	0.12
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Foreign Portfolio Investors (Corporate)	-	-	-	-	-	-	-	-	-
j.	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		**11160**	**700**	**11860**	**0.07**	**33844**	**700**	**34544**	**0.20**	**0.13**
2	**Non-Institutions**									
a.	Bodies Corporate	836834	2700	839534	4.93	810585	2700	813285	4.77	(0.15)
b.	Individuals									
i	Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	2048226	211640	2259866	13.26	2094278	203238	2297516	13.48	0.22
ii	Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	971898	24180	996078	5.85	2605909	24180	2630089	15.43	9.59
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any Other (specify)									
i.	Trusts	-	-	-	-	400	-	400	-	-
ii.	Foreign Companies	-	-	-	-	-	-	-	-	-
iii.	Clearing Members/Clearing Houses	62697	-	62697	0.37	126567	-	126567	0.74	0.37
iv.	Hindu Undivided Families	1754791	100	1754891	10.30	-	-	-	-	(10.30)
v.	Non-Resident Indians	51767	200	51967	0.30	74292	200	74492	0.44	0.13
vi.	Directors and their relatives	600	-	600	-	600	-	600	-	-
Sub-Total (B) (2)		**5726813**	**238820**	**5965633**	**35.01**	**5712631**	**230318**	**5942949**	**34.88**	**(0.13)**
Total Public Shareholding (B)=(B)(1) + (B) (2)		**5737973**	**239520**	**5977493**	**35.08**	**5746475**	**231018**	**5977493**	**35.08**	**-**
Total (A) + (B)		**16717120**	**322880**	**17040000**	**100.00**	**16725622**	**314378**	**17040000**	**100.00**	**-**
C.	**Shares held by Custodians and against which Depository Receipts have been issued**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A) +(B)+('C)		**16717120**	**322880**	**17040000**	**100.00**	**16725622**	**314378**	**17040000**	**100.00**	**-**

ii.	Shareholding of Promoters							
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% 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. SHAMMI BANSAL	240640	1.41	-	240640	1.41	-	-
2	Smt. KAMLAWATI	13600	0.08	-	13600	0.08	-	-
3	Sh. ANMOL GUPTA	77500	0.45	-	677500	3.97	-	3.52
4	Sh. PRANAV GUPTA	242910	1.43	-	242910	1.43	-	-
5	Sh. ARPAN GUPTA	480000	2.82	-	480000	2.82	-	-
6	Sh. DINESH KUMAR GUPTA	72400	0.42	-	72400	0.42	-	-
7	Smt. REHTI DEVI	83360	0.49	-	83360	0.49	-	-
8	Sh. ADEESH KUMAR GUPTA (KARTA)	660000	3.87	-	660000	3.87	-	-
9	Sh. ADEESH KUMAR GUPTA	150360	0.88	-	150360	0.88	-	-
10	Sh. AKSHAT GUPTA	241660	1.42	-	241660	1.42	-	-
11	Sh. DINESH KUMAR GUPTA (KARTA)	640000	3.76	-	640000	3.76	-	-
12	Sh. ADESH KUMAR GUPTA (KARTA)	680000	3.99	-	680000	3.99	-	-
13	Sh. ADESH KUMAR GUPTA	95000	0.56	-	95000	0.56	-	-
14	Sh. ADARSH GUPTA	611000	3.58	-	11000	0.06	-	(3.52)
15	Sh. SUNIL BANSAL	213640	1.25	-	213640	1.25	-	-
16	Sh. RAMAN BANSAL	213640	1.25	-	213640	1.25	-	-
17	Sh. VIVEK BANSAL	214640	1.26	-	214640	1.26	-	-
18	Sh. ANUPAM BANSAL	459640	2.70	-	459640	2.70	-	-
19	Sh. AYUSH BANSAL	300000	1.76	-	300000	1.76	-	-
20	Sh. MANAN BANSAL	150000	0.88	-	150000	0.88	-	-
21	Sh. PULKIT BANSAL	300000	1.76	-	300000	1.76	-	-
22	Sh. VAIBHAV BANSAL	150000	0.88	-	150000	0.88	-	-
23	Sh. RUCHIR BANSAL	300000	1.76	-	300000	1.76	-	-
24	M/s GEOFIN INVESTMENTS PVT. LTD.	4472517	26.25	-	4472517	26.25	-	-
	Total	**11062507**	**64.92**	**-**	**11062507**	**64.92**	**-**	**-**

iii.	Change in Promoters' Shareholding (please specify, if there is no change)				
Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sh. Anmol Gupta				
1	At the beginning of the year	77500	0.45	77500	0.45
2	Promoters' Inter se transfer from Sh. Adarsh Gupta on 20.02.15	600000	3.52	677500	3.97
3	At the end of the year			677500	3.97
	Sh. Adarsh Gupta				
1	At the beginning of the year	611000	3.58	611000	3.58
2	Promoters' Inter se transfer to Sh. Anmol Gupta on 20.02.2015	600000	3.52	11000	0.06
3	At the end of the year			11000	0.06

*Except above there is no change in Promoters' shareholding between 01.04.2014 to 31.03.2015

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 01.04.2014		Cumulative Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Satish Kumar Gupta Karta	888584	5.21	863584	5.07
2	Sh. Harish Kumar Gupta	789296	4.63	764296	4.49
3	Smt. Dolly Khanna	312433	1.83	283206	1.66
4	Sh. Dheeraj Gupta	181000	1.06	178500	1.05
5	Sh. Akarsh Gupta	178750	1.05	160000	0.94
6	Kedia Securities Private Limited	175000	1.03	175000	1.03
7	Sh. Kanishk Gupta	120000	0.70	105000	0.62
8	Indianivesh Securities Private Limited	101056	0.59	-	-
9	Digvijay Commerce and Trading Private Limited	82000	0.48	-	-
10	A.K. Capital Finance Private Limited	65010	0.38	-	-

*The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

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 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
					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	01.04.2014	At the beginning of the year	95000	0.56	95000	0.56
			31.03.2015	At the end of the year			95000	0.56
2	IN30154917962368	Sh. Adarsh Gupta-Executive Director	01.04.2014	At the beginning of the year	611000	3.58	11000	0.06
			31.03.2015	At the end of the year			11000	0.06
3	IN30154918000382	Sh. Shammi Bansal-Executive Director	01.04.2014	At the beginning of the year	240640	1.41	240640	1.41
			31.03.2015	At the end of the year			240640	1.41
4	IN30115128197297	Sh. Sunil Bansal-Executive Director	01.04.2014	At the beginning of the year	213640	1.25	213640	1.25
			31.03.2015	At the end of the year			213640	1.25
5	IN30115127865552	Sh. Adeesh Kumar Gupta-Executive Director	01.04.2014	At the beginning of the year	150360	0.88	150360	0.88
			31.03.2015	At the end of the year			150360	0.88
6	IN302902/40522806	Sh. Satish Kumar Goel-Director	01.04.2014	At the beginning of the year	400	0.002	400	0.002
			31.03.2015	At the end of the year			400	0.002
7	IN301313/20186971	Sh. Ramesh Chandra Palhan-Director (Jointly with his wife)	01.04.2014	At the beginning of the year	200	0.001	200	0.001
			31.03.2015	At the end of the year			200	0.001

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		-	-	-	-
i	Principal Amount	11,391.23	179.84	-	11,571.07
ii	Interest due but not paid	2.07	-	-	2.07
iii	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		**11,393.30**	**179.84**	**-**	**11,573.14**
Change in indebtedness during the financial year		-	-	-	-
i	Addition	3,158.39	1,554.71	-	4,713.10
ii	Reduction	(678.06)	(1,721.20)	-	(2,399.26)
Net Change		**2,480.33**	**(166.49)**	**-**	**2,313.84**
Indebtedness at the Closing of the financial year		-	-	-	-
i	Principal Amount	13,871.56	13.35	-	13,884.91
ii	Interest due but not paid	7.48	-	-	7.48
iii	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		**13,879.04**	**13.35**	**-**	**13,892.39**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager					
		Sh. Adesh Kumar Gupta	Sh. Adarsh Gupta	Sh. Shammi Bansal	Sh. Sunil Bansal	Sh. Adeesh Kumar Gupta	Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in Section17(1) of the Income Tax Act, 1961	48.00	48.00	48.00	48.00	48.00	240.00
	(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**	**48.00**	**48.00**	**240.00**
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)						163.45

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	1.05	-	-	1.05
	Sh. Ramesh Chandra Palhan	0.95	-	-	0.95
	Sh. Pushpinder Singh Grewal	0.40	-	-	0.40
	Sh. Vivek Bansal	0.30	-	-	0.30
	Total (1)	**2.70**	**-**	**-**	**2.70**
2	**Other Non-Executive Directors**	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)= (1+2)	**2.70**	**-**	**-**	**2.70**
	Total Managerial Remuneration (B)	**2.70**	**-**	**-**	**2.70**
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)				16.34

C.	Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD		(₹ in Lacs)
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	2.75	2.75
	(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	**2.75**	**2.75**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015

Annexure- V to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities:

1. A brief outline of the Company's CSR policy & the composition of the CSR committee: The Board of Directors of the Company constituted its CSR committee on 29th May, 2014 which comprises of Sh. Shammi Bansal & Sh. Adeesh Kumar Gupta, Executive Directors and Sh. Raghubar Dayal & Sh. Ramesh Chandra Palhan, Non-Executive Independent Directors. The Board of Directors during the year under consideration approved the Corporate Social Responsibility Policy of the Company, which was duly reviewed and recommended by CSR Committee, in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The thrust areas of CSR Policy, inter alia, are promotion of preventive health care, rural development and education. The CSR policy are available on the website of the Company viz. www.libertyshoes.com

2. Average net profit of the Company for last three financial years for the purpose of computation of CSR, Prescribed CSR Expenditure and details and manner of CSR spent during the financial year.

The Company have spent a sum of ₹2.82 Lacs only towards its CSR activities, out of total CSR amount of ₹21.28 Lacs (being 2% of the average net profit of last three financial years viz ₹1063.90 Lacs) required to be spent during the entire financial year 2014-15 in the manner given below. As the Company is still in the process of identifying the right Trust/Societies or Establishment to be associated with, in accordance with the CSR Policy of the Company, the Company ended up spending short on its CSR activities in Financial Year 2014-15.

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

Sr. No.	CSR Projects or Activity identified	Sector which the project is covered	Projects or programs (1) Local Area or other (2) specify the state and district programs was where projects or undertaken	Amount Outlay (budget) project or programs wise (₹ in Lacs) Expenditure (2) Overheads (₹ in Lacs)	Amount spent on the projects or programs Subheads: (1) Direct (₹ in Lacs)	Cumulative Expenditure up to the reporting period (₹ in Lacs)	Amount spent: Direct or through implementing agency
1	(a) Improvement of the living conditions of inhabitants living in villages in and around Karnal district of Haryana, India	(a) Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water;	Local Area	6.00	Nil	Nil	N.A
	(b) Promotions of Preventive health care	(b) Promotions of Preventive health care	Local Area	6.00	Nil	Nil	N.A
	(c) Uplifting of the persons living below the poverty line by providing skill enhancing employment opportunities.	(c) 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 New Delhi/Others	5.00 5.00	Nil 2.82	Nil 2.82	N.A Direct
	Sub-total			22.00	2.82	2.82	
	Overhead			-	-	-	
	Total CSR spend			22.00	2.82	2.82	

3. 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.

Adesh Kumar Gupta
CEO & Executive Director

Shammi Bansal
Chairman CSR Committee

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, 2015, are given as under:

A) CONSERVATION OF ENERGY:

I) Energy Conservation measures taken

Liberty remained focused on the conservation and optimal utilization of energy at its all manufacturing units. The energy conversation measures implemented during the financial year ended 31st March, 2015 are given below:

i. Continuing arrangement for purchasing of electricity through a dedicated feeder by forming a consortium of Companies.

ii. Taking steps to enhance the efficiency of the equipments and machines by getting its regular check up, Replacement lower efficiency Motors with high efficiency motors wherever required in the plants.

iii. Regular monitoring of the energy requirements and cultivating discipline for switching off the lights and machines in case of no use.

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 in manufacturing units of the Company. Besides this Company would also supplement its efforts to conserve its water resources more efficiently.

III) Impact of the measures at (I) and (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:

i. Total energy saving in the year 2014-15: ₹6,37,175/-

ii. Energy saving per pair during the year 2014-15: ₹0.05 per pair

iii. Energy saving against total cost of consumption of energy in the year 2014-15: 0.75%

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

The Company has initiated the process of feasibility of identifying the alternative source of energy at its plants.

V) Capital Investment on energy conservation equipments

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

B) TECHNOLOGY ABSORPTION: Efforts made in technology absorption

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

- Launch of new products with innovative concepts offering value for money for its consumers.
- Introduction of process for quality and durability enhancement.
- Development of globally acceptable new range of footwear Sales.

II. The future plan of action

Distinctive efforts will be implemented in innovation capability development and improving process for product developments. Further efforts will also be implemented to develop new products after analyzing the geographical requirements.

III. Expenditure in R & D

The Company has not incurred any capital expenditure towards its research and development activities, however, has spent ₹55.35 Lacs as recurring expenditures towards its development activities.

This expenditure constitutes 0.10% of the turnover of the Company for the year under consideration.

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

The implementation of innovative technologies in various manufacturing processes has helped Liberty to improve quality of footwear and development of competence against its employees.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

I) Efforts and initiative in relation to the exports:

The Company has further strengthened its efforts to understand the overseas customer's requirements and to introduce Liberty products in untapped Countries.

II) Total foreign exchange used and earned:

During the year, the Company has earned foreign exchange of ₹4850.73 Lacs (previous year ₹4511.56 Lacs) and used foreign exchange of ₹3115.49 Lacs (previous year ₹2203.33 Lacs)

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting

Place: New Delhi
Dated: Friday, 29th May, 2015

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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 Ltd.
(CIN: L19201HR1986PLC033185)
Liberty Puram, 13th 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 Ltd.** (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 the 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, regulation, 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 31st March, 2015 ("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 31st March, 2015 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines 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, 1992;

(c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

(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; and

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines etc. mentioned above. However, the Company has an unspent amount during the year in the amount to be spent towards Corporate Social Responsibility after identification of programme/projects to be carried out under CSR Activities.

(vi) The Company is engaged in the business of manufacturing and trading of footwear and its accessories through its retail & wholesale network and is having its plants at Karnal in Haryana, Dehradun and Roorkee in Uttrakhand 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 consists of 5(Five) Executive Directors, 2 (Two) Non Executive Directors and 6(Six) Independent Directors which was not in consonance of the Clause 49 of the Listing Agreement. However, the composition of the Board is in compliance of Clause 49 of the Listing Agreement as on date of this report, as one of the Non Executive Directors stepped down from the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the reporting herein above.

Adequate seven days notice is given to all directors to schedule 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 adequate 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.

We further report that during the audit period, the Shareholders of the Company in their Annual General Meeting held on September 29, 2014 passed the special resolution(s)-

a) Pursuant to section 180(1)(c) of the Act for fixing the borrowing limit of the Company upto ₹500 Crores (Rupees Five Hundred Crores Only);

b) Pursuant to section 180(1)(a) of the Act for creation of mortgage, hypothecation, pledge, charge or/and security upon the assets of the Company upto ₹500 Crores (Rupees Five Hundred Crores Only).

For Sanjay Grover & Associates
Company Secretaries

Place: New Delhi
Dated: Friday, 29th May, 2015

Sanjay Grover
CP No.: 3850

Corporate Governance Report

1. Company's philosophy on Code of Governance

The Liberty's philosophy of Corporate Governance is to achieve the business excellence and its dedication for enhancing shareholders value through promoting accountability, transparency & corporate fairness in all its transactions.

Liberty understands that the compliances of applicable statutes and timely disclosures enhance the perception of the Company and also the trust of all stakeholders.

"Liberty" continuously strive at improving and adhering to the good governance practice.

2. Board 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.

Your Company retains an experienced professionals and entrepreneurs on its Board having understanding of diversified Industries and the overall administration. Such distinctive combination has benefitted the Company for managing its affairs in the interest of its stakeholders.

Your Company endeavors to have a judicial mix of executive, non executive and Independent Directors, so as to have independence on the Board and separate its function of governance from that of management. 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 12 (Twelve) Directors including (1) one woman Director, out of which 6 (Six) are Executive Directors and 6 (Six) are Non Executive Independent Directors. Further, we have Audit, Nomination and Remuneration, Management, Stakeholders Relationship and Corporate Social Responsibility Committees, which comprise of Non Executive-Independent Directors and Executive Directors in compliance with applicable Listing Guidelines 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 2014-15 except one Board meeting held on 31st March, 2015 and he represents the promoter group of the Company.

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.

(a) Composition

As on date of this report, the composition of the Board of Directors of the Company is as under:

Category	Number of Directors
Executive Director(s)	6
Non - Executive Independent Director(s)	6
Total	**12**

(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 circulations, 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 Annexure IA to Clause 49 of the Listing Agreement with Stock Exchanges 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 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.

c) Board Meetings

During the financial year 2014-15, 6 (Six) Board Meetings were held viz. on 17th April, 29th May, 23rd July, 13th October 2014 and 23rd January & 31st March 2015. The maximum interval between any two Board Meeting(s) was not more than four months. 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, 2015 have been made by the directors.

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

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, 2015 are given as under:

Sr. No.	Name of the Director(s)	Directorship Identification No. & Category of Directorship	No. of Board Meetings held & attended	Attendance at the last AGM	No. of other Directorship as on 31st March, 2015	No. of Committee	
						Member-ship	Chairman-ship
1.	Sh. Adesh Kumar Gupta	00143192 Promoter & ED	6(5)	Yes	5	-	-
2.	Sh. Adarsh Gupta	00161193 Promoter & ED	6(6)	Yes	4	-	-
3.	Sh. Shammi Bansal	00138792 Promoter & ED	6(4)	Yes	1	-	-
4.	Sh. Sunil Bansal	00142121 Promoter & ED	6(6)	Yes	1	-	-
5.	Sh. Adeesh Kumar Gupta	00137612 Promoter & ED	6(6)	Yes	1	-	-
6.	Sh. Satish Kumar Goel*	00143415 NED	6(5)	Yes	-	-	-
`7.	Sh. Raghubar Dayal	00481803 NED (I)	6(6)	Yes	-	-	-
8.	Sh. Amitabh Taneja	00031257 NED (I)	6(1)	No	13	1	2
9.	Sh. Vivek Bansal	00939232 NED (I)	6(2)	No	1	-	-
10.	Sh. Ramesh Chandra Palhan	05241019 NED (I)	6(6)	Yes	-	-	-
11.	Sh. Pushpinder Singh Grewal	06364475 NED (I)	6(5)	Yes	-	-	-
12	Smt. Lovelena Mody**	01279148 NED	1(-)	N.A.**	2	-	-
13	Sh. Ashok Kumar***	06883514 ED	1(1)	N.A.***	-	-	-

*Resigned w.e.f. 29.05.2015 **Appointed as Women Director w.e.f. 23.01.2015, therefore not available.
***Appointed as Additional Director w.e.f. 23.01.2015, therefore not available.

(d) Independent Directors

All the Independent Directors of the Company are satisfying the requirements as specified in the clause 49 (II) (B) of the Listing Agreements 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 that he/she meets the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 and also under clause 49 of the listing agreement.

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, or its Subsidiary or with the Promoters/ Directors/Senior Management that may affect their judgment in any manner.

Shareholding of Non-Executive (including Independent) Directors as on 31st March, 2015

Name of the Director	Category	No. of Shares held	Beneficiary
Sh. Satish Kumar Goel	Non-Executive Director*	400	Self
Sh. Ramesh Chandra Palhan	Non-Executive and Independent Director	200	Jointly with his wife

**Resigned w.e.f. 29.05.2015*

As per the information provided by the Non-Executive (including Independent) Directors of the Company, apart from above, none of the Non Executive (including Independent) Directors hold any share (as own or on behalf of any other person on beneficial basis) in the Company.

During the year 2014-15, information as mentioned in Annexure-X to clause 49 of the Listing Agreements has been placed before the Board for its consideration.

