

To  
Listing Manager,  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G,  
BandraKurla Complex,  
Bandra (E), Mumbai - 400 051

Symbol: LIBAS  
Series: EQ

Sub: Outcome for the Board Meeting under Regulation 29 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Dear Sir/Madam,

Pursuant to the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the meeting of the Board of Directors of Libas Designs Limited was held on Friday, September 4, 2020 at 03:30 p.m. and concluded at 04:00 p.m. the registered office of the Company, *inter alia*, approved following matters:

1. Notice of 16<sup>th</sup> Annual General Meeting to be held on Wednesday, September 30, 2020 and the Directors report for financial year 2019-20.
2. Appointment of M/s SARK & Associates, Company Secretaries as Scrutinizer for the e-voting to be done at the ensuing AGM.
3. The register of members and the share transfer books of the company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (Both days inclusive), for the purpose of AGM and dividend, if any, declared by members in the AGM. Accordingly, the cut-off date, to ascertain the eligibility of members for remote e-voting and e-voting at AGM, is September 23, 2020 i.e. date prior to the commencement of book closure.
4. Appointment of M/s V. A. Mishra & Associates, Chartered Accountant (Registration No. 106435W) for the financial year 2020-21

Kindly take the same on your record and oblige.

Yours faithfully,

For & on behalf of  
Libas Designs Limited

Riyaz Ganji  
(Wholtime Director)  
DIN: 02236203



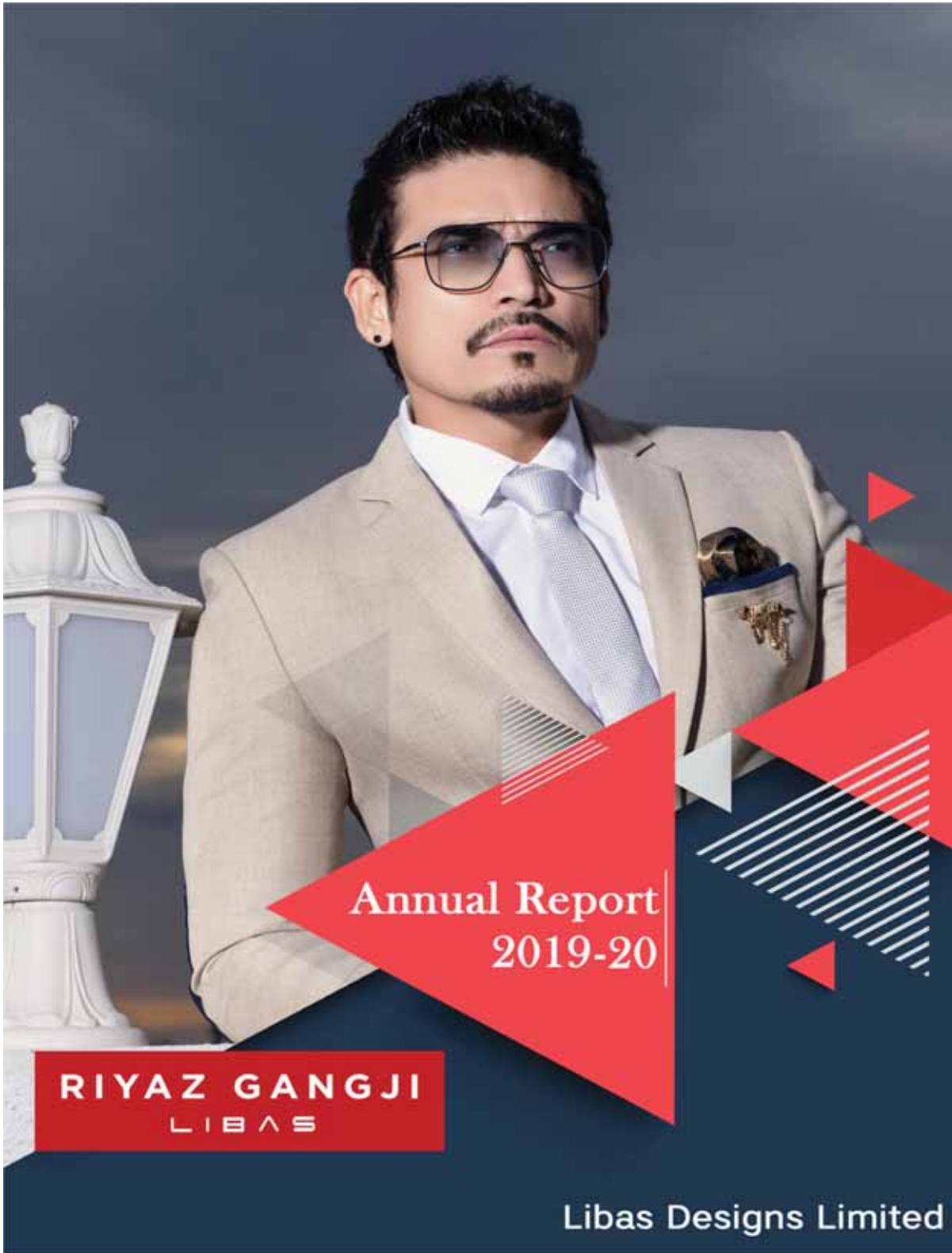
Mumbai  
September 4, 2020

CIN - L18101MH2004PLC149489

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

☎ 022 4976 7404 / 7396 ✉ accounts@libas.co.in 🌐 www.libasfashion.com

**RIYAZ GANGJI**  
LIBAS



**Annual Report**  
**2019-20**

**RIYAZ GANGJI**  
LIBAS

**Libas Designs Limited**



THE  
**DIFFERENCE**  
BETWEEN  
**STYLE**  
AND **FASHION**  
IS QUALITY

SHOP ONLINE  
[www.libasfashion.com](http://www.libasfashion.com)

