

RIYAZ GANGJI Libas Consumer Products Limited
LIBAS (formerly known as Libas Designs Limited)

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Scrip Symbol - LIBAS

Series: EQ

Sub: Reply to clarification sought e-mail dated August 18, 2021

Please find our reply as below:

The Company, Libas Consumer Products Limited (hereinafter to be referred as 'the Claimant') and G.S. Majestic Developers Pvt. Ltd. (hereinafter to be referred as 'the Respondent') for entered into a Franchisee Agreement in the year 2014 to establish exclusive retail outlet in Punjab for marketing apparel and accessories sold under the brand 'Libas'.

As per the Agreement, the Respondent was required to pay Security Deposit amount of INR 1.35 crore to the Claimant and the claimant to maintain minimum stock of INR 5 crore at showroom. The Respondent delayed such payment or made partial payment hence the showroom become operative in July, 2015.

In July, 2017, the Claimant called and threatened to return the showroom key and terminate the Franchisee Agreement and started disconnecting electricity. The Claimant issued Legal notice to return stock worth of INR 5 cr maintained at the showroom. However, no reply from the respondent received, failing to which the Claimant invoke an Arbitration Clause as mentioned in Franchisee Agreement in Bombay High Court. The Bombay High Court their order dated June 28, 2018 appointed Mr. Rohan Savant as an Arbitrator.

The Arbitration order issued to pay around INR 40 lakh by the Claimant to the Respondent for not maintaining minimum stock at Showroom with legal expenses.

The company has time of four weeks to challenge the said arbitration order with High Court and further update will be intimated to Stock Exchange accordingly.

For & on behalf of
Libas Consumer Products Ltd.

Riyaz Eqbal Ahmed Ganji
(Whole-time Director)
(DIN: 02236203)

Mumbai
August 18, 2021

CIN - L18101MH2004PLC149489

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