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

During the year, a separate meeting of the Independent directors was held on 31st March, 2015 inter-alia to evaluate the performance of the Board, its Committees, Chairman and the individual Directors of the Company.

The meeting was attended by all the independent Directors except Sh. Amitabh Taneja, Sh. Vivek Bansal and Smt. Lovelena Mody.

(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 2014-15, ₹ 2,70,000/- has been paid as sitting fees to Non-executive Independent Directors. 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. During the year under review, the Company has made amendments to its Code of conduct to bring it in line with the regulatory changes. The duties of independent Directors of the Company were incorporated in the Code to make it more robust. The revised Code was approved by the Board.

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

All Directors and employees including senior management of the Company have affirmed compliance with the Code for the year ended 31 March, 2015. A declaration signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to this effect is part of the Annual Report.

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

Sh. Shammi Bansal and Sh. Sunil Bansal retires by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re appointment.

Sh. Adesh Kumar Gupta, CEO & Executive Director, Sh. Adarsh Gupta and Sh. Shammi Bansal, Executive Director(s), whose period of office expired on 31st March, 2015. The Board of Directors, in their meeting held on 29th May, 2015, have approved their re-appointment for further period of 3 years w.e.f. 1st April, 2015, subject to the approval of the members.

The abbreviated resume of Director being appointed or re-appointed are given below:

(i) Sh. Adesh Kumar Gupta (CEO & Executive Director)

Sh. Adesh Kumar Gupta, a Graduate in B.SC. (Engineering), has been working as Director of the

Company since 1990 and promoted as Executive Director in 2001. He has been looking after the overall affairs of the Company and acting as CEO since 2004. He has over two decades of rich experience 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 also guiding the leather shoes production team and Exports business with his appreciable expertise. He belongs to the Promoters Group of the Company and presently holds 95,000 Equity Shares in the Company.

(ii) Sh. Adarsh Gupta (Executive Director)

Sh. Adarsh Gupta, Commerce graduate and having Diploma in Shoe Designing from the globally recognized ARS Sutoria Institute, Milan, Italy has been working as Director of the Company since 1990 and further appointed as Executive Director in 1995. He is having experience of more than two decades in footwear Industry. He represents promoter group and is Executive Director in Liberty Shoes Ltd. He participates in overall management of the Company right from the stage of formulation of policies till its implementation and follow-up. He spends substantial time not only in overseeing the working and performance of the Company as per the operations plans & policies formulated but also involved in formulating strategy and providing vital inputs towards effective working of Company's retail operations, Brand Promotions, Investors Relations and formulating the plan for growth of the Company. He belongs to the Promoters Group of the Company and presently holds 11,000 Equity Shares in the Company.

(iii) Sh. Shammi Bansal (Executive Director)

Sh. Shammi Bansal has also been associated with the Company as a Director Since 1990 and promoted as the Executive Director in 1995. During his association with the Company, he has been credited with various initiatives in 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 footwear at Company's plants.

He will be retiring by rotation from the Company and being eligible offers himself for the appointment in the ensuring Annual General Meeting. He belongs to the Promoters Group of the Company and presently holds 2,40,640 Equity Shares in the Company.

(iv) Sh. Sunil Bansal (Executive Director)

Sh. Sunil Bansal, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 2009. Sh. Sunil Bansal has been looking after the overseas operations of the Company and has played a key role in all strategic matters including augmentation of capacities, strengthening of Leather Footwear manufacturing segment and the enhancement of Company's presence in the overseas market.

He will be retiring by rotation from the Company and being eligible offers himself for the appointment in the ensuring Annual General Meeting. He belongs to the Promoters Group of the Company and presently holds 2,13,640 Equity Shares in the Company.

(v) Appointment of Smt. Lovelena Mody as Independent Director

Smt. Lovelena Mody is a renowned Business personality and actively participates in State level CII activities. She is having a vast experience of hospitality sectors. Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI guidelines, the Board of Directors in their meeting held on 23rd January, 2015 appointed Smt. Lovelena Mody as Women Director. Smt. Mody was appointed as additional director in terms of the provisions of Section 161 of the Companies Act, 2013 to hold the office up to the date of this Annual General Meeting. Accordingly, her office is coming to an end on the date of forthcoming Annual General Meeting. Considering her profile, qualification, experience, independent relationship with the management of the Company and requirements of the above provisions of the Companies Act, 2013 and SEBI guidelines, the Board of Directors in their meeting held on 29th May, 2015 proposed the appointment of Smt. Mody as Independent Director for a period of 3 (three) years w.e.f. 29th September, 2015 to 28th September, 2018, subject to the approval of the members. Smt. Lovelena Mody is not holding any Equity Share in the Company.

(vi) Appointment of Sh. Ashok Kumar as Executive Director

Sh. Ashok Kumar is a Law Graduate and has been advising the Company on various legal matters of the Company for last several years. Sh. Ashok Kumar was appointed as Additional Director of the Company w.e.f. 23rd January, 2015 to hold the office up to the date of this Annual General Meeting. Accordingly, his office is coming to an end on the date of forthcoming Annual General Meeting and the Board of Directors, considering his experience, qualification and valuable contribution in the Company, in their meeting held on 29th May, 2015 proposed his appointment as Director of the Company liable to retire by rotation and further as Executive

Director for a period of 3 (three) years w.e.f. 1st June, 2015 to 31st May, 2018, subject to the approval of the members. Sh. Ashok Kumar is not holding any Equity Share in the Company.

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. In terms of the requirements of Listing Agreement, all 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 Company presently has the following Board Committees:

(a) Audit Committee

The Board of Directors of the Company has constituted an Audit Committee in 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 Clause 49 of the listing agreement. The Board in their meeting held on 29th May, 2014 has amended and enhanced the terms of reference of the Audit Committee. The brief description of the terms of reference of the Audit Committee 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/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, secretarial 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 up 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/CS 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 agreement laid down by the Stock exchange(s) and legal requirements concerning financial statements.
- Discussing with external auditors, before audit commences 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.

- 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 Clause 49 of the Listing agreement. All the Members of the Audit Committee are "financially literate" as defined under Clause 49(III) (A) (2) of the Listing Agreement.

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(2)
5.	Sh. Munish Kakra	Company Secretary	Secretary	5(5)

Meetings held during the year

During the financial year 2014-15, 5 (Five) Audit Committee meetings were held on 17th April, 29th May, 23rd July, 13th October, 2014 and 23rd January, 2015. The gap between two committee meetings was not more than four months. The Annual Audited Financial Results of the Company for the year ended 31st March, 2015 were reviewed by the Audit Committee in its Meeting held on 29th May, 2015. Necessary Quorum was present in the Audit Committee Meetings.

The Chief financial officer (CFO) and Company Secretary, 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 part of senior management of the Company and laying down remuneration policy.

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. With the enforcement of provisions of Section 178 of the Companies Act, 2013, the nomenclature of the said Committee was changed to Nomination and Remuneration Committee.

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 in line with the Listing Agreement(s) and the provisions of the Companies Act, 2013.

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	1(1)
2.	Sh. Ramesh Chandra Palhan	Member	Independent	1(1)
3.	Sh. Pushpinder Singh Grewal	Member	Independent	1(1)
4.	Sh. Munish Kakra	Secretary	Company Secretary	1(1)

Meetings held during the year: During the financial year 2014-15, the members of the Nomination and Remuneration Committee met once on 29th May, 2014.

Remuneration policy

During the year under consideration, the Board of Directors approved and adopted a Nomination and Remuneration Policy for Directors, KMPs and other employees. The remuneration policy of the Company is recommended by the Nomination and Remuneration Committee to the Board of Directors of the Company and reviewed by it as and when the need arises. Remuneration policy is 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 are available on the website of the Company viz. www.libertyshoes.com and set out in Annexure II which is forming part of this Report.

Terms and Reference:

I) The appointment and remuneration of new Directors on Board, Key Managerial Personnel and senior management employees shall be made on the basis of core competency, expertise, experience, qualification etc.

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 of 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 of Committees 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 Agreement with the Stock Exchanges. 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, except payment of professional fees to Sh. Satish Kumar Goel and Sh. Ashok Kumar and sitting fee to Non Executive Directors for attending Meeting of the Board and Committee thereof.

- 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 Five Executive Directors.

- 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 salary of ₹4,00,000/-.

  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 chauffer 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 2014-15, 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	48,00,000	NIL	NIL	NIL
4.	Sh. Adeesh Kumar Gupta	Executive Director	48,00,000	NIL	NIL	NIL
5.	Sh. Adarsh Gupta*	Executive Director	NIL	NIL	NIL	NIL

** No remuneration has been drawn by Sh. Adarsh Gupta, Executive Director of the Company during the financial year ended 31st March, 2015.*

Notes:

- No incentives, whether fixed or performance linked, were given to the Executive Directors during the year under consideration.
- The Service Contract(s) may be terminated by either party after giving three months' notice in writing duly served on the other party. There is no separate provision(s) for payment of any severance fees.
- 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 and Sh. Satish Kumar Goel who are holding 200 (jointly with his wife) and 400 Equity Shares of the Company respectively.

c) Stakeholders Relationship Committee

Stakeholders Relationship Committee (formerly known as Share Transfer and Shareholders'/Investors' Grievance 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.

During the year, the Committee met Four times on 29th May, 23rd July and 13th October 2014 and 23rd January, 2015.

There are 7 (Seven) cases (involving 900 Equity Shares) concerning dispute over titles to Shares, are pending with the Company as on 31st March, 2015.

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
1.	Sh. Ramesh Chandra Palhan	Chairman	NED(I)
2.	Sh. Adarsh Gupta	Member	ED
3.	Sh. Sunil Bansal	Member	ED

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.

Status of investor reference/complaints/requests received by the Company during the year ending 31st March, 2015 stood as under:

Nature of References / Requests	No. of Grievances/ Requests Received	No. of Grievances/ Requests Resolved	No. of Grievances/ Requests Pending
Non receipt of Share Certificate(s) & Non receipt of electronic Credit	1	1	NIL
Non receipt of Bonus, Dividend & Annual Report	NIL	NIL	NIL
Issue of duplicate / Loss of Certificate	2	2	NIL
Revalidation of Dividend	NIL	NIL	NIL
Issue of Physical Annual Report	NIL	NIL	NIL
Change of address, Name correction Transmission & others	6	6	NIL
Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCORES) and stock exchanges etc.	4	4	NIL
Total	**13**	**13**	**NIL**

All the references/complaints received from the shareholders or from regulatory bodies during the year under review were resolved to their entire satisfaction.

(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 Two times on 15th September and 21st December, 2014.

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	Member	Promoters	2(2)
2.	Sh. Adarsh Gupta	Member	Promoters	2(2)
3.	Sh. Shammi Bansal	Member	Promoters	2(2)
4.	Sh. Raghubar Dayal	Member	Independent	2(2)
5.	Sh. Ramesh Chandra Palhan	Member	Independent	2(2)

(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 constituted by the Board of Directors in their meeting held on 29th May, 2014 which comprises Four Directors viz. Sh. Shammi Bansal as the Chairman and Sh. Adeesh Kumar Gupta, Sh. Raghubar Dayal & Sh. Ramesh Chandra Palhan as members of the Committee and defined the role of the Corporate Social Responsibility Committee, which is 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	Promoters & ED	1(1)
2.	Sh. Adeesh Kumar Gupta	Member	Promoters & ED	1(1)
3.	Sh. Raghubar Dayal	Member	Non-Executive Independent Director	1(1)
4.	Sh. Ramesh Chandra Palhan	Member	Non-Executive Independent Director	1(1)

During the year, one meeting of the CSR Committee was held on 21st December, 2014.

CSR Policy

During the year under review, the Board of Directors on the recommendation of the CSR Committee has approved the CSR policy of the Company. The thrust area of CSR Policy, inter alia, are promotion of preventive health care, rural development and education. The detailed CSR Policy of the Company are available on the website of the Company viz. www.libertyshoes.com.

Subsidiary Company

At present, the Company is having only 1 (one) overseas wholly owned subsidiary Company namely Liberty Foot Fashion Middle East FZE at Dubai which is an unlisted Company. As required under the provisions of Clause 49 of the Listing Agreement and management practices adopted by the Company and its subsidiary Company, the Company monitors the performance of its subsidiary Company, inter alia, by the (a) 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 & an arrangement entered into by the subsidiary Company.

4. 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
28th Annual General Meeting	2014	Registered Office	Monday ,29th September,2014	11.00 AM
27th Annual General Meeting	2013	Registered Office	Friday,20th September,2013	11.00 AM
26th Annual General Meeting	2012	Registered Office	Friday, 28th September,2012	11.00 AM

b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2014-15.

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

28th Annual General Meeting on 29th September, 2014	27th Annual General Meeting on 20th September, 2013	26th Annual General Meeting on 28th September, 2012
Nos. of Special Business: 11	**Nos. of Special Business: 11**	**Nos. of Special Business: 3**
1. Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director of the Company. 2. Appointment of Sh. Raghubar Dayal (DIN: 00481803) as an Independent Director of the Company for a period of 5 years. 3. Appointment of Sh. Vivek Bansal (DIN: 00939232) as an Independent Director of the Company for a period of 5 years. 4. Appointment of Sh. Amitabh Taneja (DIN: 00031257) as an Independent Director of the Company for a period of 5 years. 5. Appointment of Sh. Ramesh Chandra Palhan (DIN: 05241019) as an Independent Director of the Company for a period of 5 years. 6. Appointment of Sh. Pushpinder Singh Grewal (DIN: 06364475) as an Independent Director of the Company for a period of 5 years. 7. Appointment and fixation of Remuneration of Cost Auditors M/s K. L. Jaisingh & Co., for the F.Y 2014-15 in compliance to the Companies Act, 2013. 8. Approval and adoption of Articles of Association of the Company incompliance of the provisions of the Companies Act, 2013. 9. Approval for exercising borrowing powers under Section 180 (1) (c) of the Companies Act, 2013. 10. Approval for exercising powers in relation to mortgage / create security on the Assets of the Company under Section 180 (1) (a) of the Companies Act, 2013. 11. Approval for keeping Register of Members with the Registrar M/s Link Intime India Pvt. Ltd.	1. Increase in Remuneration of Sh. Adesh Kumar Gupta, CEO & Executive Director. 2. Increase in Remuneration of Sh. Adarsh Gupta, Executive Director. 3. Increase in Remuneration of Sh. Shammi Bansal, Executive Director. 4. Increase in Remuneration of Sh. Sunil Bansal, Executive Director. 5. Increase in Remuneration of Sh. Adeesh Kumar Gupta, Executive Director. 6. Increase in Remuneration of Sh. Raman Bansal, Head-Sales & Distribution. 7. Increase in Remuneration of Sh. Vivek Bansal, Head-Production. 8. Appointment of Sh. Anupam Bansal as Head Retail & fixation of his remuneration. 9. Post facto approval in terms of the Central Government approval no. 4/48/T-1/2013/D/141, dated 3rd April, 2013 for entering in to contract by the Company with M/s Liberty Footwear Co. (LFC) for availing services for use of their registered Trade Mark "Liberty" and other marks & logos . 10. Post facto approval in terms of the Central Government approval no. 4/80/T-1/2013/D/142, dated 3rd April, 2013 for entering in to contract by Company with M/s Liberty Enterprises(LE) for use of services of their Fixed Assets for manufacturing of footwear and Export Sales Network for sale of footwear by the Company. 11. Post facto approval in terms of the Central Government approval no. 4/102/T-1/2013/D/143, dated 3rd April, 2013 for entering in to contract by the Company with M/s Liberty Group Marketing Division (LGMD) for use of services of their Fixed Assets for manufacturing of footwear and registered trademarks and Domestic Sales networks for sale of footwear by the Company.	1. Appointment of Sh. Ramesh Chandra Palhan as Director of the Company. 2. Appointment of Sh. Pushpinder Singh Grewal as Director of the Company. 3. Increase in Remuneration of Sh. Satish Kumar Goel, Director (Law & Taxation)

Sh. Sukesh Gupta, Chartered Accountants was appointed as scrutinizer by the Board and present at the above 28th Annual General Meeting for supervising and monitoring the voting through ballot facilities on the above agenda items and to issue his report on the same.

iii. Detail of special resolution was passed by the Company through postal, the persons who conducted the postal ballot exercise and detail of the voting pattern

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.

iv) Group As on 31st March, 2015:

Sh. D. K. Gupta, D. K. 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 u/g/o Sh. Vivek Bansal, Sh. Anupam Bansal and Geofin Investments Pvt. Ltd.

5. Disclosures

i) Disclosure on materially significant related party transactions

The During the year 2014-15, all transactions entered by the Company with Related Parties as defined under the Companies Act, 2013, Rules made thereunder and revised clause 49 of the Listing Agreement with Stock Exchanges, 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. During the year under consideration, the Audit Committee and Board of Directors granted their approval for other transactions not repetitive in nature with the related parties in terms of section 188 of the Companies Act, 2013 and rules made thereunder. Your Company does not have a material unlisted subsidiary. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Your Company did not have any related party transactions which required prior approval of the Shareholders. However, the Company has been doing 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 the Companies Act, 1956. All the related party transactions have been disclosed in the Notes to the financial statements as required under AS-18.

The Board had approved and adopted policies on Related Party Transactions which have been uploaded on the Company's website www.libertyshoes.com under the investors section.

ii) Disclosure of Accounting Treatment

The Company has continued to follow the treatments as prescribed in the Accounting Standards notified in Companies (Accounting Standards) Rules, 2006 and as such, no instances were come across during the year, which led to any deviations from Accounting Standards.

iii) Details of non-compliance during last three years

The Company has complied with the requirements of Stock Exchange(s), SEBI 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.

iv) Whistle Blower Policy (Vigil Mechanism)

The Company has adopted a whistle blower policy 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 also been put up on the website of the Company at the link www.libertyshoes.com.

v) Code for prevention of Insider Trading

As on date, the Company has also in place codes based on SEBI (Prohibition of Insider Trading) Regulations, 2015. These codes are applicable to all Directors, designated employees and other connected person. The codes ensure Prevention of dealing in shares by persons having access to unpublished price sensitive information. The Codes have been circulated to all the members of the Board and Senior Management and they 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 Directors and designated employees etc. of the Company can trade in the shares of the Company only during the period when 'trading window' is open and in compliance with the conditions and requirements of above Code and SEBI Guidelines. 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. An annual and other requisite disclosures is also taken from all the Directors and designated employees etc. of the Company disclosing their shareholding and other required information at the year end and from time to time in compliance with the above Code and SEBI guidelines.

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.

vi) Details of compliance with mandatory requirements and adoption of non mandatory requirements of Clause 49.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement Stock Exchanges.

6. Means of Communication

Financial Results

Pursuant to Clause 41 (I) (f) of the Listing Agreement, the Company has regularly furnished, both by way of post as well as fax (within fifteen minutes of closure of Board meeting) 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. Business Standard, 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 Agreement and SEBI guidelines.

Website

Pursuant to clause 54 of the Listing Agreement 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, Scheme of Amalgamation, Announcements & postal ballot 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 & the Shareholding Pattern 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, 2014.

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, Consolidated Financial Statements, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis Report form part of the Annual Report.

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	:	Tuesday, 29th September, 2015 at 11.00A.M.
Venue	:	Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Dist. Karnal-132 114 (Haryana).

ii. Financial Year (Tentative):

Financial Results for the Quarter ended 30th June, 2015	:	By 14th August, 2015
Financial Results for the Quarter ended 30th September, 2015	:	By 14th November, 2015
Financial Results for the Quarter ended 31st December, 2015	:	By 14th February, 2016
Financial Results for the Quarter ended 31st March, 2016	:	By 29th May, 2016
Annual General Meeting for the year ended 31st March, 2016	:	By August / Sept. 2016

iii. Book Closure Dates:

Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).

iv. Dividend Payment Date:

The Board of Directors of the Company has recommended dividend @ 15% i.e. ₹1.50/- per Equity share of the Company for the financial year ended 31st March 2015. The Dividend, if approved by the shareholders at the ensuing Annual General Meeting, shall be paid within stipulated period of 30 days to those shareholders whose names appear on the Register of Members as on cut-off date i.e. at the end of business hours of Tuesday, 22nd September, 2015.

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 2015-16 has since been paid to both the Stock Exchange(s).