## CHAIRMAN'S MESSAGE

Dear Shareholder,

Libas has had a great run since inception. As the demand for consumer products keeps growing in India, Clothing and Fashion is a much larger platform which has grown over the past decade. With COVID, there has been a setback to the industry in general but it is a temporary phase and retail will start booming back again soon.

We have proposed to change our company's name to Libas Consumer products allowing us to add a range of products to our portfolio alongside fashion garments, where I see a huge potential too.

Living with an old adage- 'never waste a crisis' is reality now as the human race globally is struggling to come to terms with the new normal after the unprecedented devastation caused by the COVID-19 pandemic. Today, many organizations are frozen with fear, doubt and lack of clarity, rebooting an organization isn't easy as it requires a lot of self-belief and creating new way that also brings in fear of change and fear of new.

Being different is normal for us. We don't just manufacture, we 'nurture' and 'add value to

life'. In view of the same, we are considering acquiring a company, which has mining rights of mineral salts. This company is a profit making company and with this acquisition as well as our retail expertise, we are confident of bringing better value and profits too. As our retail chain grows, we will be adding other products through our distribution channels.

This new beginning assumes even more significance as organization reinvents themselves to reinstate their relevance to consumers in the new normal.

I would like to express my sincere thanks to our Board members for their support. I express my gratitude to all shareholders, customers and other stakeholders across the world for their trust in us. And most importantly, a note of thanks to all our members- our key driving force and our biggest assets for their passion towards Libas.

**Nishant Mahimtura**

**Chairman**

## Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, or estimated projected. We undertake no obligation to publicly update any forward-looking statements, whether as a results of new information, future events or otherwise.

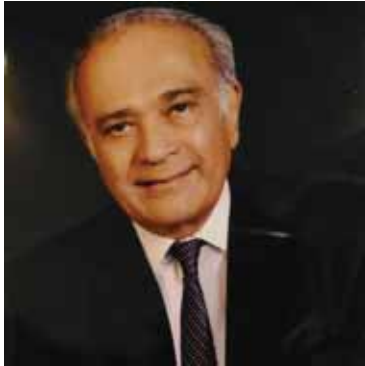
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## Management Background



**NISHANT MAHIMTURA**  
FOUNDER & CFO

- Bachelor of Science
- Diploma in Marketing and Advertising
- 45 + years of experience in the field of Marketing and Finance
- Looks after strategic planning, marketing and managing the finance & accounts of Libas Designs Limited



**RIYAZ GANJI**  
WHOLETIME DIRECTOR

- 25+ years of experience in textile industry.
- Started his First Libas - Riyaz Gangji store in the year 1996.
- Designer of the first international video of A.R. Rahman in VandeMataram in 1996.



**RESHMA GANJI**  
MANAGING DIRECTOR

- Graduate from Mumbai University
- Mumbai based International fashion designer having experience of more than 25 years.
- First Indian female designer to represent India at the World Trade Centre (New York).
- Responsible for new designs, management and administrative functions of the Company.

## Board Profile



**ANAND TAGGARSI**  
**INDEPENDENT DIRECTOR**

- Bachelor of Commerce from University of Bombay.
- Master of Business Administration (Part time) & Finance from NMIMS University.
- 30+ years experience in Banking Industry.



**ASHISH DUBEY**  
**INDEPENDENT DIRECTOR**

- Bachelor of Commerce and LLB from University of Mumbai.
- 8+ years of experience as Practising Advocate in High Court, Bombay in Corporate and Criminal Law.



**VIVEK KAMATH**  
**INDEPENDENT DIRECTOR**

- Post Graduation in Science from University of Bombay also holds the degree of Master of Business Administration in Marketing from University of Bombay.
- 20+ years in the areas of General Management, Marketing, Sales, Business Development & Healthcare Communications.
- Currently the Group COO at Pinnacle Cancer Centres India & International.

## Awards & Pictures





## CORPORATE INFORMATION

### THE BOARD OF DIRECTORS

Mr. Anand Taggarsi	Independent Director
Mr. Nishant Mahimtura	Director
Mr. Ashish Dubey	Independent Director
Mrs. Reshma Ganji	Managing Director
Mr. Riyaz Ganji	Wholetime Director
Mr. Vivek Kamath	Independent Director

### Chief Financial Officer

Mr. Basant Agarwal

### Company Secretary cum Compliance Officer

Ms. Nita Mishra

### Registered Office

401, 4<sup>th</sup> Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West), Mumbai-400053, Maharashtra

Website: [www.libasdesignsltd.com](http://www.libasdesignsltd.com)

### Statutory Auditor

Jain Jagawat Kamdar & Co.

