

RIYAZ GANGJI
LIBAS

Libas Designs Limited.

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

September 22, 2020

Symbol: LIBAS
Series: EQ

Ref.: E-mail dated September 15, 2020

Subject: Clarification for Financial Result

Dear Sir/Ma'am,

This is with reference to your captioned e-mail regarding the cited subject following clarification was asked:

- The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange.

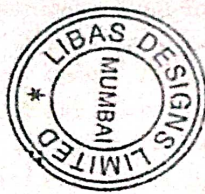
Please find attached Statement of Impact of Audit Qualification for Standalone and Consolidated for FY 2019-20.

You are requested to take the above clarification on record.

Thanking You.

Yours Faithfully,

For & on behalf of
Libas Designs Ltd.



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

Mumbai

CIN - L18101MH2004PLC149489

Reg. Off.: 401 Crescent Royale, Off. New Link Road, Behind Morya Estate, Andheri (West), Mumbai - 53

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Statement of Impact of Audit Qualification for Standalone Financial Year ended 31st March, 2020
(see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016)

of the SEBI (LODR) (Amendment) Regulations, 2016				
I.	Sl. No.	Particulars	Amount in Rs.	
			Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover / Total income	346,079,271	346,079,271
	2.	Total Expenditure	343,374,375	343,374,375
	3.	Net Profit / (Loss)	2,704,895	2,704,895
	4.	Earnings Per Share	0.15	0.15
	5.	Total Assets	555,930,391	555,930,391
	6.	Total Liabilities	236,534,044	237,191,519
	7.	Net Worth	319,396,347	318,738,872
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		1. Company got listed on main board (NSE) during the current financial year and which require the management to follows the provision of Ind AS 101 "First Time Adoption of Indian Accounting Standard" and prepare and present the financial statement in accordance Indian Accounting Standard, however management yet to adopt Ind AS for the preparation and presentation of these Consolidated annual Financial Results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 2. Non compliance of applicable financial reporting framework (Ind AS), may lead to misstatement in the financial statement, the effect of such non compliance is difficult to ascertain. However, in our opinion it will impact the carrying value of Financial Assets and Liabilities, Property Plant & Equipment and Investment in subsidiary, which ultimately impacts the profit and loss of the company. 3. Adoption of Ind AS also requires restating the balance sheet figure of previous year and opening balance of previous year, which is expected to impact opening balance of retained earnings for any adjustments, pertains to said previous years. 4. Attention is also invited to the note no.'f' of the Consolidated financial results		

wherein the undisputed income tax liability for the FY 2018-19 is unpaid as at 05th August 2020 amounting to Rs.41.18 Lakhs.

5. Attention is also invited to the note no 'i' of the Consolidated financial results wherein the undisputed tax liability in relation to Professional Tax are unpaid as at March 2020 amounting to Rs. 2.22 Lakhs/-.

6. As per note "k (a)" of the Consolidated financial result, company has pending litigation under ESIC and amount involved under litigation is amounting to Rs 19.44 Lakhs, same were not provided in the financial statement.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Qualification No 6 is continued from March 2019 other are First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Management has appointed a Qualified person to analyse the impact of IndAS on the financial statement but due to Corona he was unable to complete his work in time, management is willing to provide for IndAS impact as soon as we got the final report from him.

The management has provided in the books for income tax dues of AY 2019-20 and Paid partly on 30/06/2020 and ensure to p[ay balance before the extended date provide by the Income Tax department. The date for filing of return for AY 2019-20 is extended upto 30th September 2020, the delay was on account of Covid during March and the operation was seriously hampered after that.

As far As Profession Tax of Rs. 2.22 Lakhs is concern the company has send the details for compiling and filing of the required return to consultant but he was unable to provide interest and penalty working and due to technical error on Profession Tax site company was unable to pay the dues in time. Management ensure to complied the deficiency as soon as technical error resolved by the PT department.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not Ascertained

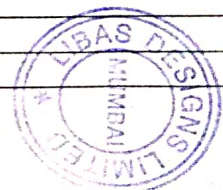
(ii) If management is unable to estimate the impact, reasons for the same: Management will provide the liability as prior period item in next quarterly results for the satisfaction of Auditor.

(iii) Auditors' Comments on (i) or (ii) above:- In our opinion management's delay in implementation of IndAS in the Company can be avoided by taking timely decision. Other qualification are not material to the operation of the Company.