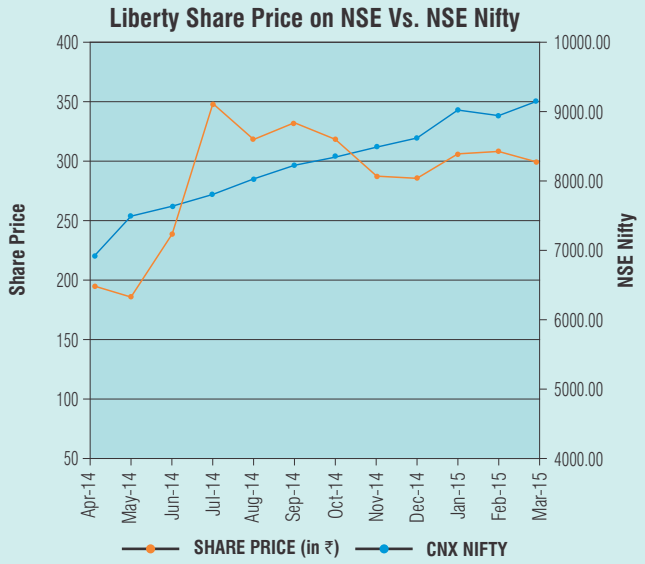
vi. Stock Market Data:

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 (2014-15)	S&P CNX Nifty	SHARE PRICE (IN ₹)
1	Apr-14	6869.85	194.60
2	May-14	7563.50	184.50
3	Jun-14	7700.05	236.60
4	Jul-14	7840.95	351.15
5	Aug-14	7968.25	320.90
6	Sep-14	8180.20	334.95
7	Oct-14	8330.75	321.35
8	Nov-14	8617.00	287.85
9	Dec-14	8626.95	284.85
10	Jan-15	8996.60	307.45
11	Feb-15	8941.40	312.65
12	Mar-15	9119.20	302.40

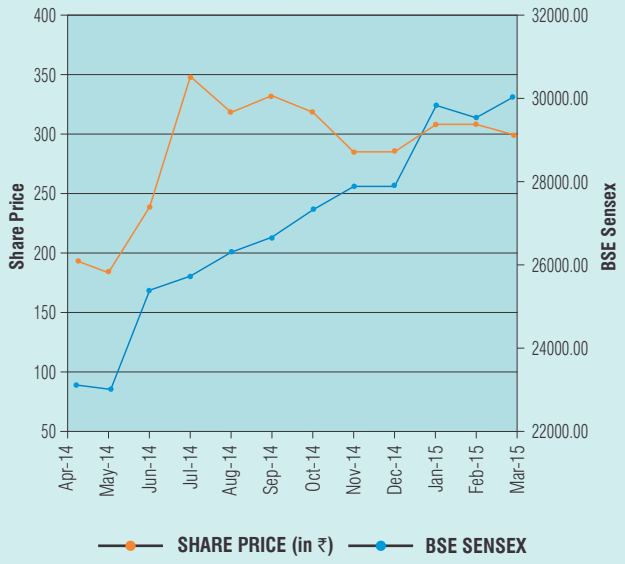


Performance in Comparison to Sensex

Sensex vs. Share Price

S. No.	YEAR (2014-15)	BSE SENSEX	SHARE PRICE (IN ₹)
1	Apr-14	22939.31	194.00
2	May-14	25375.63	184.35
3	Jun-14	25725.12	236.80
4	Jul-14	26300.17	351.00
5	Aug-14	26674.38	320.00
6	Sep-14	27354.99	334.80
7	Oct-14	27894.32	321.05
8	Nov-14	28822.37	288.05
9	Dec-14	28809.64	284.85
10	Jan-15	29844.16	307.40
11	Feb-15	29560.32	309.80
12	Mar-15	30024.74	302.20

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, 2015 are as under:

KEY INDICATORS:

EQUITY SHARE PRICE MOVEMENT ON NSE & BSE (April 2014 – March 2015)

	(Price in ₹)				Volume (In No. of Shares)	
	High		Low			
Year (2014-15)	**NSE**	**BSE**	**NSE**	**BSE**	**NSE**	**BSE**
April	194.60	194.00	148.10	148.25	6443727	1661855
May	184.50	184.35	160.00	160.00	2348415	747852
June	236.60	236.80	166.70	166.80	5161738	1364875
July	351.15	351.00	219.00	221.50	15213222	4032541
August	320.90	320.00	266.05	267.10	6830857	1820357
September	334.95	334.80	276.55	277.75	3936073	1262932
October	321.35	321.05	270.60	271.15	3878451	1045382
November	287.85	288.05	252.15	254.10	1618226	512197
December	284.85	284.85	195.00	195.80	5707987	1560287
January	307.45	307.40	253.00	252.75	4670229	1525934
February	312.65	309.80	238.90	239.60	4650613	1603119
March	302.40	302.20	219.60	219.00	2647336	847955
Total					**63106874**	**17985286**

vii. Registrar and Share Transfer Agent:

Link Intime India Private 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

viii. Share Transfer System and Redressal of Investor Grievances:

The Company has made arrangements with M/s Link Intime India Private Ltd., 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 sent 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.

Pursuant to Clause 47 (c) of the Listing Agreement, Certificate(s) on half yearly basis have been issued by the Company Secretary in Practice for due Compliance of Share Transfer formalities by the Company. As per SEBI (Depositories & Participants) Regulations, 1996, certificate(s) have been received from a Company Secretary in practice 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, 2015

Shareholding of nominal value of	Number of Shareholders		Number of Shares		Amount (in ₹)
	Number	% of total	Number	% of total	
Up to 500	15091	94.5848	1573721	9.2355	15737210
501 - 1000	443	2.7766	349283	2.0498	3492830
1001- 2000	223	1.3977	345352	2.0267	3453520
2001 - 3000	55	0.3447	135066	0.7926	1350660
3001 - 4000	25	0.1567	88185	0.5175	881850
4001 - 5000	19	0.1191	88499	0.5194	884990
5001 – 10000	34	0.2131	238445	1.3993	2384450
Above 10001	65	0.4074	14221449	83.4592	142214490
Total	15955	**100.00**	**17040000**	**100**	**170400000**

Category wise List of Shareholders as on 31st March, 2015

Category		No. of Shares held	Voting Strength (%)
Promoters Holding:			
A	Individual Promoters	65,89,990	38.67
B	Bodies Corporate(s)	44,72,517	26.25
	Total Promoters Holding	**1,10,62,507**	**64.92**
Public Holding:			
A	FII's, NRI's & Banks etc	1,09,036	0.63
B	Indian public including Private corporate bodies	58,68,457	34.43
	Total Public Holding	**59,77,493**	**35.07**
Grand Total		**1,70,40,000**	**100.00**

x. Shares held in physical and dematerialized form:

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, 2015, 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	1,67,25,622	98.15
2	Physical	3,14,378	1.85
	Total	**1,70,40,000**	**100.00**

xi. Plant Locations:

The Company's plants are located at Karnal in Haryana, at Dehradun and Roorkee in Uttrakhand and at Ponta Sahib in Himachal Pradesh.

xii. 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
2nd Floor, Tower B, Building No: 8
DLF Cyber City, Phase-II
Gurgaon - 122 022
Tel : (91) 124-4616200
Fax : (91) 124-4616222
Email: investorcare@libertyshoes.com

Declaration by Chief Executive Officer
on Code of Conduct under Clause 49(viii)(A)(F)(IX) of the Listing Agreement

To
The Members
Liberty Shoes Ltd.

I hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed in writing their adherence with the code of conduct adopted by the Company during the financial year ended 31st March, 2015.

Adesh Kumar Gupta
Chief Executive Officer

Place: New Delhi
Dated: Friday, 29th May, 2015

Auditors' Certificate

To the Members of **Liberty Shoes Ltd.**

We have examined the compliance of conditions of Corporate Governance by Liberty Shoes Ltd. for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The Compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the amended Clause 49 of the Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month as at 31st March, 2015 against the Company as per the records maintained by the Company, except those cases which are constrained by disputes or legal proceedings.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Pardeep Tayal
Partner
Membership No. 081643

Place: New Delhi
Dated: Friday, 29th May, 2015

Certification Pursuant to Clause 49 of the Listing Agreement

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, 2015 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, 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 year under reference;

   ii. there has not been any significant changes in accounting policies as disclosed in the financial statements of the Company; 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

Munish Kakra
CFO &
Company Secretary

Place : New Delhi
Dated: Friday, 29th May, 2015

Management Discussion and Analysis Report

Economy and market outlook

The year 2015 recorded a distinct slow down in the global growth and most of the developed and emerging markets economies have witnessed a fall in their growth rates. Europe, Japan and China's growth remained under pressure whereas US economy started late showing sign of improvement. Liberty exports, mainly to Middle East and European countries, have contributed approx 8% of the total revenue of the Company for financial year 2015.

At domestic level, better economic situation, feel good factors along with the positive sentiments post general elections helped India to be among the better performing emerging markets. Inflation, the major cause of concern in the recent past, remained moderated whereas rupee remained comparatively stable during financial year 2015. Disposable income level though increases, yet consumer confidence and accordingly their spent remained muted. Overall, 2015, in view of the slowdown in global and domestic economy, remained challenging for the Company.

Liberty's performance for 2015 is to be seen in this above given economic environment.

At retail level, where Liberty dominantly operates, it seems that momentum will take some more time to start reflecting in Company's performance.

The Indian Footwear Industry-Structure and Development, Opportunities/Threats, Risk and Concern

The Indian Leather industry dominantly representing through footwear holds a prominent place in the Indian economy. This industry has shown its potential through its consistency in high export earnings and its ranking amongst most foreign exchange earners for the country continuously in the past several years. Indian Footwear sector is mainly benefited from its command on reliable resources, quality finished leather, technological competence, expertise available with human capital, low cost of Labour as compare to other developed countries and established track record for manufacturing meeting global standards.

India is the 2nd largest, China being 1st, producer of footwear and other leather articles in the world and for the year 2014-15, the exports of this segment after registering a growth of 9.37% ,touched US $ 6.5 billion. Government of India, because of its performance and further potential to improve, has identified this sector as a thrust sector in many of its promotional schemes including foreign trade policy. Government in consultation with RBI is also working on to reintroduce interest subvention scheme for promoting footwear exports by increasing competitiveness of Indian industry in the global markets.

Liberty with its quality oriented products and its consistent performance at the export front is well placed to have benefits from these developments.

Domestic market has huge potential and incredible opportunities to grow in near future due to development of new markets, change in consumption habits similar to developed countries, tilt towards organized retailing, awareness for branded products and modernization of lifestyles. Bulk customer segment is also up-coming because of change in preferences and desire to satisfy the aspirations of the working force. The urbanization trends, increase in education levels and use of technology would also prove as impetus in future for the footwear industry.

The recent initiatives, including Make in India and skill development, implemented by the Government of India would also create innumerable opportunities for Indian footwear manufacturers to better their performance and the competitiveness.

The changes introduced by the Government of India in its FDI policies and the recent amendments in the Union Budget-2015 for reduction of excise duty on certain category of leather shoes are very encouraging for the overall development of the industry and will help domestic footwear players to increase their competitiveness in the long run.

The change in consumer preference, acceptability of the new launches, change in input costs, competition, Macro economic factors and currency fluctuations are few of the risks and concern areas associated with the business in which Liberty operates.

Liberty enjoys strong brand equity and has a pan India retail presence which is being continuously augmented to satisfy consumer aspirations and this will have way for Liberty to supplement its future success of growth.

Internal Control System and its 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. 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, 2015 have been stated in the Directors' Report for the year ended 31st March, 2015, 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:

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 ₹1704 lacs as on 31st March, 2015.

Reserves & Surplus: The Company's reserves and surplus has

increased from ₹12052.19 Lacs to ₹12791.13 Lacs in 2014-15.

Long Term Borrowings: During the year under review, the Company availed Term Loan of ₹570.32 Lacs as against previous year's ₹836.97 Lacs. The outstanding amount of the Term Loan (Non Current and Current maturities) as on 31st March, 2015 was ₹1768.31 Lacs as against previous year's ₹1876.05 Lacs.

Other Long Term Borrowings: During the year under review, the other long term borrowings, which consists of securities received from channel partners, increased by ₹82.73 Lacs and stood at ₹576.21 Lacs (Previous year ₹493.48 Lacs).

Short Term Borrowings: The amount of working Capital loan secured through the Company's current assets stood at ₹12103.25 Lacs as compared to ₹9609.72 Lacs in the previous year. The increase in borrowings is because of expansion of new retail stores of the Company. Further, for short term requirements, the Company has availed unsecured short term loans from the related parties and the outstanding balance as on 31st March 2015 remained at ₹13.35 Lacs (Previous year ₹179.84 Lacs).

Trade Payables: The Trade Payable of ₹9083.65 Lacs (Previous year ₹8220.46 Lacs) included an amount of ₹29.96 Lacs (as against the previous year's ₹114.32 Lacs) due towards M/s Liberty Enterprises, Liberty Group Marketing Division, Liberty Footwear Co., the partnership firms in which few of the Directors and their relatives are interested, under the terms of the respective agreements dated 3rd April, 2013.

Other Current Liabilities & Provisions: Other current liabilities & provisions amounting to ₹2807.80 Lacs (Previous year ₹2851.73 Lacs) 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, Proposed Dividend, provision for dividend distribution tax, provision for taxation (net of MAT credit entitlement) and provision for excise duty.

Fixed Assets: In the year 2014-15, Liberty's Fixed Assets Block (including tangible and intangible assets) increased by ₹1864.64 Lacs. The said increase was 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.

Non-Current Investments: At the year end, Liberty's non-current investments in its only overseas Subsidiary stood at ₹121.93 Lacs (previous year ₹121.93 Lacs). The said overseas Subsidiary has not yet commenced its business operations; therefore, no further investments have been made in this subsidiary.

Long Term Loans & Advances: Long term loans & advances amounting to ₹1826.69 Lacs (Previous year ₹1387.21 Lacs) consists of security deposits of ₹544.97 Lacs (Previous year ₹405.42 Lacs), Share Application Money (pending allotment) paid to overseas Wholly Owned Subsidiary of ₹180.49 Lacs (Previous year ₹180.49 Lacs) and MAT Credit Entitlement ₹1117.63 Lacs (Previous year ₹810.09 Lacs). During the year, the Company has made a provision of ₹NIL (Previous year ₹21.56 Lacs) for the security deposits considered as doubtful.

Inventories: Inventories, comprising finished goods, raw materials, work in process etc. as at 31st March, 2015, stood at ₹14,320.96 Lacs as against previous year's ₹11,240.49 Lacs. The increase in inventory is mainly because of expansion of program being undertaken by the Company during the year where new stores were opened with seeding stock.

The Inventory turnover ratio for the year ended 31st March, 2015 was 96 days as against 82 days in the previous year.

Trade Receivables: Trade Receivables, with an average realization period of 77 days (84 days in the previous year) stood at ₹11481.32 Lacs in 2014-15 as against the previous year's ₹11565.85 Lacs. Out of the trade receivables, ₹1472.68 Lacs as against the previous year's ₹1266.52 Lacs were due from overseas customers.

The Company after considering the recovery process has made a provision of ₹47.09 Lacs against previous year's ₹300.74 for doubtful debts. During the year, the Company has written off its book debts of ₹111.96 Lacs as against previous year's ₹277.06 Lacs. Further, the Company has recovered its Bad Debts of ₹77.84 Lacs as against previous year's ₹7.83 Lacs

Short Term Loans & Advances: The Short Term Loans and Advances given by the Company included an advance Income Tax (including Minimum Alternate Tax) of ₹273.77 Lacs in 2014-15 as against the previous year's ₹304.85 Lacs, export benefit receivables of ₹151.22 Lacs as against the previous year's ₹143.27 Lacs and prepaid expenses of ₹136.23 Lacs as against the previous year's ₹64.85 Lacs.

Revenue from Operations and Profits: Liberty's total Income, comprising sales and other Income, increased from ₹50136.12 Lacs to ₹54874.47 Lacs in 2014-15. Profit after tax, after making a provision for depreciation, increased from ₹1414.99 Lacs to ₹1500.03 Lacs in 2014-15. The Company's net profit, after considering a tax provision of ₹285.93 Lacs as against the previous year's ₹307.25 Lacs, MAT Credit Entitlement of ₹127.35 Lacs (Previous year's ₹187.19 Lacs), a deferred tax assets of ₹255.89 Lacs as against previous year's ₹47.38 Lacs and prior period income on account of Income tax for earlier years of ₹108.85 Lacs as against prior period Expenses on account of income tax for earlier years of ₹2.86 Lacs stood at ₹1706.20 Lacs in 2014-15 as against the Previous year's ₹1339.45 Lacs.

Finance Costs: Liberty's finance costs stood at ₹1606.68 Lacs in 2014-15 (Previous year's ₹1607.27 Lacs), comprising interest on term loans, working capital loans, other loans and bank charges.

Human Resource Developments: Liberty has a defined 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, HR function implemented various initiatives to support this.

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, 2015, the total employees' strength of the Company stood at 2418 as compared to previous year's 2423.

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 Financial Statements

We have audited the accompanying financial statements of Liberty Shoes Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

We conducted our audit 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on whether the Company has in place adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report 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 appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms sub-section (2) of section 164 of the Act.

(f) 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, 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 financial statements as referred to in Note 2.27.11 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Pardeep Tayal
Partner
Membership No. 081643

Place: New Delhi
Dated: Friday, 29th May, 2015

Annexure to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

I. 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 and nature of its assets. No material discrepancies were noticed on such verification.

II. a) As explained to us, the physical verification of the inventory was carried out at reasonable intervals by the Management during the year.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory, and the discrepancies noticed on verification between the physical stock and book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of accounts.

III. The Company has not granted any loan to any Company, firm or parties listed in the register maintained under section 189 of the Act and accordingly the provisions of clause 3 (iii) (a) & (b) of the Order are not applicable to the Company.

IV. In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have neither come across nor we have been informed of any major weaknesses in the aforesaid internal control system.

V. The Company has not accepted any deposit from the public as per the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed there under.

VI. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

VII. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education Protection Fund, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Investor Education Protection Fund, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues as at 31st March, 2015 which are outstanding for a period more than six months from the date they become payable.

b) As at 31st March, 2015, according to the records of the Company and the information and explanations given to us, following are the particulars of disputed dues on account of Excise Duty, Income Tax and VAT which have not been deposited:

Nature of Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	2,99,75,448	November 2004 to June 2005 and May 2006 to June 2006	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Service Tax Act, 1994	Service Tax on GTA Services	2,33,486	January 2005 to March 2007	Commissioner Appeals (Delhi – II), New Delhi
Service Tax Act, 1994	Service Tax on GTA Services	2,95,112	April 2005 to March 2007	Commissioner Appeals (Delhi – II), New Delhi
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)

c) According to information and explanation given to us, the Company has duly transferred the funds, in accordance to the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, to Investor Education and Protection Fund as and when due.

VIII. The Company has no accumulated losses as at 31st March, 2015 and it has not incurred cash losses in the current and immediately preceding financial year.

IX. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.

X. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or any financial institution.