301-302, Poonam Pearl, Juhu Lane, Andheri (West), Mumbai-400058

Phone: 022-26203021, Website: [www.jjkanco.com](http://www.jjkanco.com)

### Secretarial Auditors

SARK & Associates

215, Gundecha Industrial Estate, Akurli Road, Kandivali (East), Mumbai-400101

Phone: 022-28844639, Website: [www.sarkcs.in](http://www.sarkcs.in)

**Bankers**

Union Bank of India

**Registrar and Share Transfer Agents**

Bigshare Services Private Limited

1<sup>st</sup> Floor, Bharat Tin Works Building, Makwana  
Road, Marol, Andheri (East), Mumbai-400059

Phone: 022 - 62638200; Fax: +91 - 22 - 62638299;

Email: investor@bigshareonline.com;

Website: www.bigshareonline.com

**Shares Listed on**

National Stock Exchange of India Limited

## NOTICE

(Note: The business of this Meeting is being transacted through electronic voting system)

NOTICE is hereby given that the Sixteenth Annual General Meeting of Members of the LIBAS DESIGNS LIMITED will be held on Wednesday, September 30, 2020, at 03:30 P.M. through Video Conferencing (VC)/ Other Audit-Visual Means (OAVM) and venue of the meeting is deemed to be the Registered Office of the Company situated at Libas Designs Limited, 401, 4<sup>th</sup> Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West), Mumbai- 400053, Maharashtra to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2020 and the Report of Auditors thereon.
2. To declare final dividend @2% i.e. 0.20 per equity share for the financial year ended March 31, 2020.
3. To appoint a director in place of Mr. Riyaz Ganji, (DIN: 02236203) who retires by rotation & being eligible, offer himself for re-appointment.
4. To consider and, if thought fit, to pass following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other

applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s Jain Jagawat Kamdar and Co., Chartered Accountants (FRN.: 122530W), Mumbai be and are hereby appointed as Statutory Auditors for FY 2020-21 of the Company and will hold office till the conclusion of 17<sup>th</sup> Annual General Meeting at such remuneration as may be decided by the Board or Committee.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do all such acts, things and deeds as may be required to give effect to the above mentioned resolution.”

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**, for change in the name of the Company from ‘Libas Design Limited’ to ‘Libas Consumer Products Limited’ and consequent amendment to Memorandum of Association and Articles of Association of the Company:

**“RESOLVED THAT** pursuant to the provisions of Section(s) 4, 13, 14 and 15 and all other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules and Regulations framed thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law(s), regulation(s), guideline(s), and subject to the approvals, consents, sanctions and permissions of the

Central Government/ Stock exchange(s)/appropriate regulatory and statutory authorities, consent of the members of the Company be and is hereby accorded to change the name of the Company from 'Libas Designs Limited' to 'Libas Consumer Products Limited'.

**RESOLVED FURTHER THAT** upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name "Libas Designs Limited" as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name "Libas Consumer Products Limited".

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

6. To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**, to alter/amend existing Clause III, the Object Clause, of the Memorandum of Association of the Company:

**"RESOLVED THAT** pursuant to the provisions of Section(s) 4, 13 and 15 and all other applicable provisions, if any, of the Companies Act 2013, read with applicable Rules and Regulations framed thereunder

(including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law(s), regulation(s), guideline(s), and subject to the approvals, consents, sanctions and permissions of the Central Government/ Stock exchange(s)/appropriate regulatory and statutory authorities, consent of the members of the Company be and is hereby accorded for adoption of new set of Memorandum of Association of the Company ("MOA") in accordance with Table A of Schedule I of the Companies Act 2013, effecting the following modifications and amendments in the existing MOA:-

- (i) In Part A of Clause III of MOA the following new sub-clause (4) & (5), being the existing business activities of the Company, commenced earlier pursuant to and in terms of the shareholders' authorisation, are to be inserted after existing sub-clause (3):
  - (4) To carry on the business of manufacturing, buying, selling in all type of jewellery, shoes, mojaris, watches and other men/women accessories and other related products.
  - (5) To manufacture, refine, manipulate, job work, import, export and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever and to carry on business as manufacturers, exporters, importers, buyers, sellers, traders, distributors, stockists, franchise, commission agents, brokers and dealers for all

types of agrochemicals, pesticides, fungicides, insecticides, fine and specialty chemicals plastic, bio-chemicals, water and irrigation related products and for all kind of machineries related to agriculture insecticides, pesticides, chemicals, fertilizers, manure, both chemical micronutrients and bio/organic fertilizers and for all types of cattle feeds, and to grow, produce, manufacture, process, prepare refine, extract, manipulate, hydrolize, deodorize, grind, bleach, hydrogenate, buy sell, or otherwise deal in all kinds of plantations, trees, crops, medicinal/herbal plants, agricultural, horticulture, floriculture, dairy and farm produce and products including food grains, cereals, seed, oil seeds, plants, materials, flowers, vegetables, tissue culture, mushroom and edible oil seed products, spices and prepare products of any nature or description whatsoever including processing, canning and packaging of fruits and vegetables, to take tenders for plantation of trees on highways for greenery and to set up farms, agriculture houses, orchards, gardens, cold storage and poultry farms, and to cultivate, grow, produce, breed, improve, develop, sales, purchase, trading, import, export or otherwise deal in all kind of foundation seeds, certified seeds, truthful labeled seeds, research seeds, crop seeds, hybrid seeds, fodder seeds, vegetable seeds, flower seeds, plants seeds, agriculture products, food grains,