III. Signatories

a. Reshma Riyaz Gangji
(Managing Director)
(DIN: 07576582)

[Signature]



b. *CFO

--SD--

	c.	*Audit Committee Chairman	--SD--
	d.	Statutory Auditor	For Jain Jagawat Kamdar & Co. Chartered Accountants Firm Regn. No. 122530W Chandra Shekhar Jagawat Digitally signed by Chandra Shekhar Jagawat DN: cn=Chandra Shekhar Jagawat, c=IN, st=Maharashtra, o=Personal, serialNumber=8c9f3b393ac450ce8a0dfdd27 fb0d1bb445063b8f251e9b7e2e97d78e76bfe3 Date: 2020.09.22 15:37:23 +05'30' CA Chandrashekhar Jagawat Partner M. No. :- 116078
	Place: Mumbai Date: 5th August, 2020		

**Considering the current COVID pandemic, signature of CFO and Audit committee Chairman was not obtained.*

ANNEXURE I

**Statement on Impact of Audit Qualifications on Consolidated Financials for the Financial
Year ended March 31, 2020
[Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	665,649,978	665,649,978
2.	Total Expenditure	621,328,939	621,328,939
3.	Net Profit/(Loss)	43,424,313	43,424,313
4.	Earnings Per Share	3.54	3.54
5.	Total Assets	630,275,012	630,275,012
6.	Total Liabilities	242,311,396	242,968,871
7.	Net Worth	387,963,616	387,306,141
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

1. Company got listed on main board (NSE) during the current financial year and which require the management to follow the provision of Ind AS 101 "First Time Adoption of Indian Accounting Standard" and prepare and present the financial statement in accordance Indian Accounting Standard, however management yet to adopt Ind AS for the preparation and presentation of these Consolidated annual Financial Results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
2. Non compliance of applicable financial reporting framework (Ind AS), may lead to misstatement in the financial statement, the effect of such non compliance is difficult to ascertain. However, in our opinion it will impact the carrying value of Financial Assets and Liabilities, Property Plant & Equipment and Investment in subsidiary, which ultimately impacts the profit and loss of the company.
3. Adoption of Ind AS also requires restating the balance sheet figure of previous year and opening balance of previous year, which is expected to impact opening balance of retained earnings for any adjustments, pertains to said previous years.
4. Attention is also invited to the note no.'F' of the Consolidated financial results wherein the undisputed income tax liability for the FY 2018-19 is unpaid as at 05th August 2020 amounting to Rs.41.18 Lakhs.

5. Attention is also invited to the note no 'i' of the Consolidated financial results wherein the undisputed tax liability in relation to Professional Tax are unpaid as at March 2020 amounting to Rs. 2.22 Lakhs/-.
6. As per note "k (a)" of the Consolidated financial result, company has pending litigation under ESIC and amount involved under litigation is amounting to Rs 19.44 Lakhs, same were not provided in the financial statement.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Qualification No 6 is continued from March 2019 other are First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Management has appointed a Qualified person to analyze the impact of Ind AS on the financial statement but due to COVID he was unable to complete his work in time, management is willing to provide for Ind AS impact as soon as we got the final report from him.

The management has provided in the books for income tax dues of AY 2019-20 and Paid partly on 30/06/2020 and ensure to pay balance before the extended date provide by the Income Tax department. The date for filing of return for AY 2019-20 is extended upto 30th September 2020, the delay was on account of COVID during March and the operation was seriously hampered after that.

As far As Profession Tax of Rs. 2.22 Lakhs is concern the company has send the details for compiling and filing of the required return to consultant but he was unable to provide interest and penalty working and due to technical error on Profession Tax site company was unable to pay the dues in time. Management ensures to comply the deficiency as soon as technical error resolved by the PT department.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: - Not Ascertainable

(ii) If management is unable to estimate the impact, reasons for the same: Management will provide the liability as prior period item in next quarterly results for the satisfaction of Auditor.

(iii) Auditors' Comments on (i) or (ii) above: In our opinion management's delay in implementation of Ind AS in the Company can be avoided by taking timely decision. Other qualifications are not material to the operation of the Company.

III. Signatories: Reshma Riyaz Gangji (Managing Director) (DIN: 07576582)	
*CFO	--Sd--

*Audit Committee Chairman

--Sd--

Statutory Auditor

**For Jain Jagawat Kamdar & Co.
Chartered Accountants
Firm Regn. No. 122530W**

**Chandra
Shekhar
Jagawat**

Digitally signed by Chandra Shekhar
Jagawat
DN: cn=Chandra Shekhar Jagawat, c=IN,
st=Maharashtra, o=Personal,
serialNumber=8c9f3b393ac450ce8a0dfd
dd27fb0d1bb445063b8f251e9b7e2e97d7
8e76bfe3
Date: 2020.09.22 15:37:47 +05'30'

**CA Chandrashekhar Jagawat
Partner
M. No. :- 116078**

Place: Mumbai

Date: 05th August, 2020

**Considering the current COVID pandemic, signature of CFO and Audit committee Chairman was not obtained.*