XI. According to information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

XII. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Pardeep Tayal
Partner
Membership No. 081643

Place: New Delhi
Dated: Friday, 29th May, 2015

Balance Sheet

as at 31st March, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2015		31.03.2014
Equity & Liabilities					
Shareholders' Funds					
Share Capital	2.1	17,04,00,000		17,04,00,000	
Reserves & Surplus	2.2	1,27,91,13,134	1,44,95,13,134	1,20,52,18,600	1,37,56,18,600
Non-current Liabilities					
Long Term Borrowings	2.3	11,35,87,384		12,08,91,934	
Deferred Tax Liability (Net)	2.4	2,07,11,930		4,63,00,880	
Other Long Term Liabilities	2.5	5,76,20,879		4,93,48,501	
Long Term Provisions	2.6	28,06,330	19,47,26,523	23,44,502	21,88,85,817
Current Liabilities					
Short Term Borrowings	2.7	1,21,16,59,324		97,89,55,932	
Trade Payables	2.8	90,83,64,984		82,20,46,379	
Other Current Liabilities	2.9	22,08,96,770		22,73,41,413	
Short Term Provisions	2.10	5,98,83,207	2,40,08,04,284	5,78,32,060	2,08,61,75,784
Total			**4,04,50,43,941**		**3,68,06,80,201**
Assets					
Non-current Assets					
Fixed Assets					
Tangible Assets	2.11	95,61,85,236		98,48,10,215	
Intangible Assets	2.11	98,91,988		87,59,289	
Capital Work in Progress	2.11	1,07,00,212		3,69,393	
Non-current Investments	2.12	1,22,38,091		1,22,38,091	
Long term Loans & Advances	2.13	18,26,69,323		13,87,21,327	
Other Non-current Assets	2.14	-	1,17,16,84,850	-	1,14,48,98,315
Current Assets					
Inventories	2.15	1,43,20,96,213		1,12,40,49,179	
Trade Receivables	2.16	1,14,81,31,767		1,15,65,85,434	
Cash and Bank Balances	2.17	6,33,91,537		7,14,73,962	
Short term Loans & Advances	2.18	22,97,39,575	2,87,33,59,092	18,36,73,311	2,53,57,81,886
Total			**4,04,50,43,941**		**3,68,06,80,201**
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Sunil Bansal
Executive Director
(DIN - 00142121)

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO &
Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Statement of Profit and Loss

for the year ended 31st March, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2015		31.03.2014
Revenue from Operations					
Sales		5,46,46,16,663		5,00,60,19,959	
Other Operating Revenues	2.19	1,79,82,138		41,19,592	
Less:					
Excise Duty		22,57,15,331	5,25,68,83,470	17,11,33,108	4,83,90,06,443
Other Income	2.20		48,48,266		34,72,994
Total Revenue			**5,26,17,31,737**		**4,84,24,79,437**
Expenses					
Cost of Raw Materials Consumed	2.21	3,00,34,14,842		2,53,20,92,900	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	2.22	(27,35,20,105)		12,37,010	
Employee Benefit Expenses	2.23	62,82,44,295		56,06,18,188	
Finance Cost	2.24	16,06,67,715		16,07,27,060	
Depreciation & Amortisations	2.11	12,42,37,869		11,06,55,651	
Other Expenses	2.25	1,46,44,02,303		1,33,19,03,883	
Excise Duty		(28,53,329)		17,73,257	
Total Expenses			**5,10,45,93,590**		**4,69,90,07,949**
Profit before exceptional and extraordinary items and tax			**15,71,38,146**		**14,34,71,488**
Exceptional Items	2.26		71,34,887		19,72,137
Profit before Tax			**15,00,03,259**		**14,14,99,351**
Tax Expense					
Current tax		2,85,92,830		3,07,25,101	
Mat Credit Entitlement		(1,27,35,496)		(1,87,19,534)	
Income tax for earlier years		(1,08,85,262)		2,86,433	
Deferred Tax		(2,55,88,950)	(2,06,16,878)	(47,38,030)	75,53,970
Net Profit for the year			**17,06,20,137**		**13,39,45,381**
Earning Per Share of ₹10/- each					
Basic & Diluted			10.01		7.86
Basic & Diluted (Before Exceptional Items)			10.43		7.98
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Sunil Bansal
Executive Director
(DIN - 00142121)

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO &
Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Cash Flow Statement

for the year ended 31st March, 2015

(Amount in ₹)

PARTICULARS	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, Interest and extra ordinary items	29,69,52,009	29,02,86,798
Adjustments for:		
Unrealised Foreign Exchange Difference	(35,94,624)	(30,18,024)
Depreciation	12,42,37,869	11,06,55,651
Loss/(Gain) on sale of Fixed Assets (net)	71,34,887	19,72,137
Bank & Other Interest	(48,48,266)	(34,72,994)
Provision for doubtful debts	(1,36,37,243)	54,57,095
Operating Profit before working capital changes	40,62,44,631	40,18,80,663
Adjustments for:		
Trade & Other Receivables	2,20,90,910	(36,99,69,173)
Inventories	(30,80,47,034)	(1,18,23,132)
Loans & Advances	(4,74,95,447)	4,57,68,999
Trade & Other Payables	31,00,85,252	8,08,43,441
Cash generated from Operations	38,28,78,313	14,67,00,798
Direct Taxes Paid	(3,16,33,551)	(2,76,63,466)
Cash Flow before extra ordinary items	35,12,44,762	11,90,37,332
Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities	**35,12,44,762**	**11,90,37,332**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,67,95,049)	(12,41,51,069)
Sale of Fixed Assets	1,66,51,477	3,20,08,939
Bank and Other Interest	48,48,266	34,72,994
Net Cash used in Investing Activities	**(17,52,95,305)**	**(8,86,69,136)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	5,70,32,000	8,36,96,751
Repayment of long term borrowings	(6,78,05,834)	(4,34,48,297)
Interest paid	(14,69,48,750)	(14,87,87,447)
Dividend paid	(2,55,60,000)	-
Dividend Distribution Tax	(43,43,922)	-
Net Cash used in Financing Activities	**(18,76,26,506)**	**(10,85,38,993)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(1,16,77,049)**	**(7,81,70,797)**
Cash & Cash Equivalents (Opening Balance)	**7,14,73,962**	**14,66,26,735**
Unrealised Foreign Exchange Difference	**35,94,624**	**30,18,024**
Cash & Cash Equivalents (Closing Balance)	**6,33,91,537**	**7,14,73,962**
Components of Cash & Cash Equivalents		
Cash in hand including imprest	1,19,94,879	60,67,226
Balance with Scheduled Banks		
Current Accounts	1,18,72,022	1,17,50,535
Cheques on hand	29,48,576	1,39,63,322
Fixed Deposits	3,65,76,060	3,96,92,879
Total	**6,33,91,537**	**7,14,73,962**

Notes: 1) Purchase of Fixed Assets include 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 AS -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal	**Adesh Kumar Gupta**	**Sunil Bansal**	**Raghubar Dayal**	**Munish Kakra**
Partner	CEO & Executive Director	Executive Director	Director	CFO &
Membership No. 081643	DIN-00143192	(DIN - 00142121)	DIN-00481803	Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Notes to the Financial Statements for the year ended 31st March, 2015

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.

Note 1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis of accounting.

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation are recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013 (The "Act").

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.

b) 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 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 DutyDrawback Scheme and the Focus Product 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.

c) 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 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.

d) Fixed Assets and Capital work in progress

Fixed assets are stated at original cost (net of CENVAT 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.

e) 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.

f) 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.

g) 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.

Notes to the Financial Statements for the year ended 31st March, 2015

h) 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.

i) Excise Duty

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

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Note 2.1 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**
2.1.1 **Reconciliation of Number of Shares**		
	As at 31st March, 2015	**As at 31st March, 2014**
Equity Shares		
Balance at the beginning of the year		
17040000 (Previous year 17040000) Equity Shares	17,04,00,000	17,04,00,000
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	**17,04,00,000**	**17,04,00,000**

Notes to the Financial Statements for the year ended 31st March, 2015

2.1.2 **Terms/Rights attached to Equity Shares**

(Amount in ₹)

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.

2.1.3 **Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity Shares				
Geofin Investments Private Limited	44,72,517	26.25	44,72,517	26.25
Satish Kumar Gupta (Karta)	8,88,584	5.21	8,88,584	5.21

		As at 31st March, 2015	As at 31st March, 2014
Note 2.2	**Reserves & Surplus**		
2.2.1	**Capital Reserve**	3,99,500	3,99,500
2.2.2	**Securities Premium Reserve**		
	Balance at the beginning of the year	11,27,20,644	2,17,20,644
	Add: Additions/(Utilisations) during the year	-	-
	Adjustments on account of Amalgamation	-	9,10,00,000
	Balance at the end of the year	11,27,20,644	11,27,20,644
2.2.3	**General Reserve**		
	Balance at the beginning of the year	98,70,09,364	92,70,09,364
	Add: Transfer from surplus in the Statement of Profit & Loss	6,00,00,000	6,00,00,000
	Balance at the end of the year	1,04,70,09,364	98,70,09,364
2.2.4	**Surplus in the Statement of Profit & Loss**		
	Balance at the beginning of the year	10,50,89,092	44,47,20,589
	Add: Profit for the year	17,06,20,137	13,39,45,381
		27,57,09,229	57,86,65,970
	Less: Appropriations/Adjustments		
	Transfer to General Reserve	6,00,00,000	6,00,00,000
	Proposed Dividend on Equity Shares (Dividend per share ₹1.50/- (Previous year ₹1.50/-)	2,55,60,000	2,55,60,000
	Provision for Dividend Distribution Tax	52,33,326	43,43,922
	Adjustment of Depreciation as per Schedule II of the Companies Act, 2013	6,59,32,277	-
	Adjustments on account of Balance of Loss taken over due to Amalgamation	-	21,85,03,496
	Adjustments on account of Unrealised Profit on Inventory due to Amalgamation	-	7,36,30,460
	Goodwill written off on Amalgamation of Subsidiary Co.	-	9,15,39,000
	Balance at the end of the year	11,89,83,626	10,50,89,092
	Total Reserves & Surplus	**1,27,91,13,134**	**1,20,52,18,600**

Notes to the Financial Statements for the year ended 31st March, 2015

Note 2.3 Long Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Non Current	Current Maturities	Non Current	Current Maturities
2.3.1 **Secured**				
Term Loans				
(i) from Banks:				
Rupee Term Loans	11,12,95,487	6,11,02,715	11,79,35,928	6,45,17,069
(ii) from Others:				
Rupee Term Loans	22,91,897	21,41,418	29,56,006	21,96,348
Total	**11,35,87,384**	**6,32,44,133**	**12,08,91,934**	**6,67,13,417**
Less: Amount disclosed under other Current Liabilities (Refer Note 2.9.1)	-	6,32,44,133	-	6,67,13,417
Net Long Term Borrowings	**11,35,87,384**	**-**	**12,08,91,934**	**-**

(Amount in ₹)

Repayment terms and security for the outstanding long term borrowings (Including current maturities) as at 31st March, 2015

Particulars of Loan	Detail of Security	Outstanding Balance as at 31.03.2015	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, Pontasahib and Langha Road, Sahaspur, Dehradun and 2nd Charge on Current Assets of the Company.	15,11,03,111	4 Quarterly installments of ₹44.44 Lacs each 12 Quarterly installments of ₹27.78 Lacs each 16 Quarterly installments of ₹30.70 Lacs each 16 Quarterly installments of ₹16.25 Lacs each 16 Quarterly installments of ₹7.74 Lacs each 16 Quarterly installments of ₹7.77 Lacs each
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	1,24,57,933	44% in Monthly Installment in 2015-16 33% in Monthly Installment in 2016-17 20% in Monthly Installment in 2017-18 2% in Monthly Installment in 2018-19 1% in Monthly Installment in 2019-20
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	88,37,158	46% in Monthly Installment in 2015-16 51% in Monthly Installment in 2016-17 2% in Monthly Installment in 2017-18 1% in Monthly Installment in 2018-19
Total		**17,23,98,202**	
(ii) from Others			
Vehicle Loans from BMW Financial Services	Hypothecation of Vehicles	20,42,926	79% in Monthly Installment in 2015-16 21% in Monthly Installment in 2016-17
Vehicle Loans from Tata Capital Ltd.	Hypothecation of Vehicle	9,13,080	31% in Monthly Installment in 2015-16 34% in Monthly Installment in 2016-17 35% in Monthly Installment in 2017-18
Vehicle Loan from Toyota Financial Services India Ltd	Hypothecation of Vehicle	14,77,309	17% in monthly instalments in 15-16 18% in monthly instalments in 16-17 20% in monthly instalments in 17-18 22% in monthly instalments in 18-19 22% in monthly instalments in 19-20
Total		**44,33,315**	

Notes to the Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		As at 31st March, 2015	As at 31st March, 2014
Note 2.4	**Deferred Tax Liability (Net)**		
	Balance at the beginning of the year	4,63,00,880	5,10,38,910
	Add: for the year	(2,55,88,950)	(47,38,030)
	Balance at the end of the year	**2,07,11,930**	**4,63,00,880**
2.5	**Other Long Term Liabilities**		
	Security Deposits	5,76,20,879	4,93,48,501
	Total Other Long Term Liabilities	**5,76,20,879**	**4,93,48,501**
2.6	**Long Term Provisions**		
	Provision for Gratuity	28,06,330	23,44,502
	Total Other Long Term Provisions	**28,06,330**	**23,44,502**
2.7	**Short Term Borrowings**		
2.7.1	**Secured**		
	Loans repayable on demand from Banks:	1,21,03,24,756	96,09,71,903
	(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	**1,21,03,24,756**	**96,09,71,903**
2.7.2	**Unsecured**		
	Loans and Advances from Related Parties		
	Short Term Loans	13,34,568	1,79,84,029
	from Others	-	-
	Total Unsecured Loans	**13,34,568**	**1,79,84,029**
	Total Short Term Borrowings	**1,21,16,59,324**	**97,89,55,932**
2.8	**Trade Payables**		
	Trade Payables for goods & services (Includes sundry creditors)	90,83,64,984	82,20,46,379
	Total Trade Payables	**90,83,64,984**	**82,20,46,379**
2.9	**Other Current Liabilities**		
2.9.1	**Current Maturities of Long Term Borrowings (refer Note 2.3.1)**		
	from Banks	6,11,02,715	6,45,17,069
	from Others	21,41,418	21,96,348
	Total	**6,32,44,133**	**6,67,13,417**
2.9.2	**Other Payables**		
	Advances from Customers	2,50,40,061	3,79,84,959
	Expenses Payable	8,94,61,354	8,75,68,231
	Other Liabilities	4,31,51,222	3,50,74,806
	Total	**15,76,52,637**	**16,06,27,996**
	Total Other Current Liabilities	**22,08,96,770**	**22,73,41,413**
2.10	**Short Term Provisions**		
	Provision for taxation (Net of MAT Credit Entitlement)	1,58,57,334	1,20,05,567
	Provision for Gratuity	7,81,533	6,18,228
	Provision for Excise Duty	1,24,51,014	1,53,04,343
	Proposed Dividend	2,55,60,000	2,55,60,000
	Provision for Dividend Distribution Tax	52,33,326	43,43,922
	Total Short Term Provisions	**5,98,83,207**	**5,78,32,060**

Notes to the Financial Statements for the year ended 31st March, 2015

Note 2.11 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2014	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2015	Total as on 01.04.2014	Depreciation/ Adj. for the period	Sales/Adj. during the period*	Total as on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible Assets (Not under Lease)										
Land	12,41,15,801	27,59,105	-	12,68,74,906	-	-	-	-	12,68,74,906	12,41,15,801
Building	22,85,72,279	88,10,643	-	23,73,82,922	7,46,00,338	77,79,091	-	8,23,79,429	15,50,03,493	15,39,71,941
Plant & Equipments	76,89,37,156	3,04,99,853	11,44,266	79,82,92,743	41,55,97,155	5,03,54,052	(2,90,05,198)	49,49,56,405	30,33,36,338	35,33,40,001
Furniture & Fixture	27,56,77,760	6,17,32,210	1,42,78,924	32,31,31,046	12,35,33,633	2,88,48,177	33,46,393	14,90,35,417	17,40,95,629	15,21,44,127
Vehicles	15,01,70,957	2,96,42,629	1,21,05,881	16,77,07,705	5,21,52,417	1,76,01,145	34,77,201	6,62,76,361	10,14,31,344	9,80,18,540
Office Equipments	11,32,60,184	1,37,13,464	3,35,528	12,66,38,120	5,42,30,348	1,27,50,645	(2,70,15,076)	9,39,96,069	3,26,42,051	5,90,29,836
Moulds	25,15,04,895	3,54,10,590	1,27,55,387	27,41,60,098	20,73,14,926	41,41,722	98,025	21,13,58,623	6,28,01,475	4,41,89,969
Total Tangible Assets	**1,91,22,39,032**	**18,25,68,494**	**4,06,19,986**	**2,05,41,87,540**	**92,74,28,817**	**12,14,74,832**	**(4,90,98,655)**	**1,09,80,02,304**	**95,61,85,236**	**98,48,10,215**
Previous Year	**1,60,08,06,894**	**36,09,00,766**	**4,94,68,628**	**1,91,22,39,032**	**73,89,12,296**	**20,40,04,072**	**1,54,87,552**	**92,74,28,817**	**98,48,10,215**	**86,18,94,598**
Intangible Assets										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	1,43,56,786	38,95,736	-	1,82,52,522	56,09,159	27,63,037	-	83,72,196	98,80,326	87,47,627
Total Intangible Assets	**1,43,72,286**	**38,95,736**	**-**	**1,82,68,022**	**56,12,997**	**27,63,037**	**-**	**83,76,034**	**98,91,988**	**87,59,289**
Previous Year	**1,19,54,752**	**24,17,534**	**-**	**1,43,72,286**	**17,02,461**	**39,10,536**	**-**	**56,12,997**	**87,59,289**	**1,02,52,291**
Capital work in progress:										
a) Building under construction	3,69,393	82,55,633	3,69,393	82,55,633	-	-	-	-	82,55,633	3,69,393
b) Assets under installation	-	24,44,579	-	24,44,579	-	-	-	-	24,44,579	-
Total Capital work in progress	**3,69,393**	**1,07,00,212**	**3,69,393**	**1,07,00,212**	**-**	**-**	**-**	**-**	**1,07,00,212**	**3,69,393**
Previous year	**23,02,363**	**3,69,393**	**23,02,363**	**3,69,393**	**-**	**-**	**-**	**-**	**3,69,393**	**23,02,363**

*Refer to Note 2.27.15

Notes to the Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		As at 31st March, 2015	As at 31st March, 2014
Note 2.12	**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	-	-
2.13	**Long term Loans & Advances**		
	(Unsecured and considered good unless stated otherwise)		
	Capital Advance	21,32,492	28,92,836
	Security Deposits		
	to Related Parties	-	-
	to Others	5,44,97,148	4,05,42,469
	Share Application Money paid to Subsidiaries (Pending Allotment)	1,80,48,696	1,80,48,696
	MAT Credit Entitlement	11,17,62,792	8,10,09,131
		18,64,41,128	14,24,93,132
	Less: Provision for doubtful security deposits to others	37,71,805	37,71,805
	Total Long term Loan & Advances	**18,26,69,323**	**13,87,21,327**
2.14	**Other Non-current Assets**		
	(Unsecured and considered good unless stated otherwise)	-	-
	Total Other Non-current Assets	-	-
2.15	**Inventories (As valued and certified by the Management)**		
	Raw Materials	30,42,18,522	27,10,18,929
	Goods in Process	17,37,91,289	15,90,07,486
	Finished Goods		
	Manufactured	79,95,76,335	61,30,28,286
	Traded	10,35,54,455	3,13,66,203
	Packing Materials	1,72,70,353	1,71,80,421
	Stores & Spares	3,22,20,333	3,07,06,905
	Oil & Lubricants	14,64,926	17,40,949
	Total Inventories	**1,43,20,96,213**	**1,12,40,49,179**
2.16	**Trade Receivables**		
	(Unsecured and considered good unless stated otherwise)		
	Debts outstanding for a period exceeding six months from the due date		
	Considered good	9,25,19,030	5,82,73,395
	Considered doubtful	1,64,36,581	3,00,73,824
	Other Debts		
	Considered good	1,05,56,12,737	1,09,83,12,039
		1,16,45,68,348	1,18,66,59,258
	Less: Provision for doubtful debts	1,64,36,581	3,00,73,824
	Total Trade Receivables	**1,14,81,31,767**	**1,15,65,85,434**
2.17	**Cash and Bank Balances**		
	Cash and Cash equivalents		
	Balances with banks:		
	In Current Accounts*	1,18,72,022	60,67,226
	Cheques on hand	29,48,576	1,17,50,535
	Cash in hand including imprest	1,19,94,879	1,39,63,322
	Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	3,65,76,060	3,96,92,879
	Total Cash and Bank Balances	**6,33,91,537**	**7,14,73,962**

* Includes Unclaimed Dividend of ₹4.61 (Previous year ₹ Nil)