vegetable and fruits and to carry on business of farmers, horticultures, growers, seed producers or nurserymen and deal in agricultural biotechnology, nanotechnology and microbiology related research, innovation and products, and to carry on the business of growing, producing, manufacturing, processing, warehousing, trading, wholesaling, retailing, export, import & other related activities with respect to agriculture products like, food grains, pulses, vegetables, fruits, spices and other related products and dairy products and give services including educational services to Farmers.

(ii) Part C of Clause III of MOA viz. "Other Objects" shall be deleted in line with the requirements of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

7. To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**, of material Related party Transaction:

“RESOLVED THAT pursuant to the provision of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and also pursuant to the consent of the Audit Committee and the Board of Directors and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members be and is hereby accorded to the Company to approve all contract/ arrangement/ agreements/ transactions (including any modifications, alteration, amendments or renewal thereto), with ‘Related Parties’ within the definition of the Companies Act, 2013 and Listing Regulations, as mote particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and such related parties.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, agreements, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit.”

8. To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**, of giving loan:

“RESOLVED THAT pursuant to the provisions of Section 185 and all other applicable provisions, if any of the

Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company is interested/deemed to be interested, up to INR 15 crore, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

9. To consider and, if thought fit, to pass the following resolution, as an **Ordinary Resolution**, to regularize Additional Independent Director, Mr. Ashish Anil Dubey (DIN: 08766592), by appointing him as an Independent Director of the Company:

“RESOVLED THAT pursuant to the provision of Section 161 and other applicable provision of the Companies Act, 2013; Mr. Ashish Anil Dubey (DIN:

08766592) was appointed as an Additional Independent Director by the Board of Directors on 18<sup>th</sup> June, 2020 to hold office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director for five years.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit.”

**For and on the behalf of,  
LIBAS DESIGNS LIMITED**

**September 04, 2020  
Mumbai**

**Riyaz EqbalGanji  
Whole Time Director  
DIN: 02236203**

#### **IMPORTANT NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), which sets out details relating to Special Business at the meeting, is annexed hereto. Details under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations') and under Secretarial Standard -2 issued by Institute of Company Secretaries of India, in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting
- (AGM), also contained in Explanatory Statement pursuant to Section 102 of the Act. The Directors have furnished the requisite declarations for their appointment/re-appointment.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. The register of members and the share transfer books of the company will remain closed from September 24, 2020 to September 30, 2020 (Both days inclusive) in accordance with the provisions of the Act and the LODR Regulations, for the purpose of AGM and determining names of the shareholders eligible for dividend on equity shares, if declared. The dividend, if declared at the AGM, will be paid to equity shares holders whose names are furnished by the NSDL and CDSL as beneficial owner on close of day on September 23, 2020.
4. The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Wednesday, September 23, 2020 (cut-off date), i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this

Notice. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date.

5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.libasdesignsltd.com](http://www.libasdesignsltd.com). The Notice can also be accessed from the websites of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for

various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the company / RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@libas.co.in](mailto:cs@libas.co.in) and [tds@bigshareonline.com](mailto:tds@bigshareonline.com) or <https://www.bigshareonline.com//dividendTDS.aspx> by end of the day of September 22, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@libas.co.in](mailto:cs@libas.co.in) and [tds@bigshareonline.com](mailto:tds@bigshareonline.com) or <https://www.bigshareonline.com//dividendTDS.aspx>. The aforesaid declarations and documents need to be submitted by the shareholders by end of the day of September 22, 2020.

**Notwithstanding the above, tax would not be deducted on payment of dividend to resident Individual shareholder, if total dividend to be paid in FY 2020-21 does not exceed Rs. 5,000.**

**No claim shall lie against the Company for such taxes deducted.**

Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

11. In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/ permissible electronic mode of payment viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. The Company/ R & TA will not act on any direct request from the Members holding shares in dematerialized form for change/deletion of such bank details. Such changes are to be intimated by the Members:
  - i. to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form, and
  - ii. to the Company's Registrar & Share Transfer Agents namely, M/s. Big Share Services Private Limited in respect of shareholdings in physical form.
12. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
13. The Company has appointed M/s SARK & Associates, Company Secretaries as Scrutinizer to scrutinize the votes cast the meeting and votes through remote e-voting process in a fair and transparent manner and communicated his willingness to be appointed and will be available for same purpose.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER**

The remote e-voting period begins on September 27, 2020 at 09:00 A.M. and ends on September 29, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 23, 2020

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. (NSDL or CDSL) or Demat or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify

the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tarpan.shah@sarkcs.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request

to (Name of NSDL Official) at evoting@nsdl.co.in

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@libas.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@libas.co.in.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM.

However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to

Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@libas.co.in](mailto:cs@libas.co.in) on or before September 26, 2020. The same will be replied by the company suitably.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No. 4**

The Board of Directors ("the Board") of the Company, on the recommendation of the Audit Committee ("the Committee"), recommended for the approval of shareholders, the appointment of M/s Jain Jagawat Kamdar & Co., Chartered Accountants, as the Auditor of the Company for FY 2020-21 to hold office from the conclusion of this AGM till the conclusion of 17<sup>th</sup> AGM.

The Auditor has given their consent to act as the Auditor of the company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Section 139 and 141 of the Act.

Your Directors recommend passing of the resolution as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in this Resolution.

**Item No. 5**

The company is engaged in the business of manufacturing and trading of fabrics, sherwani, kurtis and other related items. Further, company is dealing in various men and women accessories, curtains etc.

The Board of Directors in their meeting held on 18<sup>th</sup> June, 2020 and 4<sup>th</sup> July, 2020 approved to change name of the company from 'Libas Designs Limited' to 'Libas Consumer Products Limited' to reflect the proper nature of business activities carried out by the company.

The Ministry of Corporate Affairs approved Name Reservation and the National Stock Exchange had given in principal approval.

The provisions of the Companies Act, 2013 and rules made thereunder requires the Company to obtain approval of shareholders by a Special Resolution for effecting change in the Company's name and consequential alteration in the Memorandum and the Articles of Association of the Company.

Your Directors recommend passing of the resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way, financially or otherwise, concerned or interested in this resolution except to the extent of their shareholding in the Company.

**Item No. 6**

In order to make the main object clause of the Memorandum of Association (MoA)

comprehensive and to include other activities to be undertaken by Company i.e. dealing salt and spices, it is proposed to include additional objects in the main object clause of the Memorandum of Association of the Company.

The principal business of the Company at present is of textiles and other related items and looking to unfavorable business conditions in the textile industry, the Board feels that Company should widen its activities by undertaking activities in new sectors as stated in the above resolution.

To enable the Company to commence the aforesaid business, it is proposed to amend the Main Objects under the Objects Clause of the Memorandum of Association of the Company as stated in the Resolution in the annexed notice. The above amendment would be subject to the approval of the Statutory or Regulatory Authority, as may be necessary.

Further, in compliance with requirements of the Companies Act, 2013, it is proposed to delete existing Part C (Other Object Clause) of Section III.

The Board at its meeting held on 18<sup>th</sup> June, 2020 has approved alteration of the object clause of MoA of the Company and the Board now seeks Members' approval for the same.

The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

A copy of the amended MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

Your Directors recommend passing of the resolution as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

**Item No. 7**

Pursuant to the provision of Section 188 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (‘Rules’), the Company is required to obtain consent of the Board of Directors and approval of the members by way of special resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm’s length basis.

However, pursuant to Regulation 23 of the SEBI (LODR) Regulations, 2015 (‘LODR’), approval of the members through special resolution is required for all material related party transactions, even if they are entered into the ordinary course of business and on arm’s length

basis. For this purpose, a transaction is considered material, if the transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the company, as per the last audited financial statement of the Company.

The Company proposes to enter into contract/ arrangements with Related Parties as mentioned below, which are in the ordinary course of business. Further, the estimate value of the proposed transaction is likely to exceed 10% of the annual consolidate turnover of the Company for financial year ended March 31, 2020 and may exceed the materiality threshold as prescribed under Regulation 23 of the LODR. Thus these transactions would require the approval of the members by way of Special Resolution.

Sl. No.	Name of Related Party	Nature of Relationship	Nature of Transaction	Amount
1.	See My Brand Private Limited	Entities under Common Control	Purchases/ Sale	Upto INR 15 crore
2.	Golden Bricks Infrastructure Private Limited	Entities under Common Control	Purchases/ Sale	Upto INR 15 crore
3.	Reserve Wines Private Limited	Entities under Common Control	Purchases/ Sale	Upto INR 15 crore
4.	See My Brand Private Limited	Entities under Common Control	To borrow/len d	Upto INR 5 crore

5.	Golden Bricks Infrastructure Private Limited	Entities under Common Control	To borrow/lend	Upto INR 5 crore
6.	Reserve Wines Private Limited	Entities under Common Control	To borrow/lend	Upto INR 5 crore

Regulation 23(7) of the SEBI LODR Regulations, 2015 provides that all entities falling under the definition of related parties shall not vote to approve any related party transaction, irrespective of whether the entity is a party to the transaction or not. Therefore, none of the Promoter group entities holding shares will vote on the above resolution.

The Board considers that the proposed arrangements with the related parties, are in the ordinary course of business. Except, Mr. Riyaz Ganji, Ms. Reshma Ganji and Mr. Nishant Mahimtura, none of the Directors and Key managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends this Special Resolution for approval of the Members.

#### **Item No. 8**

In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the

condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest surplus funds, if available in its wholly owned subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount of INR 15 crore.

The Board of Directors recommends resolution for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

#### **Item No. 9**

Mr. Ashish Anil Dubey was appointed as an Additional Independent Director of the company with effect from June 18, 2020.

He is not disqualified from being appointed as an Independent Director and has given his consent.