** Includes Fixed Deposits for ₹12.37 Lacs (Previous year ₹0.47 Lacs) having maturity of more than 12 months

Notes to the Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		31.03.2015	31.03.2014
Note 2.18	**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	12,80,63,593	12,24,26,290
	Security Deposit for less than 12 Months		
	to Related Parties	60,00,000	-
	to Others	3,74,82,618	1,29,87,263
	Balance with Excise and other Statutory Authorities	3,36,98,427	3,13,69,366
	(including service tax, VAT recoverable and taxes paid under protest)		
	Prepaid Expenses	1,36,23,497	64,85,051
	Loans and advances to employees	1,08,71,440	1,04,05,341
	Total Short-term Loans & Advances	**22,97,39,575**	**18,36,73,311**
2.19	**Other Operating Income**		
	Freight	46,450	2,46,416
	Miscellaneous Income	48,40,809	23,21,495
	Gain on Exchange Rate Fluctuations	53,10,886	7,68,681
	Bad Debts Recovered	77,83,993	7,83,000
	Total Operating Income	**1,79,82,138**	**41,19,592**
2.20	**Other Income**		
	Bank and Other Interest (Tax deducted at Source ₹3.51 Lacs [Previous Year ₹3.01 Lacs])	48,48,266	34,72,994
	Total Other Income	**48,48,266**	**34,72,994**
2.21	**Cost of Materials consumed and Finished Goods Purchased**		
	(a) Raw Materials (Refer to Note 2.27.22)		
	Stock at the beginning of the year	27,10,18,929	26,29,26,455
	Add: Purchases	2,10,49,65,789	1,92,55,10,279
		2,37,59,84,718	2,18,84,36,734
	Less: Stock at the end of the year	30,42,18,522	27,10,18,929
	Raw Materials Consumed	**2,07,17,66,196**	**1,91,74,17,805**
	(b) Finished Goods Purchased	**93,16,48,646**	**61,46,75,095**
	Total Cost of Materials consumed and Finished Goods Purchased (a+b)	**3,00,34,14,842**	**2,53,20,92,900**
2.22	**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	90,31,30,790	64,43,94,489
	Goods in Process	17,37,91,290	15,90,07,486
	Total	1,07,69,22,080	80,34,01,975
	(b) Inventories at the beginning of the year		
	Finished Goods/Stock-in-Trade	64,43,94,489	66,53,33,614
	Goods in Process	15,90,07,486	13,93,05,371
	Total	80,34,01,975	80,46,38,985
	(Increase)/Decrease in Inventories (b - a)	**(27,35,20,105)**	**12,37,010**
2.23	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	57,95,70,489	52,14,65,262
	Contribution to Provident and Other Funds (Refer to Note 2.27.19)	3,56,46,398	2,84,41,009
	Staff Welfare Expenses	1,30,27,408	1,07,11,917
	Total Employee Benefits Expense	**62,82,44,295**	**56,06,18,188**
2.24	**Finance Cost**		
	Interest Expense		
	to Banks	14,51,24,958	14,60,71,944
	to others (Refer to Note 2.27.6)	18,23,792	27,15,503
	Bank Charges	1,37,18,965	1,19,39,613
	Total Finance Cost	**16,06,67,715**	**16,07,27,060**

Notes to the Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		31.03.2015	31.03.2014
Note 2.25	**Other Expenses**		
	(a) Manufacturing Expenses		
	Freight Inwards	1,16,38,585	1,05,16,384
	Upper Production Charges	12,28,25,017	10,07,56,092
	Oil & Lubricants	1,68,20,982	1,35,88,882
	Electricity Charges	9,16,88,472	8,65,71,684
	Repairs to Machinery	4,05,49,427	2,85,93,367
	Land Lease Rent	1,80,776	1,64,336
	Franchise Fee	1,25,00,000	1,25,00,000
	Total	**29,62,03,259**	**25,26,90,745**
	(b) Administration, Selling and Other Expenses		
	Packing Materials Consumed	17,32,03,126	16,80,84,166
	Printing & Stationery	74,48,696	70,59,467
	Directors' Remuneration	1,92,00,000	1,92,00,000
	Claims	3,92,64,678	4,28,06,087
	Tour, Travelling and Conveyance	7,87,28,884	7,75,20,416
	Insurance Charges	84,55,246	76,66,297
	Fees and Taxes	5,06,21,421	3,28,36,584
	Postage, Telegram, Telephone and Telex	1,51,24,801	1,43,03,903
	Subscriptions	12,33,579	7,12,885
	Advertisements	12,94,60,613	8,49,22,597
	Rent	13,01,87,846	12,41,20,837
	Donations	15,40,536	10,86,122
	Export CIF Expenses	2,56,97,041	1,61,43,765
	Freight Outward	9,06,21,836	8,67,16,321
	Samples	3,68,846	2,41,923
	Auditors' Remuneration:		
	Statutory Audit Fee	10,90,000	5,60,000
	Tax Audit Fee	80,000	80,000
	Certification Fee	20,000	20,000
	Cost Audit Fee	-	1,00,000
	Miscellaneous Expenses	2,32,15,890	2,04,98,804
	Royalty	17,27,23,000	16,30,00,000
	Entertainment Expenses	80,40,187	71,09,905
	Commission	4,08,78,912	4,66,32,040
	Sales Promotion Expenses	7,85,89,520	6,15,46,827
	Newspapers & Periodicals	2,66,017	1,90,792
	Debts written off	1,11,96,347	2,77,06,169
	Provision for doubtful debts (refer to Note 2.27.13)	(1,36,37,243)	54,57,095
	Consultancy & Professional Charges	2,14,85,393	1,94,74,618
	Repairs & Maintenance Expenses-Building	3,24,60,854	3,04,30,364
	Repairs & Maintenance Expenses-Others	1,92,17,042	1,29,85,154
	Loss on transfer of Duty Credit	14,15,976	-
	Total	**1,16,81,99,044**	**1,07,92,13,138**
	Total Other Expenses (a + b)	**1,46,44,02,303**	**1,33,19,03,883**
2.26	**Exceptional Items**		
	Profit on Sale of Fixed Assets	(4,79,683)	(43,48,154)
	Loss on sale of Fixed Assets	76,14,570	63,20,291
		71,34,887	**19,72,137**

Notes to the Financial Statements for the year ended 31st March, 2015

Note 2.27 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

2.27.1 **Details of Managerial Remuneration:**

(Amount in ₹)

Particulars	31.03.2015	31.03.2014
Payment and provision for remuneration to:		
Executive Director(s)	1,92,00,000	1,92,00,000

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	31.03.2015	31.03.2014
Profit before tax as per Statement of Profit & Loss	15,00,03,259	14,14,99,351
Add:		
Directors' Remuneration	1,92,00,000	1,92,00,000
(Profit)/Loss on sale of Fixed Assets (Net)	71,34,887	19,72,137
Directors' Sitting Fees	2,70,000	42,500
(Profit)/Loss on sale of Investments	-	-
Net Profit as per Section 198 of the Companies Act, 2013	**17,66,08,146**	**16,27,13,988**
Commission paid/payable to Directors	**-**	**-**

During the year under consideration, no remuneration has been paid to Non-Executive Directors except professional services fees of ₹21,00,000/- (Previous year ₹18,00,000/-) to Sh. Satish Kumar Goel and ₹2,70,000/- (Previous year Nil) to Sh. Ashok Kumar (Since the date of his becoming Director on the Board of the Company) and sitting fees of ₹2,70,000/- (Previous year ₹42,500/-) to Independent Directors.

2.27.2 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.

2.27.3 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 2.25.

The future minimum lease payments under non cancellable operating leases are as follows:

(Amount in ₹)

Lease Rentals	31.03.2015	31.03.2014
Not later than one year	1,21, 45,281	1,38,22,657
Later than one year and not later than 5 years	15,81,422	1,09,85,548
Later than five years	-	-
Lease Payment recognized in Statement of Profit and Loss are shown as Rent under Other Expenses in Note 2.25	13,01,87,846	12,41,20,837

2.27.4 The assessment of the Company in respect of Income Tax & Wealth Tax is completed up to Assessment Year 2012-13.

2.27.5 During the year, in terms of the renewed agreements dated April 3, 2013 with Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms of the group, for further period of two years from April 1st, 2013 onwards, the exclusive use of their manufacturing facilities and fixed assets, trademarks & distribution networks was available with the Company till March 31, 2015. Further, in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for franchise fees of ₹115 Lacs (Previous year

Notes to the Financial Statements for the year ended 31st March, 2015

₹115 Lacs) to LE and ₹881.67 Lacs (Previous year ₹840 Lacs) to LGMD.

In furtherance to the Company's earlier communication, considering the enduring benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of LE & LGMD, on March 31, 2015 the Company has 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 Company has paid a sum of ₹10 Lacs & ₹50 Lacs to LE & LGMD respectively as an advance and the related transactions are 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

Also during the year, in terms of the renewed agreement dated April 3, 2013 with Liberty Footwear Co. (LFC), another partnership firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of use of trademark "LIBERTY" to the Company for further 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 ₹855.56 Lacs (Previous year ₹800 Lacs) to LFC.

2.27.6 Interest to others include ₹11,93,934/- (Previous year ₹18,95,666/-) against short term loan from M/s Geofin Investments Private Ltd @ 12% p.a.

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

2.27.8 The Company has paid the excise duty amounting to ₹22,57,15,331/- (Previous year ₹17,11,33,108/-) against the sales executed during the year.

Also, the Company has made the provision of excise duty of ₹1,24,51,014/- (Previous Year ₹1,53,04,343/-) against finished goods lying in stocks as on 31st March, 2015 and the difference of two has been recognized separately in the Statement of Profit & Loss.

2.27.9 During the year the registration process of certain portion of land at Libertypuram, Karnal, already in possession with the Company since beginning, has been completed and the said land has duly been registered in the name of the Company in revenue records.

2.27.10 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, 2015 as Micro, Small or Medium Enterprise. Consequently the amount paid/payable to these parties during the year is nil.

2.27.11 Contingent Liabilities

(Amount in ₹)

Particulars		2014-15	2013-14
I)	Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms to their orders.	5,56,22,601	6,74,16,281
II)	Letter of Credits	11,90,31,607	7,30,36,956
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, June 2006, May 2006 to financial year 2002-03 and 2004-05. CESTAT while admitting Company's appeal directed to deposit ₹39 Lacs under protest & has granted stay	3,38,75,448	3,38,75,448
IV)	Income Tax claims disputed by the Company relating to TDS (FY 2010-11) against which appeal filed by the Company	-	3,11,878
V)	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	1,22,03,204
VI)	Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
VII)	On account of compliance relating to obligations under EPCG licences	4,42,00,783	4,42,00,783
VIII)	Third Party claims due to dispute relating to contracts	44,37,479	44,37,479

[1] Including amount deposited under protest ₹39,00,000/- (Previous year ₹39,00,000/-)
[2] Including amount deposited under protest ₹14,25,815/- (Previous year ₹48,82,322/-).

Notes to the Financial Statements for the year ended 31st March, 2015

2.27.12 Capital commitments not provided for are estimated at ₹30 Lacs (Previous year ₹100 Lacs).

2.27.13 Provision for doubtful debts: During the year, the Company has considered debts for ₹47,09,590/- (Previous year ₹3,22,29,631/-) as doubtful debts/securities and also has withdrawn ₹1,83,46,833/- (Previous year ₹2,67,72,536/-) out of the provisions made in the earlier years for the same and written off as bad debts ₹61,77,632/- (Previous year ₹2,36,27,454/-). 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	2014-15	2013-14
Provision for the year	47,09,590	3,22,29,631
Less: Amount withdrawn from the provision made for doubtful debts in the earlier years	1,83,46,833	2,67,72,536
Net debited/(credited) to Statement of Profit & Loss	(1,36,37,243)	54,57,095

Balance Sheet

(Amount in ₹)

Particulars	2014-15	2013-14
Opening Balance	3,38,45,629	2,83,88,534
Add: Provision for the year	47,09,590	3,22,29,631
Total	3,85,55,219	6,06,18,165
Less: Amount withdrawn during the year	1,83,46,833	2,67,72,536
Closing balance	2,02,08,386	3,38,45,629
Trade Receivables (Refer to Note No. 2.16)	1,64,36,581	3,00,73,824
Security Deposits to Others (Refer to Note No. 2.13)	37,71,805	37,71,805

2.27.14 During the year, considering the non-recoverability of some of the debts, the Company has written of the debts amounting to ₹45,39,071/- (Previous year ₹40,78,715/-).

2.27.15 Pursuant to the enactment of the Companies Act 2013, (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance to the provisions of Schedule II of the Act and the worked out unabsorbed depreciation, against assets whose useful life has expired till 31st March, 2014, amounting to ₹6,59,32,277/- has been adjusted with the Surplus in the Statement of Profit & Loss under the head Reserves & Surplus (refer to Note 2.2.4). Further the consequential impact of the same on the depreciation for the year is ₹44,55,243/- and same has been charged to the Statement of Profit and Loss for the year.

Further, the corresponding effect of the aforesaid unabsorbed depreciation amounting to ₹6,59,32,277/- has been given in the Note 2.11 under Depreciation - Sales/ Adjustments during the period and break-up of the same is as under:

(Amount in ₹)

Particulars	Sale/Adjustments during the period		
	On a/c of Sale of Assets	On a/c of change in useful life	Total
(A) Tangible Assets.. 'A'			
Building	-	-	-
Plant & Equipments	5,91,330	(2,95,96,528)	(2,90,05,198)
Furniture & Fixtures	98,31,362	(64,84,969)	33,46,393
Vehicles	61,79,507	(27,02,306)	34,77,201
Office Equipments	1,33,398	(2,71,48,474)	(2,70,15,076)
Moulds	98,025	-	98,025
Total	**1,68,33,622**	**(6,59,32,277)**	**(4,90,98,655)**
Tangible Assets.. 'B'			
Software	-	-	-
Total	**-**	**-**	**-**
Grand Total (A + B)	**1,68,33,622**	**(6,59,32,277)**	**(4,90,98,655)**

Notes to the Financial Statements for the year ended 31st March, 2015

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

2.27.17 Basic and Diluted Earning per share: The Basic and diluted earning per share of the Company is as under: -

(Amount in ₹)

Description	2014-2015	2013-2014
Basic & Diluted		
Profit after Taxation (A)	17,06,20,137	13,39,45,381
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)	10.01	7.86

2.27.18 Related Party Transactions

The Company has made the following transactions with related parties as defined under the provisions of Accounting Standard 18 issued by Institute of Chartered Accountants of India.

A) Transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2015:

(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	-	1,82,81,774	21,38,672	1,42,104	2,05,62,550
	(-)	(1,77,62,646)	(18,35,156)	(1,29,180)	(1,97,26,982)
Sale of Goods	-	5,25,25,479	-	-	5,25,25,479
	(-)	(3,30,13,602)	(-)	(-)	(3,30,13,602)
Purchase of Assets	-	1,85,00,000	-	-	1,85,00,000
	(-)	(-)	(-)	(-)	(-)
License Agreements (Franchise Fee & Licensing Fee including Service Tax)	-	20,81,16,562	-	-	20,81,16,562
	(-)	(19,71,91,800)	(-)	(-)	(19,71,91,800)
Payment of Salary, Wages and other benefits to employees	-	-	2,25,00,000	96,30,000	3,21,30,000
	(-)	(1,72,234)	(2,22,00,000)	(69,10,000)	(2,92,82,234)
Loans taken	-	15,43,96,000	-	-	15,43,96,000
	(-)	(27,45,20,000)	(-)	(-)	(27,45,20,000)
Repayment of Loans	-	17,21,20,000	-	-	17,21,20,000
	(-)	(26,64,70,000)	(-)	(-)	(26,64,70,000)
Interest Paid/Payable	-	11,93,934	-	-	11,93,934
	(-)	(18,95,666)	(-)	(-)	(18,95,666)
Advance for Business Transfer	(-)	60,00,000	(-)	(-)	60,00,000
	(-)	(-)	(-)	(-)	(-)
Outstanding balances					
Trade Receivables	-	1,10,42,414	-	-	1,10,42,414
	(-)	(70,41,935)	(-)	(-)	(70,41,935)
Loans & Advances	-	60,00,000	-	-	60,00,000
	(-)	(-)	(-)	(-)	(-)
Trade Payables	-	30,40,507	2,07,096	-	32,47,603
	(-)	(1,15,86,311)	(1,68,424)	(-)	(1,17,54,735)
Short Term Loans	-	13,34,568	-	-	13,34,568
	(-)	(1,79,84,029)	(-)	(-)	(1,79,84,029)

Previous year figures are in brackets

Notes to the Financial Statements for the year ended 31st March, 2015

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., Little World Constructions Pvt. Ltd.,.

iii) Key Management Personnel:

1) Sh. Adesh Kumar Gupta 2) Sh. Adarsh Gupta 3) Sh. Shammi Bansal 4) Sh. Sunil Bansal 5) Sh. Adeesh Kumar Gupta 6) Sh. Satish Kumar Goel 7) Sh. Munish Kakra (effective from 29th May, 2014)

iv) Relatives of Key Management Personnel:

S/Sh. Harish Kumar Gupta, Raman Bansal, Vivek Bansal, Anupam Bansal (Brothers of Directors)

Sh. Ayush Bansal, Sh. Manan Bansal, Sh. Pranav Gupta, Sh. Anmol Gupta (Sons of Directors)

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 (₹)	
				2014-15	2013-14
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Receiving of Services	Geofin Investments Private Ltd.	Rent for Office Premises	1,52,31,190	1,52,53,200
		Little World Constructions Private Ltd.	Rent	5,01,289	4,62,513
		Liberty Footwear Co.	Rent for Office Premises	11,05,620	6,33,708
		Sanjeev Bansal Charitable Trust	Rent for Office Premises	4,50,000	4,50,000
			Medical facilities for employees	9,93,675	9,63,225
		Harish Kumar Gupta	Rent	1,42,104	1,29,180
	Sale of Goods	Liberty Innovative Outfits Ltd.	Sale of Goods manufactured and deal in by the Company	5,25,25,479	3,30,13,602
	Purchase of Assets	Geofin Investments Private Ltd.	Purchase of Fixed Assets	1,85,00,000	-
	License Agreements	Liberty Enterprises	Franchise Fee (including service tax)	1,29,21,400	1,29,21,400
		Liberty Group Marketing Division	Franchise Fee (including service tax)	9,90,64,441	9,43,82,400
		Liberty Footwear Co.	License Fee (including Service Tax)	9,61,30,721	8,98,88,000
	Payment of Salary, Wages and other benefits to employees	Liberty Group Marketing Division	Salary, Wages and other benefits	-	1,72,234
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Loans Taken	Geofin Investments Private Ltd.	Unsecured Short Term Loans	15,43,96,000	27,45,20,000
	Repayment of Loans			17,21,20,000	26,64,70,000
	Interest paid/payable			11,93,934	18,95,666
	Advance for transfer of Business	Liberty Enterprises	Advance	10,00,000	-
		Liberty Group Marketing Division	Advance	50,00,000	-

Notes to the Financial Statements for the year ended 31st March, 2015

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	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
		Sh. Munish Kakra	Salary, Wages and other benefits	33,00,000	30,00,000
	Receiving of Services	Sh. Adesh Kumar Gupta	Rent	38,672	35,156
		Sh. Satish Kumar Goel	Professional Services	21,00,000	18,00,000
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	20,70,000
		Sh. Vivek Bansal	Salary, Wages and other benefits	30,00,000	20,70,000
		Sh. Anupam Bansal	Salary, Wages and other benefits	30,00,000	20,70,000
		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
		Sh. Anmol Gupta	Salary, Wages and other benefits	-	70,000

Outstanding balances

Type of Relationship	Type of Transaction	Name of the Entity/Person	Nature	Financial Year (₹)	
				2014-15	2013-14
Key Management Personnel has significant influence	Trade Receivables	Liberty Innovative Outfits Ltd.	Against sale of goods manufactured and deal in by the Company	1,10,42,414	70,41,935
	Loans & Advances	Liberty Enterprises	Advance for transfer of Business	10,00,000	-
		Liberty Group Marketing Division		50,00,000	-
	Trade Payables	Liberty Enterprises	Franchise Fee (including service tax)	-	5,50,496
		Liberty Group Marketing Division	Franchise Fee & Salary, Wages and Other benefits (including service tax)	-	38,13,035
		Liberty Footwear Co.	License Fee (including Service Tax)	29,96,640	70,69,189
		Sanjeev Bansal Charitable Trust	Medical Facilities to employees	23,558	98,753
		Little World Constructions Private Ltd.	Rent	20,309	54,838
	Short Term Loans	Geofin Investments Private Ltd.	Unsecured Short Term Loans	13,34,568	1,79,84,029
Key Management Personnel	Expenses Payable	Sh. Adesh Kumar Gupta	Rent	2,07,096	1,68,424

Notes to the Financial Statements for the year ended 31st March, 2015

2.27.19 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)	
		31.03.2015	31.03.2014
1.	Current Service Cost	74,35,460	35,01,798
2.	Interest Cost on benefit obligation	28,79,644	25,62,621
3.	Expected return on Plan Assets	(37,33,174)	(25,80,480)
4.	Actuarial Loss/(Gain)	19,17,396	13,98,089
5.	Net Benefit Expenses	84,99,326	48,82,028

Balance Sheet

b) Details of Provision for Gratuity

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2015	31.03.2014
1.	Present Value of Defined Benefit Obligation	4,56,96,011	3,95,84,235
2.	Fair value of Plan Assets	3,92,93,225	3,49,64,906
3.	Surplus/(Deficit)	(64,02,786)	(46,19,329)
4.	Net Asset/(Liability)	(64,02,786)	(46,19,329)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2015	31.03.2014
1.	Defined Benefit Obligation at the beginning of the year	3,95,84,235	3,64,62,343
2.	Current Service Cost	74,35,460	35,01,798
3.	Interest Cost	28,79,644	25,62,621
4.	Actuarial (Gain)/Loss on obligations	19,17,396	13,98,089
5.	Benefits paid	(61,20,724)	(43,40,616)
6.	Defined benefit obligation at the end of the period	4,56,96,011	3,95,84,235

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2015	31.03.2014
1.	Opening Fair Value of Plan Assets	3,49,64,906	2,97,71,416
2.	Expected Return	37,33,174	25,80,480
3.	Contributions by employer	63,70,091	66,65,311
4.	Benefits paid	(57,74,946)	(40,52,301)
5.	Actuarial Gains/(Losses)	-	-
6.	Closing Fair Value of Plan Assets	3,92,93,225	3,49,64,906

Notes to the Financial Statements for the year ended 31st March, 2015

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2015	31.03.2014
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)	
		31.03.2015	31.03.2014
1.	Defined Benefit Obligation	(4,56,96,011)	(3,95,84,225)
2.	Plan Assets	3,92,93,225	3,49,64,896
3.	Surplus/(Deficit)	(64,02,786)	(46,19,329)
4.	Experience adjustments on plan liabilities	19,17,396	13,98,089
5.	Experience adjustments on plan assets	-	-

2.27.20 For the current year, Deferred Tax liability has been calculated after considering the cumulative timing differences of ₹6,38,37,055/- (Previous year ₹14,27,05,764/-) mainly on account of depreciation.