The Board is of the view that the appointment of Mr. Ashish Anil Dubey as Independent Director is desirable and would be beneficial to the Company and hence it recommends for the approval of the shareholders of the Company to regularize his appointment as an Independent Director for the period of five years.

Your Directors recommend passing of the resolution as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Ashish Anil Dubey himself, is in any way concerned or interested, in the said resolution.

**For and on the behalf of,  
LIBAS DESIGNS LIMITED**

**September 04, 2020  
Mumbai**

**Riyaz EqbalGanji  
Whole Time Director  
DIN: 02236203**

**DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 26 AND REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS - 2)**

<b>Name of Director</b>	Mr. Riyaz Ganji	Mr. Ashish Anil Dubey
<b>Age</b>	50 years	33 Years
<b>Date of First Appointment</b>	November 10, 2014	June 06, 2020
<b>Qualification</b>		Bachelor of Laws University of Bombay
<b>Profile and Expertise</b>	He is having rich experience of more than 25+ years in the textile industry.	He is an Independent Director of the Company. Having more than 8+ years of experience in the area of Corporate Law and Practicing at Bombay High Court.
<b>Terms and conditions of appointment / re-appointment</b>	Director liable to retire by rotation	Regularizing as an Independent Director for five years
<b>Relationship with other Directors, Manager and Key Managerial Personnel</b>	Mrs. Reshma Ganji (wife)	Nil
<b>No. of Board Meetings attended during the year</b>	07	Not Applicable
<b>Number of shares held in the Company, Individually or Jointly</b>	1,888,494	Nil
<b>Directorship and Committee memberships (Excluding Libas Designs Limited)</b>	<ol style="list-style-type: none"> <li>1. Directorships held in other Companies: <ol style="list-style-type: none"> <li>a) Golden Bricks Infrastructure Private Limited</li> <li>b) Reserve Wines Private Limited</li> </ol> </li> <li>2. Chairman of Board Committees: Nil</li> <li>3. Member of Board Committees: Nil</li> </ol>	Nil

## DIRECTORS' REPORT

**To**  
**The Members,**  
**Libas Designs Limited,**

Your Directors are pleased to present before you the 16<sup>th</sup> Boards' Report for the Company, for the financial year ended March 31, 2020.

### 1. FINANCIAL PERFORMANCE

The financial highlights (standalone) of the Company for the year ended March 31, 2020 are presented below:-

Particulars	31.03.2020(INR)	31.03.2019 (INR)
Revenue from operations	332,175,253.00	517,650,638.00
Other income	13,904,017.00	1,692,893.00
Gross Income	346,079,271.00	519,343,531.00
Expenses	343,374,375.00	469,964,753.00
Profit/(Loss) before Tax	2,704,895.00	49,378,778.00
Less: Current Tax	676,200.00	13,750,000.00
Less: Deferred tax	220,526.00	197,640
<b>Net Profit for the year</b>	<b>1,808,169.00</b>	<b>35,431,138</b>

### 2. OPERATIONS AND FUTURE OUTLOOK OF THE COMPANY

During the year under review, the Profit after taxation stood at **INR 18.08 lakh** as against **INR 3.54 crore** in the previous year.

Your company continued to focus on new client acquisition along with deepening the existing ones.

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the Financial Year in review, there was no change in the nature of the business carried out by the Company.

### 4. SHARE CAPITAL STRUCTURE OF THE COMPANY

During the year there has been an increase in the Authorized Share Capital and Paid up Equity Share Capital of the Company due to equity shares being allotted to eligible shareholders under Bonus Issue. The Authorized Share Capital and Paid up Share Capital of the Company as at March 31, 2020 is INR 15 crore divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of

INR 10 each and INR 12.25 crore divided into 1,22,50,000 (One Crore Twenty Two Lakhs Fifty Thousand) Equity shares of INR 10 each respectively.

**A) Issue of equity shares with differential rights**

Your Company had not issued equity shares with differential rights as required to be disclosed in rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014, during the year under review.

**B) Issue of sweat equity shares**

Your Company had not issued sweat equity shares as require to be disclosed under rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014, during the year under review.

**C) Issue of employee stock**

Your Company had not issued employee stock option as required to be disclosed under rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, during the year under review.

**D) Private Placement/Preferential Allotment**

Your Company has issued 1,000,000 equity shares of face value INR 10 each at premium of INR 44 per share.

**5. DIVIDEND**

Your Directors are please to recommend Final Dividend @ 2% i.e. INR 0.20 per Equity Shares of face value INR 10.00 each aggregating to INR 2,450,000.00 for the year ended March 31, 2020.

The final dividend, subject to the approval by the shareholders in the forthcoming Annual General Meeting and if declared, will be paid on or after October 05, 2020, to those members whose names appears in the register of members as on date of book closure. The register of members and the share transfer books of the Company will remain closed from September 24, 2020 to September 30, 2020 (Both days inclusive) for AGM and payment of dividend, if declared, on equity shares.

**6. TRANSFER TO RESERVES**

The Company transferred Rs. 1,808,169/- to Reserves and Surplus account during the financial year ending March 31, 2020.

**7. ACCOUNTING STANDARD AND FINANCIAL STATEMENTS**

The Financial Statements of the Company are prepared in accordance with Accounting Standards, issued by the Institute of Chartered Accountants of India, which forms part of this Annual report.

**8. CONSOLIDATED FINANCIAL STATEMENT**

As required under Section 129 of the Act and LODR Regulations, a consolidated financial statements for the year ended March 31, 2020 are attached.

## 9. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i. Directors

The Composition of the Board as on this report date is as follows:

Name of the Director	DIN/PAN	Designation	Category	Date of Appointment
Mr. Anand Taggarsi	06959365	Director	Non-Executive Independent	21/09/2016
Mr. Nishant Mahimtura	02000572	Director	Promoter Executive	10/11/2004
Mr. Ashish Dubey	07604537	Director	Non-Executive Independent	18/06/2020
Mrs. Reshma Ganji	07576582	Managing Director	Promoter Executive	26/07/2016
Mr. Riyaz Ganji	02236203	Wholetime Director	Promoter Executive	10/11/2004
Mr. Vivek Kamath	07239860	Director	Non-Executive Independent	21/09/2016

The disclosures pertaining to the Equity Shares held and the Remuneration received by the Directors and Key Managerial Personnel's during the Financial Year 2019-20 are disclosed in (MGT-9 as ANNEXURE - I) which forms a part of this Report.

### Changes in the Board

1. During the year, Mrs. Reema Varde, Independent Director has resigned from the Board with effect from March 21, 2020
2. Mr. Ashish Dubey was appointed as an Additional Independent Director with effect from June 18, 2020
3. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of section 152(6) of the Companies Act, 2013 and Companies Articles of Association Mr. Riyaz Ganji is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, to offer himself for re-appointment by stating his willingness to be re-appointed at this Annual General Meeting.

The complete details and disclosures pertaining to the qualification, experience, education and other details as required under the Companies Act, 2013, Secretarial Standards-2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the Notice to the Annual General Meeting for the Directors seeking appointment/reappointment.

### Key Managerial Personnel

1. Mr. Nishant Mahmtura has resigned from the post of CFO and Mr. Basant Kumar Agarwal has been appointed as CFO with effect from October 19, 2019.
2. Ms. Raashi Singh has resigned from the post of Company Secretary cum Compliance Officer with effect from March 31, 2020.
3. Ms. Nita Mishra has been appointed as Company Secretary cum Compliance Officer of the Company with effect from July 04, 2020.

### 10. Listing Fee

The Company has paid the applicable listing fee to the National Stock Exchange of India Limited for the Financial Year 2020-21.

### 11. AUDITORS

#### i. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SARK & Associates, Company Secretaries as Secretarial Auditors of the Company for the Financial Year 2019-20, to undertake the Secretarial Audit of the Company.

The **Secretarial Audit Report in form MR-3 (Annexure IV)** is presented separately and forms part of this report.

#### ii. Statutory Auditors

M/s. Jain Jagawat Kamdar & Co, Chartered Accountants (ICAI Firm Registration No. 122530W), continues to be Statutory Auditor of the Company. The Board has recommended shareholders for appointment of M/s. Jain Jagawat Kamdar & Co, Chartered Accountants as Statutory Auditor for FY 2020-21 upon completion of his three years as Statutory Auditor of the Company in this AGM.

The Auditor's Report to the shareholders on standalone and consolidated financials for the year ended March 31, 2020 is presented separately and forms part of this report and has certain qualification, observation or adverse comments. During the year under review, the Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013. The Notes to Accounts referred to in the Auditor's report are self-explanatory and do not require any further comments.

#### iii. Internal Auditor

Pursuant to the provisions of Section 138 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder M/s. V. A. Mishra & Associates, Chartered Accountant (Registration No. 106435W) appointed/continue to act as Internal Auditors of the Company for the Financial Year 2019-20.

## **12. REPLY TO THE COMMENTS IN THE AUDITORS' REPORT AND SECRETARIAL AUDITOR'S REPORT**

### **Auditors' Report**

1. 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.
2. 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.
3. 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.

### **Secretarial Audit Report**

1. Company has entered into Related Party transactions in ordinary course of business at arms' length.
2. Company is taking due care for timely filing of returns and compliances.

## **13. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors 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 and loss of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) Internal Financial Controls have been laid down to be by the Company and that such internal Financial Controls are adequate and were operating effectively;

## **14. DECLARATION BY INDEPENDENT DIRECTORS**

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of independence under sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 25 read with Regulation 16 of SEBI LODR Regulations.

#### 15. BOARD AND COMMITTEE MEETINGS

The Board of Directors meets at regular intervals to discuss the business and compliance matters of the Company. The details of the Meetings of the Board of Directors and the Committees of the Board of Directors and their respective constitution are stated in the **Corporate Governance Report (Annexure III)** attached which form part of this Board's Report.

The Company Secretary of the Company is the Secretary to each of these Committees. Separate Meeting of Independent Directors is conducted during every Year, in terms of the requirements of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Further, the Board of Directors have adopted various policies on the functioning and running of the Board of Directors as mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which are also available on the website of the Company.