2.27.21 There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2015.

2.27.22 Detail of Materials Consumed

(Amount in ₹)

Description	2014-15	2013-14
PVC Compound	16,05,43,324	15,88,25,898
Laminated Leather Fabric	22,31,53,879	21,77,20,538
PU Chemicals	23,87,08,846	21,16,49,747
Leather	18,53,64,893	25,29,58,417
PU Soles	11,21,58,916	8,70,72,714
EVA Resin	3,72,69,256	4,18,22,165
Shoe Uppers/Components	58,77,66,922	61,35,19,570
Others	42,02,84,498	36,63,68,619
Total	2,10,58,59,818	1,94,99,37,668
Less: Amount of Export Incentives	3,40,93,622	3,25,19,863
Net Consumption	2,07,17,66,196	1,91,74,17,805

Notes to the Financial Statements for the year ended 31st March, 2015

2.27.23 Consumption/Purchase of Imported and Indigenous Materials and percentage thereof

(Amount in ₹)

Description	2014-15		2013-14	
	Value	%age	Value	%age
Raw Materials Consumed				
Imported	5,95,46,545	2.87	7,31,82,650	3.82
Indigenous	2,01,22,19,651	97.13	1,87,42,35,155	96.18
Total	**2,07,17,66,196**	**100.00**	**1,91,74,17,805**	**100.00**
Finished Goods Purchased				
Imported	21,97,82,395	23.59	15,53,34,931	25.27
Indigenous	71,18,66,251	76.41	45,93,40,164	74.73
Total	**93,16,48,646**	**100.00**	**61,46,75,095**	**100.00**
Consumable Stores & Spares				
Imported	55,29,285	13.64	33,69,268	11.78
Indigenous	3,50,20,142	86.36	2,52,24,099	88.22
Total	**4,05,49,427**	**100.00**	**2,85,93,367**	**100.00**

2.27.24 Expenditure & Earnings in Foreign Currency

(Amount in ₹)

Description	2014-15	2013-14
a) CIF Value of Imports:		
Raw Materials & Others	22,92,10,350	18,23,35,721
Capital Goods	3,16,95,164	1,90,85,664
Stores & Spares	36,10,333	43,43,817
b) Expenditure in Foreign Currency		
Travelling Expenses	52,67,195	55,84,351
Commission	19,31,165	23,92,973
Business Promotion	50,60,114	24,77,700
Customer Claims	-	7,45,826
Rent	11,49,670	22,10,400
Technical Consultancy	2,47,526	19,29,116
c) FOB Value of Exports of		
Finished Goods	47,94,83,876	45,11,55,867

2.27.25 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.

Independent Auditors' Report

On the Consolidated Financial Statements of Liberty Shoes Ltd.

To the Members of
Liberty Shoes Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Liberty Shoes Ltd. ("the Company") and its subsidiary (the Company and its subsidiary Constitutes the "Group") as referred to in section 129(3) of the Companies Act, 2013 ("the Act"), which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its Subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Subsidiary and for preventing and detecting frauds and other irregularities; the 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 misstatements, whether due to fraud or error, which have been used for purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

We conducted our audit 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 consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015 and the consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary M/s Liberty Foot Fashion Middle East FZE, a Company registered in the United Arab Emirates, for the year ended March 31, 2015 which has not yet commenced its operations whose financial statements reflect total assets of ₹414.18 Lacs as at March 31, 2015 and net loss of ₹13.93 Lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditors whose report has been furnished to us by the Management and we are presented with this financial statements in Indian Rupees prepared on the basis of the aforesaid audited accounts. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report 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, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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

Pardeep Tayal
Partner
Membership No. 081643

Place: New Delhi
Dated: Friday, 29th May, 2015

Consolidated Balance Sheet

as at 31st March, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2015		31.03.2014
Equity & Liabilities					
Shareholders' Funds					
Share Capital	2.1	17,04,00,000		17,04,00,000	
Reserves & Surplus	2.2	1,28,58,02,718	1,45,62,02,718	1,21,19,01,090	1,38,23,01,090
Non-current Liabilities					
Long Term Borrowings	2.3	11,35,87,384		12,08,91,934	
Deferred Tax Liability (Net)	2.4	2,07,11,930		4,63,00,880	
Other Long Term Liabilities	2.5	5,76,20,879		4,93,48,501	
Long Term Provisions	2.6	28,06,330	19,47,26,523	23,44,502	21,88,85,817
Current Liabilities					
Short Term Borrowings	2.7	1,21,16,59,324		97,89,55,932	
Trade Payables	2.8	90,83,64,984		82,20,46,379	
Other Current Liabilities	2.9	22,53,83,459		22,99,97,459	
Short Term Provisions	2.10	5,98,83,207	2,40,52,90,973	5,78,32,060	2,08,88,31,830
Total			**4,05,62,20,214**		**3,69,00,18,737**
Assets					
Non-current Assets					
Fixed Assets					
Tangible Assets	2.11	95,61,85,236		98,48,10,215	
Intangible Assets	2.11	98,91,988		87,59,289	
Capital Work in Progress	2.11	1,07,00,212		3,69,393	
Non-current Investments	2.12	44,834		44,834	
Long term Loans & Advances	2.13	20,60,38,852		16,02,38,879	
Other Non-current Assets	2.14	-	1,18,28,61,122	-	1,15,42,22,610
Current Assets					
Inventories	2.15	1,43,20,96,213		1,12,40,49,179	
Trade Receivables	2.16	1,14,81,31,767		1,15,65,85,434	
Cash and Bank Balances	2.17	6,33,91,537		7,14,88,203	
Short term Loans & Advances	2.18	22,97,39,575	2,87,33,59,092	18,36,73,311	2,53,57,96,127
Total			**4,05,62,20,214**		**3,69,00,18,737**
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Sunil Bansal
Executive Director
(DIN - 00142121)

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO &
Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2015		31.03.2014
Revenue from Operations					
Sales		5,46,46,16,663		5,00,60,19,959	
Other Operating Revenues	2.19	1,79,82,138		41,19,592	
Less:					
Excise Duty		22,57,15,331	5,25,68,83,470	17,11,33,108	4,83,90,06,443
Other Income	2.20		48,48,266		34,72,994
Total Revenue			**5,26,17,31,737**		**4,84,24,79,437**
Expenses					
Cost of Raw Materials Consumed	2.21	3,00,34,14,842		2,53,20,92,900	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	2.22	(27,35,20,105)		12,37,010	
Employee Benefit Expenses	2.23	62,82,44,295		56,06,18,188	
Finance Cost	2.24	16,07,12,686		16,07,45,863	
Depreciation & Amortisations	2.11	12,42,37,869		11,06,55,651	
Other Expenses	2.25	1,46,57,50,432		1,33,31,40,060	
Excise Duty		(28,53,329)		17,73,257	
Total Expenses			**5,10,59,86,690**		**4,70,02,62,929**
Profit before exceptional and extraordinary items and tax			**15,57,45,046**		**14,22,16,508**
Exceptional Items	2.26		**71,34,887**		**19,72,137**
Profit before Tax			**14,86,10,159**		**14,02,44,371**
Tax Expense					
Current tax		2,85,92,830		3,07,25,101	
Mat Credit Entitlement		(1,27,35,496)		(1,87,19,534)	
Income tax for earlier years		(1,08,85,262)		2,86,433	
Deferred Tax		(2,55,88,950)	(2,06,16,878)	(47,38,030)	75,53,970
Net Profit for the year			**16,92,27,037**		**13,26,90,401**
Add/(Less):					
Minority Interest			-		-
Net Profit for the year			**16,92,27,037**		**13,26,90,401**
Earning Per Share of ₹10/- each					
Basic & Diluted			9.93		7.79
Basic & Diluted (Before Exceptional Items)			10.35		7.90
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Sunil Bansal
Executive Director
(DIN - 00142121)

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO &
Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Consolidated Cash Flow Statement

for the year ended 31st March, 2015

(Amount in ₹)

PARTICULARS	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, Interest and extra ordinary items	29,53,84,690	28,87,11,157
Adjustments for:		
Unrealised Foreign Exchange Difference	(35,94,624)	(30,18,024)
Depreciation	12,42,37,869	11,06,55,651
Loss/(Gain) on sale of Fixed Assets (net)	71,34,887	19,72,137
Bank & Other Interest	(48,48,266)	(34,72,994)
Provision for doubtful debts	(1,36,37,243)	54,57,095
Operating Profit before working capital changes	40,46,77,312	40,03,05,022
Adjustments for:		
Trade & Other Receivables	2,20,90,910	(36,99,69,173)
Inventories	(30,80,47,034)	(1,18,23,132)
Loans & Advances	(4,93,47,425)	4,19,51,950
Trade & Other Payables	31,19,15,895	8,21,76,447
Cash generated from Operations	38,12,89,659	14,26,41,114
Direct Taxes Paid	(3,16,33,551)	(2,76,63,466)
Cash Flow before extra ordinary items	34,96,56,108	11,49,77,648
Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities	**34,96,56,108**	**11,49,77,648**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,67,95,049)	(12,41,51,069)
Sale of Fixed Assets	1,66,51,477	3,20,08,939
Bank and Other Interest	48,48,266	34,72,994
(Increase)/Decrease in Investments	15,74,413	39,86,821
Net Cash used in Investing Activities	**(17,37,20,892)**	**(8,46,82,315)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	5,70,32,000	8,36,96,751
Repayment of long term borrowings	(6,78,05,834)	(4,34,48,297)
Interest paid	(14,69,48,750)	(14,87,87,447)
Dividend paid	(2,55,60,000)	-
Dividend Distribution Tax	(43,43,922)	-
Net Cash used in Financing Activities	**(18,76,26,506)**	**(10,85,38,993)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(1,16,91,290)**	**(7,82,43,660)**
Cash & Cash Equivalents (Opening Balance)	**7,14,88,203**	**14,67,13,839**
Unrealised Foreign Exchange Difference	**35,94,624**	**30,18,024**
Cash & Cash Equivalents (Closing Balance)	**6,33,91,537**	**7,14,88,203**
Components of Cash & Cash Equivalents		
Cash in hand including imprest	1,19,94,879	1,39,63,322
Balance with Scheduled Banks		
Current Accounts	1,18,72,022	60,81,467
Cheques on hand	29,48,576	1,17,50,535
Fixed Deposits	3,65,76,060	3,96,92,879
Total	**6,33,91,537**	**7,14,88,203**

Notes: 1) Purchase of Fixed Assets include movements of capital work in progress between the beginning and at the end of the year 2) The Cash Flow Statement has been prepared under the indirect method as set out in AS -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal	**Adesh Kumar Gupta**	**Sunil Bansal**	**Raghubar Dayal**	**Munish Kakra**
Partner	CEO & Executive Director	Executive Director	Director	CFO &
Membership No. 081643	DIN-00143192	(DIN - 00142121)	DIN-00481803	Company Secretary

Place: New Delhi
Dated: Friday, 29th May, 2015

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

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.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Consolidated Financial Statements

In case of Parent Company:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis of accounting.

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation are recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013 (The "Act").

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.

In case of Subsidiary Company

Financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on accrual basis of accounting under the historical cost convention.

b) Principles of consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21" Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the following basis:

Investments in subsidiary

- The financial statements of the Liberty Shoes Ltd. (The Parent Company) and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, profit and loss after fully eliminating intra group balances.
- Goodwill on consolidation is recognized in the consolidated financial statements as cost to the Parent Company of its investments in the Subsidiary is in excess to the Parent Company's portion of equity in the Subsidiary Company.
- The financial statements of the Subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March, 2015.
- The Subsidiary considered in the preparation of these consolidated financial statements is Liberty Foot Fashion Middle East FZE (LFF) in which parent company holds 100% (Previous year 100%) of Equity Shares. LFF has presented its financial statements in AED (Dirhams) which has been converted in to India rupees at a rate prevailing at the end of the financial year while consolidating the financial statements. LFF has not commenced its operations yet therefore, in this report, wherever notes related to LFF, it has been specifically referred as Subsidiary Company; otherwise the notes given are related to Parent Company only.

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 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 and the Focus Product 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 credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

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) Fixed Assets and Capital work in progress

Fixed assets are stated at original cost (net of CENVAT 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.

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 Rs. 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.

In case of Subsidiary Company, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

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

In case of Parent Company

(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.

In case of Subsidiary Company, the transactions in foreign currency entered during the year are recorded at the exchange rates prevailing on the date of 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.

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Note 2.1 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**

2.1.1 **Reconciliation of Number of Shares**

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
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		
Equity Shares at the end of the year	**17,04,00,000**	**17,04,00,000**

2.1.2 **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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

2.1.3 **Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

(Amount in ₹)

	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity Shares				
Geofin Investments Private Limited	44,72,517	26.25	44,72,517	26.25
Satish Kumar Gupta (Karta)	8,88,584	5.21	8,88,584	5.21

	As at 31st March, 2015	As at 31st March, 2014
Note 2.2 Reserves & Surplus		
2.2.1 **Capital Reserve**	3,99,500	3,99,500
2.2.2 **Securities Premium Reserve**		
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
2.2.3 **General Reserve**		
Balance at the beginning of the year	98,70,09,364	92,70,09,364
Add: Transfer from surplus in the Statement of Profit & Loss	6,00,00,000	6,00,00,000
Balance at the end of the year	1,04,70,09,364	98,70,09,364
2.2.4 **Foreign Currency Translation Reserve on Consolidation**		
Balance at the beginning of the year	1,12,76,845	72,90,024
Add: Additions/(Utilisations) during the year	15,74,413	39,86,821
Balance at the end of the year	1,28,51,258	1,12,76,845
2.2.5 **Surplus in the Statement of Profit & Loss**		
Balance at the beginning of the year	10,04,94,737	14,95,67,919
Add: Profit for the year	16,92,27,037	13,26,90,401
	26,97,21,774	28,22,58,320
Less: Appropriations/Adjustments		
Transfer to General Reserve	6,00,00,000	6,00,00,000
Proposed Dividend on Equity Shares (Dividend per share ₹1.50/- (Previous year ₹1.50/-)	2,55,60,000	2,55,60,000
Provision for Dividend Distribution Tax	52,33,326	43,43,922
Adjustment of Depreciation as per Schedule II of the Companies Act, 2013	6,59,32,277	-
Adjustments on account of Foreign Currency Translation Reserve	1,74,219	3,20,661
Goodwill written off on Amalgamation of Subsidiary Company	-	9,15,39,000
Balance at the end of the year	11,28,21,952	10,04,94,737
Total Reserves & Surplus	**1,28,58,02,718**	**1,21,19,01,090**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

Note 2.3 Long Term Borrowings

(Amount in ₹)

Term Loans	As at 31st March, 2015		As at 31st March, 2014	
	Non Current	Current Maturities	Non Current	Current Maturities
2.3.1 **Secured**				
(I) from Banks:				
Rupee Term Loans	11,12,95,487	6,11,02,715	11,79,35,928	6,45,17,069
(ii) from Others:				
Rupee Term Loans	22,91,897	21,41,418	29,56,006	21,96,348
	11,35,87,384	**6,32,44,133**	**12,08,91,934**	**6,67,13,417**
Less: Amount disclosed under other Current Liabilities (Refer Note 2.9.1)	-	6,32,44,133	-	6,67,13,417
Net Long Term Borrowings	**11,35,87,384**	**-**	**12,08,91,934**	**-**

Repayment terms and security for the oustanding long term borrowings (Including current maturities) as at 31st March, 2015

Particulars of Loan	Details of Security	Outstanding Balance as at 31st March, 2015	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, Pontasahib and Langha Road, Sahaspur, Dehradun and 2nd Charge on Current Assets of the Company	15,11,03,111	4 Quarterly installments of ₹44.44 Lacs each, 12 Quarterly installments of ₹27.78 Lacs each, 16 Quarterly installments of ₹30.70 Lacs each, 16 Quarterly installments of ₹16.25 Lacs each, 16 Quarterly installments of ₹7.74 Lacs each & 16 Quarterly installments of ₹7.77 Lacs each
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	1,24,57,933	44% in Monthly Installment in 2015-16 33% in Monthly Installment in 2016-17 20% in Monthly Installment in 2017-18 2% in Monthly Installment in 2018-19 1% in Monthly Installment in 2019-20
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	88,37,158	46% in Monthly Installment in 2015-16 51% in Monthly Installment in 2016-17 2% in Monthly Installment in 2017-18 1% in Monthly Installment in 2018-19
Total		**17,23,98,202**	
(ii) from Others			
Vehicle Loans from BMW Financial Services	Hypothecation of Vehicles	20,42,926	79% in Monthly Installment in 2015-16 21% in Monthly Installment in 2016-17
Vehicle Loans from Tata Capital Ltd.	Hypothecation of Vehicle	9,13,080	31% in Monthly Installment in 2015-16 34% in Monthly Installment in 2016-17 35% in Monthly Installment in 2017-18
Vehicle Loan from Toyota Financial Services India Ltd	Hypothecation of Vehicle	14,77,309	17% in monthly instalments in 15-16 18% in monthly instalments in 16-17 20% in monthly instalments in 17-18 22% in monthly instalments in 18-19 22% in monthly instalments in 19-20
Total		**44,33,315**	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		As at 31st March, 2015	As at 31st March, 2014
Note 2.4	**Deferred Tax Liability (Net)**		
	Balance at the beginning of the year	4,63,00,880	5,10,38,910
	Add: for the year	(2,55,88,950)	(47,38,030)
	Balance at the end of the year	**2,07,11,930**	**4,63,00,880**
2.5	**Other Long Term Liabilities**		
	Security Deposits	5,76,20,879	4,93,48,501
	Total Other Long Term Liabilities	**5,76,20,879**	**4,93,48,501**
2.6	**Long Term Provisions**		
	Provision for Gratuity	28,06,330	23,44,502
	Total Long Term Provisions	**28,06,330**	**23,44,502**
2.7	**Short Term Borrowings**		
2.7.1	**Secured**		
	Loans repayable on demand from Banks:	1,21,03,24,756	96,09,71,903
	(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	**1,21,03,24,756**	**96,09,71,903**
2.7.2	**Unsecured**		
	Loans and Advances from Related Parties		
	Short Term Loans	13,34,568	1,79,84,029
	from Others	-	-
	Total Unsecured Loans	**13,34,568**	**1,79,84,029**
	Total Short Term Borrowings	**1,21,16,59,324**	**97,89,55,932**
2.8	**Trade Payables**		
	Trade Payables for goods & services (Includes sundry creditors)	90,83,64,984	82,20,46,379
	Total Trade Payables	**90,83,64,984**	**82,20,46,379**
2.9	**Other Current Liabilities**		
2.9.1	**Current Maturities of Long Term Debts (refer Note 3.3.1)**		
	from Banks	6,11,02,715	6,45,17,069
	from Others	21,41,418	21,96,348
	Total Current Maturities of Long Term Debts	**6,32,44,133**	**6,67,13,417**
2.9.2	**Other Payables**		
	Advances from Customers	2,50,40,061	3,79,84,959
	Expenses Payable	9,39,48,043	9,02,24,277
	Other Liabilities	4,31,51,222	3,50,74,806
	Total Other Payables	16,21,39,326	16,32,84,042
	Total Other Current Liabilities	**22,53,83,459**	**22,99,97,459**
2.10	**Short Term Provisions**		
	Provision for taxation (Net of MAT Credit Entitlement)	1,58,57,334	1,20,05,567
	Provision for Gratuity	7,81,533	6,18,228
	Provision for Excise Duty	1,24,51,014	1,53,04,343
	Proposed Dividend	2,55,60,000	2,55,60,000
	Provision for Dividend Distribution Tax	52,33,326	43,43,922
	Total Short Term Provisions	**5,98,83,207**	**5,78,32,060**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

Note 2.11 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2014	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2015	Total as on 01.04.2014	for the period	Sales/Adj. during the period*	Total as on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible Assets (Not under Lease)										
Land	12,41,15,801	27,59,105	-	12,68,74,906	-	-	-	-	12,68,74,906	12,41,15,801
Building	22,85,72,279	88,10,643	-	23,73,82,922	7,46,00,338	77,79,091	-	8,23,79,429	15,50,03,493	15,39,71,941
Plant & Equipments	76,89,37,156	3,04,99,853	11,44,266	79,82,92,743	41,55,97,155	5,03,54,052	(2,90,05,198)	49,49,56,405	30,33,36,338	35,33,40,001
Furniture & Fixture	27,56,77,760	6,17,32,210	1,42,78,924	32,31,31,046	12,35,33,633	2,88,48,177	33,46,393	14,90,35,417	17,40,95,629	15,21,44,127
Vehicles	15,01,70,957	2,96,42,629	1,21,05,881	16,77,07,705	5,21,52,417	1,76,01,145	34,77,201	6,62,76,361	10,14,31,344	9,80,18,540
Office Equipments	11,32,60,184	1,37,13,464	3,35,528	12,66,38,120	5,42,30,348	1,27,50,645	(2,70,15,076)	9,39,96,069	3,26,42,051	5,90,29,836
Moulds	25,15,04,895	3,54,10,590	1,27,55,387	27,41,60,098	20,73,14,926	41,41,722	98,025	21,13,58,623	6,28,01,475	4,41,89,969
Total Tangible Assets	**1,91,22,39,032**	**18,25,68,494**	**4,06,19,986**	**2,05,41,87,540**	**92,74,28,817**	**12,14,74,832**	**(4,90,98,655)**	**1,09,80,02,304**	**95,61,85,236**	**98,48,10,215**
Previous Year	**1,83,56,27,121**	**12,60,80,539**	**4,94,68,628**	**1,91,22,39,032**	**83,43,16,218**	**10,86,00,151**	**1,54,87,552**	**92,74,28,817**	**98,48,10,215**	**1,00,13,10,903**
Intangible Assets										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	1,43,56,786	38,95,736	-	1,82,52,522	56,09,159	27,63,037	-	83,72,196	98,80,326	87,47,627
Total Intangible Assets	**1,43,72,286**	**38,95,736**	**-**	**1,82,68,022**	**56,12,997**	**27,63,037**	**-**	**83,76,034**	**98,91,988**	**87,59,289**
Previous Year	**1,43,68,786**	**3,500**	**-**	**1,43,72,286**	**35,57,497**	**20,55,500**	**-**	**56,12,997**	**87,59,289**	**1,08,11,289**
Capital work in progress:										
a) Building under construction	3,69,393	82,55,633	3,69,393	82,55,633	-	-	-	-	82,55,633	3,69,393
b) Assets under installation	-	24,44,579	-	24,44,579	-	-	-	-	24,44,579	-
Total Capital work in progress	**3,69,393**	**1,07,00,212**	**3,69,393**	**1,07,00,212**	**-**	**-**	**-**	**-**	**1,07,00,212**	**3,69,393**
Previous year	**23,02,363**	**3,69,393**	**23,02,363**	**3,69,393**	**-**	**-**	**-**	**-**	**3,69,393**	**23,02,363**

*Refer to Note 2.27.13

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		As at 31st March, 2015	As at 31st March, 2014
Note 2.12	**Non-current Investments (Non-Trade)**		
	Investments in Government Securities (Valued at Cost)		
	(6 Years National Saving Certificates VIII Issue)	44,834	44,834
	Total Non-current Investments	44,834	44,834
	Aggregate amount of Quoted Investments	-	-
	Aggregate amount of Unquoted Investments	44,834	44,834
	Aggregate Market Value of Quoted Investments	-	-
2.13	**Long term Loans & Advances**		
	(Unsecured and considered good unless stated otherwise)		
	Capital Advance	4,35,50,717	4,24,59,084
	Security Deposits		
	to Related Parties	-	-
	to Others	5,44,97,148	4,05,42,469
	MAT Credit Entitlement	11,17,62,792	8,10,09,131
		20,98,10,657	16,40,10,684
	Less: Provision for doubtful security deposits to others	37,71,805	37,71,805
	Total Long term Loan & Advances	**20,60,38,852**	**16,02,38,879**
2.14	**Other Non-current Assets**		
	(Unsecured and considered good unless stated otherwise)	-	-
	Total Other Non-current Assets	**-**	**-**
2.15	**Inventories (As valued and certified by the Management)**		
	Raw Materials	30,42,18,522	27,10,18,929
	Goods in Process	17,37,91,289	15,90,07,486
	Finished Good		
	Manufactured	79,95,76,335	61,30,28,286
	Traded	10,35,54,455	3,13,66,203
	Packing Materials	1,72,70,353	1,71,80,421
	Stores & Spares	3,22,20,333	3,07,06,905
	Oil & Lubricants	14,64,926	17,40,949
	Total Inventories	**1,43,20,96,213**	**1,12,40,49,179**
2.16	**Trade Receivables**		
	(Unsecured and considered good unless stated otherwise)		
	Debts outstanding for a period exceeding six months from the due date		
	Considered good	9,25,19,030	5,82,73,395
	Considered doubtful	1,64,36,581	3,00,73,824
	Other Debts		
	Considered good	1,05,56,12,737	1,09,83,12,039
		1,16,45,68,348	1,18,66,59,258
	Less: Provision for doubtful debts	1,64,36,581	3,00,73,824
	Total Trade Receivables	**1,14,81,31,767**	**1,15,65,85,434**
2.17	**Cash and Bank Balances**		
	Cash and Cash equivalents		
	Balances with banks:		
	In Current Accounts*	1,18,72,022	60,81,467
	Cheques on hand	29,48,576	1,17,50,535
	Cash in hand including imprest	1,19,94,879	1,39,63,322
	Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	3,65,76,060	3,96,92,879
	Total Cash and Bank Balances	**6,33,91,537**	**7,14,88,203**

* Includes Unclaimed Dividend of ₹4.61 (Previous year ₹ Nil)

** Includes Fixed Deposits for ₹12.37 Lacs (Previous year ₹0.47 Lacs) having maturity of more than 12 months

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		31.03.2015	31.03.2014
Note 2.18	**Short-term Loans & Advances**		
	(Unsecured and considered good unless stated otherwise)	12,80,63,593	12,24,26,290
	Advances recoverable in cash or in kind or for the value to be received		
	Security Deposit for less than 12 Months		
	to Related Parties	60,00,000	-
	to Others	3,74,82,618	1,29,87,263
	Balance with Excise and other Statutory Authorities	3,36,98,427	3,13,69,366
	(including service tax, VAT recoverable and taxes paid under protest)		
	Prepaid Expenses	1,36,23,497	64,85,051
	Loans and advances to employees	1,08,71,440	1,04,05,341
	Total Short-term Loans & Advances	**22,97,39,575**	**18,36,73,311**
2.19	**Other Operating Income**		
	Freight	46,450	2,46,416
	Miscellaneous Income	48,40,809	23,21,495
	Gain on Exchange Rate Fluctuations	53,10,886	7,68,681
	Bad Debts Recovered	77,83,993	7,83,000
	Total Operating Income	**1,79,82,138**	**41,19,592**
2.20	**Other Income**		
	Bank and Other Interest (Tax deducted at Source ₹3.51 Lacs [Previous Year ₹3.01 Lacs])	48,48,266	34,72,994
	Total Other Income	**48,48,266**	**34,72,994**
2.21	**Cost of Materials consumed and Finished Goods Purchased**		
	(a) Raw Materials		
	Stock at the beginning of the year	27,10,18,929	26,29,26,455
	Add: Purchases	2,10,49,65,789	1,92,55,10,279
		2,37,59,84,718	2,18,84,36,734
	Less: Stock at the end of the year	30,42,18,522	27,10,18,929
	Raw Materials Consumed	**2,07,17,66,196**	**1,91,74,17,805**
	(b) Finished Goods Purchased	**93,16,48,646**	**61,46,75,095**
	Total Cost of Materials consumed and Finished Goods Purchased (a+b)	**3,00,34,14,842**	**2,53,20,92,900**
2.22	**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	90,31,30,790	64,43,94,489
	Goods in Process	17,37,91,290	15,90,07,486
	Total	1,07,69,22,080	80,34,01,975
	(b) Inventories at the beginning of the year		
	Finished Goods/Stock-in-Trade	64,43,94,489	66,53,33,614
	Goods in Process	15,90,07,486	13,93,05,371
	Total	80,34,01,975	80,46,38,985
	(Increase)/Decrease in Inventories (b - a)	**(27,35,20,105)**	**12,37,010**
2.23	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	57,95,70,489	52,14,65,262
	Contribution to Provident and Other Funds (Refer to Note 2.27.17)	3,56,46,398	2,84,41,009
	Staff Welfare Expenses	1,30,27,408	1,07,11,917
	Total Employee Benefits Expense	**62,82,44,295**	**56,06,18,188**
2.24	**Finance Cost**		
	Interest Expense		
	to Banks	14,51,24,958	14,60,71,944
	to others (Refer to Note 2.27.5)	18,23,792	27,15,503
	Bank Charges	1,37,63,936	1,19,58,416
	Total Finance Cost	**16,07,12,686**	**16,07,45,863**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

		31.03.2015	31.03.2014
Note 2.25	**Other Expenses**		
	(a) Manufacturing Expenses		
	Freight Inwards	1,16,38,585	1,05,16,384
	Upper Production Charges	12,28,25,017	10,07,56,092
	Oil & Lubricants	1,68,20,982	1,35,88,882
	Electricity Charges	9,16,88,472	8,65,71,684
	Repairs to Machinery	4,05,49,427	2,85,93,367
	Land Lease Rent	1,80,776	1,64,336
	Franchise Fee	1,25,00,000	1,25,00,000
	Total	**29,62,03,259**	**25,26,90,745**
	(b) Administration, Selling and Other Expenses		
	Packing Materials Consumed	17,32,03,126	16,80,84,166
	Printing & Stationery	74,48,696	70,59,467
	Directors' Remuneration	1,92,00,000	1,92,00,000
	Claims	3,92,64,678	4,28,06,087
	Tour, Travelling and Conveyance	7,87,28,884	7,75,20,416
	Insurance Charges	84,55,246	76,66,297
	Fees and Taxes	5,06,21,421	3,28,36,584
	Postage, Telegram, Telephone and Telex	1,51,24,801	1,43,03,903
	Subscriptions	12,33,579	7,12,885
	Advertisements	12,94,60,613	8,49,22,597
	Rent	13,01,87,846	12,41,20,837
	Donations	15,40,536	10,86,122
	Export CIF Expenses	2,56,97,041	1,61,43,765
	Freight Outward	9,06,21,836	8,67,16,321
	Samples	3,68,846	2,41,923
	Auditors' Remuneration:		
	Statutory Audit Fee	11,57,880	6,25,400
	Tax Audit Fee	80,000	80,000
	Certification Fee	20,000	20,000
	Cost Audit Fee	-	1,00,000
	Miscellaneous Expenses	2,32,38,484	2,05,25,424
	Royalty	17,27,23,000	16,30,00,000
	Entertainment Expenses	80,40,187	71,09,905
	Commission	4,08,78,912	4,66,32,040
	Sales Promotion Expenses	7,85,89,520	6,15,46,827
	Newspapers & Periodicals	2,66,017	1,90,792
	Debts written off	1,11,96,347	2,77,06,169
	Provision for doubtful debts (refer to Note 2.27.11)	(1,36,37,243)	54,57,095
	Consultancy & Professional Charges	2,14,85,393	1,94,74,618
	Repairs & Maintenance Expenses-Building	3,37,18,509	3,15,74,521
	Repairs & Maintenance Expenses-Others	1,92,17,042	1,29,85,154
	Loss on transfer of Duty Credit	14,15,976	-
	Total	**1,16,95,47,173**	**1,08,04,49,315**
	Total Other Expenses (a + b)	**1,46,57,50,432**	**1,33,31,40,060**
2.26	**Exceptional Items:**		
	Profit on Sale of Fixed Assets	(4,79,683)	(43,48,154)
	Loss on sale of Fixed Assets	76,14,570	63,20,291
		71,34,887	19,72,137

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

Note 2.27 NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

2.27.1 In the opinion of the Board and to the best of its knowledge, in case of the Parent Company & Subsidiary, 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.

2.27.2 The Parent 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 2.25.

The future minimum lease payments under non cancellable operating leases are as follows:

(Amount in ₹)

Lease Rentals	31.03.2015	31.03.2014
Not later than one year	1,21, 45,281	1,38,22,657
Later than one year and not later than 5 years	15,81,422	1,09,85,548
Later than five years	-	-
Lease Payment recognized in Statement of Profit and Loss are shown as Rent under Other Expenses in Note 2.25	13,01,87,846	12,41,20,837

2.27.3 The assessment of the Parent Company in respect of Income Tax & Wealth Tax is completed up to Assessment Year 2012-13.

2.27.4 In case of the Parent Company, during the year, in terms of the renewed agreements dated April 3, 2013 with Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms of the group, for further period of two years from April 1, 2013 onwards, the exclusive use of their manufacturing facilities and fixed assets, trademarks & distribution networks was available with the Company till March 31, 2015. Further, in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for franchise fees of ₹115 Lacs (Previous year ₹115 Lacs) to LE and ₹881.67 Lacs (Previous year ₹840 Lacs) to LGMD.

In furtherance to the Company's earlier communication, considering the enduring benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of LE & LGMD, on March 31, 2015 the Company has 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 Company has paid a sum of ₹10 Lacs & ₹50 Lacs to LE & LGMD respectively as an advance and the related transactions are 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.

Also during the year, in terms of the renewed agreement dated April 3, 2013 with Liberty Footwear Co. (LFC), another partnership firm of the group and owner of trademark "LIBERTY" , for granting exclusive rights of use of trademark "LIBERTY" to the Company for further 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 ₹855.56 Lacs (Previous year₹800 Lacs) to LFC.

2.27.5 In case of the Parent Company interest to others include ₹11,93,934/- (Previous year ₹18,95,666/-) against short term loan from M/s Geofin Investments Private Ltd @ 12% p.a.

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

2.27.7 The Parent Company has paid the excise duty amounting to ₹22,57,15,331/- (Previous year ₹17,11,33,108/-) against the sales executed during the year.

Also, the Parent Company has made the provision of excise duty of ₹1,24,51,014/- (Previous Year ₹1,53,04,343/-) against finished goods lying in stocks as on 31st March, 2015 and the difference of two has been recognized separately in the Statement of Profit & Loss.

2.27.8 During the year the registration process of certain portion of land at Libertypuram, Karnal, already in possession with the Parent Company since beginning, has been completed and the said land has duly been registered in the name of the Company in revenue records.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

2.27.9 Contingent Liabilities

In case of Parent Company:

(Amount in ₹)

Particulars		2014-2015	2013-2014
I)	Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms to their orders.	5,56,22,601	6,74,16,281
II)	Letter of Credits	11,90,31,607	7,30,36,956
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 Lacs under protest and has granted stay.	3,38,75,448	3,38,75,448
IV)	Income Tax claims disputed by the Company relating to TDS (FY 2010-11) against which appeal filed by the Company	-	3,11,878
V)	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	1,22,03,204
VI)	Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
VII)	On account of compliance relating to obligations under EPCG licences	4,42,00,783	4,42,00,783
VIII)	Third Party claims due to dispute relating to contracts	44,37,479	44,37,479

[1] *Including amount deposited under protest ₹39,00,000/- (Previous year ₹39,00,000/-)*
[2] *Including amount deposited under protest ₹14,25,815/- (Previous year ₹48,82,322/-).*

2.27.10 In case of Parent Company, Capital commitments not provided for are estimated at ₹30 Lacs (Previous year ₹100 Lacs).

2.27.11 Provision for doubtful debts: During the year, the Parent Company has considered debts for ₹47,09,590/ (Previous year ₹3,22,29,631/-) as doubtful debts/ securities and also has withdrawn ₹1,83,46,833/- (Previous year ₹2,67,72,536/-) out of the provisions made in the earlier years for the same and written off as bad debts ₹61,77,632/- (Previous year ₹2,36,27,454/-). 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	2014-2015	2013-2014
Provision for the year	47,09,590	3,22,29,631
Less: Amount withdrawn from the provision made for doubtful debts in the earlier years	1,83,46,833	2,67,72,536
Net debited/(credited) to Statement of Profit & Loss	(1,36,37,243)	54,57,095

Balance Sheet

(Amount in ₹)

Particulars	2014-2015	2013-2014
Opening Balance	3,38,45,629	2,83,88,534
Add: Provision for the year	47,09,590	3,22,29,631
Total	3,85,55,219	6,06,18,165
Less: Amount withdrawn during the year	1,83,46,833	2,67,72,536
Closing balance	2,02,08,386	3,38,45,629
Trade Receivables (Refer to Note No. 2.16)	1,64,36,581	3,00,73,824
Security Deposits to Others (Refer to Note No. 2.13)	37,71,805	37,71,805

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

2.27.12 During the year, considering the non-recoverability of some of the debts, the Parent Company has written of the debts amounting to ₹45,39,071/- (Previous year ₹40,78,715/).

2.27.13 In case of Parent Company, pursuant to the enactment of the Companies Act 2013, (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance to the provisions of Schedule II of the Act and the worked out unabsorbed depreciation, against assets whose useful life has expired till 31st March, 2014, amounting to ₹6,59,32,277/- has been adjusted with the Surplus in the Statement of Profit & Loss under the head Reserves & Surplus (refer to Note 2.2.5). Further the consequential impact of the same on the depreciation for the year is ₹44,55,243/- and same has been charged to the Statement of Profit and Loss for the year.

Further, the corresponding effect of the aforesaid unabsorbed depreciation amounting to ₹6,59,32,277/- has been given in the Note 2.11 under Depreciation - Sales/Adjustments during the period and break-up of the same is as under:

(Amount in ₹)

Particulars	Sale/Adjustments during the period		
	On a/c of Sale of Assets	On a/c of change in useful life	Total
(A) Tangible Assets.. 'A'			
Building	-	-	-
Plant & Equipments	5,91,330	(2,95,96,528)	(2,90,05,198)
Furniture & Fixtures	98,31,362	(64,84,969)	33,46,393
Vehicles	61,79,507	(27,02,306)	34,77,201
Office Equipments	1,33,398	(2,71,48,474)	(2,70,15,076)
Moulds	98,025	-	98,025
Total	**1,68,33,622**	**(6,59,32,277)**	**(4,90,98,655)**
Tangible Assets.. 'B'			
Software	-	-	-
Total	**-**	**-**	**-**
Grand Total (A + B)	**1,68,33,622**	**(6,59,32,277)**	**(4,90,98,655)**

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

2.27.15 **Basic and Diluted Earning per share:** The Basic and diluted earning per share of the Company is as under: -

(Amount in ₹)

Description	2014-2015	2013-2014
Basic & Diluted		
Profit after Taxation (A)	16,92,27,037	13,26,90,401
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)	9.93	7.79

2.27.16 **Related Party Transactions**

The Parent and the Subsidiary Company has made the following transactions with related parties as defined under the provisions of Accounting Standard 18 issued by Institute of Chartered Accountants of India.

A) Transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2015:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

(Amount in ₹)

Description	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Receiving of Services	1,82,81,774 (1,77,62,646)	21,38,672 (18,35,156)	1,42,104 (1,29,180)	2,05,62,550 (1,97,26,982)
Sale of Goods	5,25,25,479 (3,30,13,602)	- (-)	- (-)	5,25,25,479 (3,30,13,602)
Purchase of Assets	1,85,00,000 (-)	- (-)	- (-)	1,85,00,000 (-)
License Agreements (Franchise Fee & Licensing Fee including Service Tax)	20,81,16,562 (19,71,91,800)	- (-)	- (-)	20,81,16,562 (19,71,91,800)
Payment of Salary, Wages and other benefits to employees	- (1,72,234)	2,25,00,000 (2,22,00,000)	96,30,000 (69,10,000)	3,21,30,000 (2,92,82,234)
Loans taken	15,43,96,000 (27,45,20,000)	- (-)	- (-)	15,43,96,000 (27,45,20,000)
Repayment of Loans	17,21,20,000 (26,64,70,000)	- (-)	- (-)	17,21,20,000 (26,64,70,000)
Interest Paid/Payable	11,93,934 (18,95,666)	- (-)	- (-)	11,93,934 (18,95,666)
Advance for Business Transfer	60,00,000 (-)	- (-)	- (-)	60,00,000 (-)
Outstanding Balances				
Trade Receivables	1,10,42,414 (70,41,935)	- (-)	- (-)	1,10,42,414 (70,41,935)
Loans & Advances	60,00,000 (-)	- (-)	- (-)	60,00,000 (-)
Trade Payables	30,40,507 (1,15,86,311)	2,07,096 (1,68,424)	- (-)	32,47,603 (1,17,54,735)
Short Term Loans	13,34,568 (1,79,84,029)	- (-)	- (-)	13,34,568 (1,79,84,029)

Previous year figures are in brackets.

B) Detail of Related Parties and description of relationship:

i) 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., Little World Constructions Pvt. Ltd.

ii) Key Management Personnel:

1) Sh. Adesh Kumar Gupta 2) Sh. Adarsh Gupta 3) Sh. Shammi Bansal 4) Sh. Sunil Bansal 5) Sh. Adeesh Kumar Gupta 6) Sh. Satish Kumar Goel 7) Sh. Munish Kakra (effective from 29th May, 2014)

iii) Relatives of Key Management Personnel:

S/Sh. Harish Kumar Gupta, Raman Bansal, Vivek Bansal, Anupam Bansal (Brothers of Directors)

Sh. Ayush Bansal, Sh. Manan Bansal, Sh. Pranav Gupta, Sh. Anmol Gupta (Sons of Directors)

Note: Receiving the services from Key Management Personnel and their relatives includes rent and land lease charges.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

C) Disclosure of significant transactions with related parties:

(Amount in ₹)

Type of Relationship	Type of Transaction	Name of the Entity/ Person	Nature	Financial Year (₹)	
				2014-15	2013-14
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Receiving of Services	Geofin Investments Private Ltd.	Rent for Office Premises	1,52,31,190	1,52,53,200
		Little World Constructions Private Ltd.	Rent	5,01,289	4,62,513
		Liberty Footwear Co.	Rent for Office Premises	11,05,620	6,33,708
		Sanjeev Bansal Charitable Trust	Rent for Office Premises	4,50,000	4,50,000
			Medical facilities for employees	9,93,675	9,63,225
		Sh. Harish Kumar Gupta	Rent	1,42,104	1,29,180
	Sale of Goods	Liberty Innovative Outfits Ltd.	Sale of Goods manufactured and deal in by the Company	5,25,25,479	3,30,13,602
	Purchase of Assets	Geofin Investments Private Ltd.	Purchase of Fixed Assets	1,85,00,000	-
	License Agreements	Liberty Enterprises	Franchise Fee (including service tax)	1,29,21,400	1,29,21,400
		Liberty Group Marketing Division	Franchise Fee (including service tax)	9,90,64,441	9,43,82,400
		Liberty Footwear Co.	License Fee (including Service Tax)	9,61,30,721	8,98,88,000
	Payment of Salary, Wages and other benefits to employees	Liberty Group Marketing Division	Salary, Wages and other benefits	-	1,72,234
	Loans Taken	Geofin Investments Private Ltd.	Short Term Loans	15,43,96,000	27,45,20,000
	Repayment of Loans			17,21,20,000	26,64,70,000
	Interest paid/payable			11,93,934	18,95,666
	Advance for transfer of Business	Liberty Enterprises	Advance	10,00,000	-
		Liberty Group Marketing Division	Advance	50,00,000	-
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	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
		Sh. Munish Kakra	Salary, Wages and other benefits	33,00,000	30,00,000
	Receiving of Services	Sh. Adesh Kumar Gupta	Rent	38,672	35,156
		Sh. Satish Kumar Goel	Professional Services	21,00,000	18,00,000

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

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	20,70,000
		Sh. Vivek Bansal	Salary, Wages and other benefits	30,00,000	20,70,000
		Sh. Anupam Bansal	Salary, Wages and other benefits	30,00,000	20,70,000
		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
		Sh. Anmol Gupta	Salary, Wages and other benefits	-	70,000
Outstanding balances					
Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Trade Receivables	Liberty Innovative Outfits Ltd.	Against sale of goods manufactured and deal in by the Company	1,10,42,414	70,41,95
	Loans & Advances	Liberty Enterprises	Advance for transfer of Business	10,00,000	-
		Liberty Group Marketing Division		50,00,000	-
	Trade Payables	Liberty Enterprises	Franchise Fee (including service tax)	-	5,50,496
		Liberty Group Marketing Division	Franchise Fee & Salary, Wages and Other benefits (including service tax)	-	38,13,035
		Liberty Footwear Co.	License Fee (including Service Tax)	29,96,640	70,69,189
		Sanjeev Bansal Charitable Trust	Medical Facilities to employees	23,558	98,753
		Little World Constructions Private Ltd.	Rent	20,309	54,838
	Short Term Loans	Geofin Investments Private Ltd.	Short Term Loans	13,34,568	1,79,84,029
Key Management Personnel	Expenses Payable	Sh. Adesh Kumar Gupta	Rent	2,07,096	1,68,424

2.27.17 Detail of Employee Benefits – Gratuity

The Parent Company has a defined gratuity plan (Defined Benefit). In case of Parent Company 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:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

Statement of Profit and Loss

a) Net Employee Benefit Expense (recognized in Employee Cost):

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2015	Gratuity (Funded) 31.03.2014
1.	Current Service Cost	74,35,460	35,01,798
2.	Interest Cost on benefit obligation	28,79,644	25,62,621
3.	Expected return on Plan Assets	(37,33,174)	(25,80,480)
4.	Actuarial Loss/(Gain)	19,17,396	13,98,089
5.	Net Benefit Expenses	84,99,326	48,82,028

Balance Sheet

b) Details of Provision for Gratuity

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2015	Gratuity (Funded) 31.03.2014
1.	Present Value of Defined Benefit Obligation	4,56,96,011	3,95,84,235
2.	Fair value of Plan Assets	3,92,93,225	3,49,64,906
3.	Surplus/(Deficit)	(64,02,786)	(46,19,329)
4.	Net Asset/(Liability)	(64,02,786)	(46,19,329)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2015	Gratuity (Funded) 31.03.2014
1.	Defined Benefit Obligation at the beginning of the year	3,95,84,235	3,64,62,343
2.	Current Service Cost	74,35,460	35,01,798
3.	Interest Cost	28,79,644	25,62,621
4.	Actuarial (Gain)/Loss on obligations	19,17,396	13,98,089
5.	Benefits paid	(61,20,724)	(43,40,616)
6.	Defined benefit obligation at the end of the period	4,56,96,011	3,95,84,235

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2015	Gratuity (Funded) 31.03.2014
1.	Opening Fair Value of Plan Assets	3,49,64,906	2,97,71,416
2.	Expected Return	37,33,174	25,80,480
3.	Contributions by employer	63,70,091	66,65,311
4.	Benefits paid	(57,74,946)	(40,52,301)
5.	Actuarial Gains/(Losses)	-	-
6.	Closing Fair Value of Plan Assets	3,92,93,225	3,49,64,906

Notes to the Consolidated Financial Statements for the year ended 31st March, 2015

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2015	Gratuity (Funded) 31.03.2014
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) 2014-15	Gratuity (Funded) 2013-14
1.	Defined Benefit Obligation	(4,56,96,011)	(3,95,84,225)
2.	Plan Assets	3,92,93,225	3,49,64,896
3.	Surplus/(Deficit)	(64,02,786)	(46,19,329)
4.	Experience adjustments on plan liabilities	19,17,396	13,98,089
5.	Experience adjustments on plan assets	-	-

2.27.18 In case of the Parent Company, for the current year Deferred Tax liability has been calculated after considering the cumulative timing differences of ₹6,38,37,055/- (Previous year ₹14,27,05,764/-) mainly on account of depreciation.

2.27.19 In case of the Parent Company, there are no dues payable to the Investor Education and Protection Fund as at 31st March, 2015.

2.27.20 The previous year figures in the Consolidated Financial Statement have been regrouped/reclassified 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.

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ADDENDUM TO THE NOTICE DATED MAY 29, 2015: DELETION OF ITEM NO. 9

Dear Members,

REG: ITEM No: 9- RE-APPOINTMENT OF SH. ADARSH GUPTA AS AN EXECUTIVE DIRECTOR

The Shareholders are hereby informed that Sh. Adarsh Gupta, who is proposed to be re-appointed as Executive Director of the Company in this Annual General Meeting, has stepped down from the office of Executive Director w.e.f. 18th August, 2015 and expressed his unwillingness to be re-appointed as Executive Director of the Company as proposed at item no. 9 to the Notice of this Annual General Meeting dated May 29, 2015.

In view of the above, the Board of Directors has decided to withdraw the appointment of Sh. Adarsh Gupta as Executive Director of the Company and further to delete item no. 9 from the Notice of Annual General Meeting dated May 29, 2015. However, the Notice of Annual General Meeting has already been printed and is ready for dispatch to the shareholders; it is not possible to incorporate this fact in the Notice.

It is hereby informed that Item No. 9 shall not be available for voting through Remote e-voting/Ballot Forms and by Poll at the Annual General Meeting. Shareholders are, therefore, advised to consider all items of the Notice of Annual General Meeting dated May 29, 2015 except Item No. 9 which is deemed to be deleted.

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra
CFO & Company Secretary

Dated: 3rd September, 2015

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

BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

1. Name of Member(s)
2. Registered Address
3. Folio No. #/ DP ID No. & Client ID No.
4. Number of Equity Shares held
5. I/ We hereby exercise my/our vote in respect of the following resolutions to be passed at 29th Annual General Meeting of the Company, to be held on Tuesday, 29th September, 2015 at the registered office of the Company in respect of the businesses as set out in the Notice dated 29th May, 2015 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (√) mark at the box against the respective matters:

Sl. No.	Description of the business as set out in the Notice dated 29th May, 2015	No. of Shares	Type of Resolution	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
ORDINARY BUSINESS					
1.	To receive, consider and adopt: (a) The Audited Financial Statements of the Company for the year ended March 31, 2015 together with the Report of the Board of Directors and the Auditors thereon (b) The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2015 together with the Report of the Auditors thereon		Ordinary		
2.	To declare a dividend of ₹1.50/- per Equity Share for the financial year 2014-15		Ordinary		
3.	(a) To appoint a Director in place of Sh. Shammi Bansal (DIN- 00138792), who retires by rotation and being eligible offers himself for re-appointment (b) To appoint a Director in place of Sh. Sunil Bansal (DIN- 00142121), who retires by rotation and being eligible offers himself for re-appointment		Ordinary		
4.	To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration		Ordinary		
SPECIAL BUSINESS					
5.	Appointment of Smt. Lovelena Mody (DIN: 01279148) as an Independent Director of the Company for a term of 3 years from 29th September, 2015 to 28th September, 2018		Ordinary		
6	Appointment of Sh. Ashok Kumar (DIN - 06883514) as Director retire by rotation of the Company		Ordinary		
7	Appointment of Sh. Ashok Kumar (DIN - 06883514) as the Executive Director of the Company for a period of 3 years w.e.f. 1st June, 2015		Special		
8	Re-appointment of Sh. Adesh Kumar Gupta (DIN - 00143192) as Chief Executive Officer & Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015		Special		
9	Re-appointment of Sh. Adarsh Gupta (DIN - 00161193) as Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015		Special		
10	Re-appointment of Sh. Shammi Bansal (DIN- 00138792) as Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015		Special		

Place:_____

Date:_____

E-mail Address:_____ (Signature of the Shareholder/Beneficial Owner)

To be provided by the Member(s) holding equity shares in physical form.

EVSN (E-Voting Sequence Number)
150820026

Note: Please read the instructions given overleaf and in the Notice dated 29th May, 2015 carefully before exercise your vote.

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of members who do not have access to remote e-voting facility, to enable then to send their assent or dissent by post.
2. Shareholder desiring to exercise vote by Ballot Form may complete and sign the Ballot Form printed overleaf and send it to Mr. Sukesh Gupta, Chartered Accountants, The Scrutinizer, Liberty Shoes Ltd. 4/42, Punjabi Bagh, New Delhi-110026 in the attached sealed self-addressed pre-paid envelope. Postage will be borne by the Company. However envelopes containing Ballot Form, if sent by any other mode at the expense of the registered shareholder will also be accepted. The Ballot Form may also be deposited personally.
3. Voting Rights: Shareholders holding equity shares shall have one vote per share as shown against their holding and the shareholders can vote for their entire voting rights as per their discretion.
4. The self addressed envelope contains the address of the scrutinizer appointed by the Board of Directors for the above Annual General Meeting.
5. This Form should be completed and signed by the shareholder. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder.
6. Unsigned Ballot Form or incomplete Ballot Form will be rejected.
7. Duly signed Ballot Form should reach the Scrutinizer not later than the close of working hours of Monday, 28th September, 2015. All Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
8. A shareholder may request for a duplicate Ballot Form, if so required. However, the duly filled in duplicate Ballot Form should reach the Scrutinizer not later than the date specified at item 7 above.
9. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholder on the cut-off date i.e. close of working hours of **Tuesday, 22nd September, 2015.**
10. In case of shares held by companies, trusts, societies etc. the duly filled in Ballot Form should be accompanied by a certified true copy of the appropriate Resolution.
11. In case of the Ballot Form is signed by the holder of power of attorney reference to the power of attorney registration with the Company should be mentioned in the Ballot Form. In case a Ballot Form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the Resolutions as mentioned in the Notice to the 29th Annual General Meeting through Ballot Form facility should accompany the Ballot Form. Where the Ballot Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Ballot Form.
12. Shareholders are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
13. **In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and any amendment thereof including Companies (Management and Administration) Amendment Rules, 2015 and such other applicable provisions, if any, the Company also offers Remote e-voting option to all the members. For this purpose, the Company has signed an agreement with CDSL for facilitating Remote e-voting and is pleased to offer Remote e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through Remote e-voting or through Ballot Form printed overleaf. If a member has opted for Remote e-voting, then he/she should not vote by Ballot Form also and vice-versa. However, in the event member casts his votes through both the processes, i.e. Remote e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.**
14. The detailed instructions and process for Remote e-voting has been given in the notes to the Notice dated 29th May, 2015.
15. Members who have registered their e-mail ids for receipt of documents in electronic mode have been sent Ballot Form by e-mail and the members who have not registered their e-mail ids with RTA / Depository Participants or requested for physical copy of Annual Report have been sent Ballot Form in permitted mode. Members who wish to vote through Ballot Form can also obtain the Ballot Form from Registrar and Share Transfer Agent (RTA,M/s. Link Intime (India) Private Limited, 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028 or from the Company's website viz. www.libertyshoes.com and fill in the details and send the same to the Scrutinizer by Post at the address given at above.
16. The Resolutions, if assented by requisite majority, shall be considered as passed on the date of 29th Annual General Meeting, schedule to be held on Tuesday, 29th day of September, 2015.

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FORM NO. MGT -11

PROXY FORM

29th Annual General Meeting Tuesday, 29th September, 2015 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 29th (Twenty Ninth) Annual General Meeting of the Company, to be held on Tuesday, 29th September, 2015 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 29th May, 2015 and indicated below:

Sl. No.	Description of the businesses
ORDINARY BUSINESS	
1	To receive, consider and adopt: (a) The Audited Financial Statements of the Company for the year ended March 31, 2015 together with the Report of the Board of Directors and the Auditors thereon (b) The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2015 together with the Report of the Auditors thereon
2	To declare a dividend of ₹1.50/- per Equity Share for the financial year 2014-15
3	(a) To appoint a Director in place of Sh. Shammi Bansal (DIN- 00138792), who retires by rotation and being eligible offers himself for re-appointment (b) To appoint a Director in place of Sh. Sunil Bansal (DIN- 00142121), who retires by rotation and being eligible offers himself for re-appointment
4	To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration
SPECIAL BUSINESS	
5	Appointment of Smt. Lovelena Mody (DIN: 01279148), as an Independent Director of the Company for a term of 3 years from 29th September, 2015 to 28th September, 2018
6	Appointment of Sh. Ashok Kumar (DIN - 06883514), as Director retire by rotation of the Company
7	Appointment of Sh. Ashok Kumar (DIN - 06883514), as Executive Director of the Company for a period of 3 years w.e.f. 1st June, 2015
8	Re-appointment of Sh. Adesh Kumar Gupta (DIN - 00143192), as Chief Executive Officer & Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015
9	Re-appointment of Sh. Adarsh Gupta (DIN - 00161193), as Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015
10	Re-appointment of Sh. Shammi Bansal (DIN- 00138792), as Executive Director of the Company for a further period of 3 years w.e.f. 1st April, 2015

Signed this ..... day of ....., 2015

Affix Revenue Stamp

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.

Note: 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.

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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 29th Annual General Meeting of the Company on Tuesday, the 29th September, 2015 at 11:00 A.M. at Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal - 132 114, 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 2014-15 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 2014-15 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 is not registered or have requested for a hard copy.

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E-COMMUNICATION REGISTRATION FORM

29TH ANNUAL GENERAL MEETING - TUESDAY, 29TH SEPTEMBER, 2015

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

Liberty Shoes Ltd.
2nd Floor, Building No. 8, Tower B, DLF Cyber City, Phase II, Gurgaon - 122 002, NCR, INDIA
E-mail: investorcare@libertyshoes.com
www.libertyshoes.com