#### 16. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire, each in line with the circular issued by SEBI, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority Shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. Independent Directors fulfill the criteria of independence and they are independent of management. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

#### 17. PUBLIC DEPOSITS

Your Company has neither invited nor accepted/renewed any "Deposit" from the public within the meaning of the term "Deposits" under the Companies (Acceptance of Deposits) Rules, 2014

made under Chapter V read with Section 73 and 76 of the Companies Act, 2013 as amended from time to time and accordingly no disclosures are required in this regard.

**18. CORPORATE GOVERNANCE**

The company is committed to maintain highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. Your Company continues to follow the principles of good corporate governance and the board of directors lays strong emphasis on transparency, accountability and integrity.

As required by Regulation 24 of the SEBI (LODR) Regulation, 2015 a detailed Corporate Governance Report is given separately which forms part of this Annual Report.

**19. EXTRACT OF ANNUAL RETURN**

The details of extracts of Annual Return in Form MGT-9, as required under section 92 of the Companies Act, 2013 are enclosed as **Annexure I** and forming an integral part of this Report.

**20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT**

During the year under review, the Company has invested in its wholly owned subsidiary Libas Designs FZE LLC, in the UAE. The details have been mentioned in the financial statement with respect to the same.

**21. RELATED PARTY TRANSACTIONS**

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are on arm's length basis and in the ordinary course of business. During the financial year, there was no material contracts or arrangements entered into by the Company with any of the related party. Your Directors draw attention of the members to Note to the financial statement, which contain particulars with respect to related parties. The policy on dealing with the related party transactions as approved by the Board of Directors is disclosed on the website of the Company.

Particulars of contracts or arrangement with related parties referred to in section 188(1) of the Companies Act, 2013 in the prescribed form **AOC-2** is appended as **(Annexure II)** to the Board Report.

**22. WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

Your Directors inform the members that with the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. The policy has been disclosed on the website of the Company

**23. SUBSIDIARY, ASSOCIATES OR JOINT VENTURE**

In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as part of the

consolidated financial statement. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity. This includes highlights of performance of Wholly Owned Subsidiary viz. 'Libas Designs FZE LLC' of the Company.

During the year under review, no company has ceased to be subsidiary/joint venture or associate of the Company during FY20.

#### **24. NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration committee has put in a place the policy on board diversity for appointment of directors taking into consideration qualification and wide experience of the directors in the field of banking, finance, regulatory, administration, legal, commercial vehicle segment apart from compliance of legal requirements of the company. The company has laid down remuneration criteria for directors, key managerial personnel and other employees in the Nomination and Remuneration Committee.

The policy, inter-alia includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of directors, KMP and senior management.

The Policy is also available on company's website: [www.libasdesignsltd.com](http://www.libasdesignsltd.com).

#### **25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)**

In accordance with the Listing regulations, the Management Discussion and Analysis report which forms part of the annual Report.

#### **26. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company has in place adequate internal financial control systems, commensurate with the size, scale and complexity of its operations. The Company has appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial information. During the year under review, the Company has not come across any incidence of fraud. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, the respective departments undertake corrective action in their respective areas and thereby strengthen the controls.

#### **27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS OPERATIONS DURING THE YEAR UNDER REVIEW**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the company and its operations during the year under review.

#### **28. MATERIAL CHANGES & COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE**

**FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes & commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2011**

Your Company endeavors to provide a harmonious working environment for female employees and has adopted a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received.

No. of complaints filed during the financial year: NIL

No. of complaints disposed of during the financial year: Nil

No. of complaints pending as on end of the financial year: Nil

**30. COMMITTEES OF BOARD**

Currently, the board has six committees:

1. Audit Committee,
2. Nomination and Remuneration Committee,
3. Stakeholder Relationship Committee,
4. Investment Committee and
5. Executive Committee
6. Corporate Social Responsibility Committee

A detailed note on board composition and its committees is provided in the **Corporate Governance report (Annexure-III)**.

**31. RISK MANAGEMENT POLICY**

The Company has adopted the risk management policy which aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. Your Directors periodically review the risks associated with the business or which threaten the prospects of the Company

**32. CODE OF CONDUCT AND PREVENTION OF INSIDER TRADING**

In compliance with the SEBI regulation on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders, the Company has instituted a comprehensive code of conduct for its management staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Libas and cautions them on consequences of violations. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the ethical standards of dealing in company securities.

The insider trading policy of the company covering code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website: [www.libasdesignsltd.com](http://www.libasdesignsltd.com).

### 33. INVESTORS' RELATION AND GRIEVANCES

During the Year under review, the Company has not received any Complaint/Grievance from the Investors of the Company. The Company has a dedicated e-mail address [cs@libas.co.in](mailto:cs@libas.co.in) for communication with the Investors. Further, a section for Investors, with details of the Annual Reports, Financial Statements, Communications to Stock Exchanges and other necessary information is available on the website of the Company on [www.libasdesignsltd.com](http://www.libasdesignsltd.com). The Company is registered on the website of SEBI Complaint Redressal System (SCORES).

### 34. PARTICULARS OF EMPLOYEES

The details of the Remuneration drawn by the Whole Time Executive Directors and Managing Director and Independent Directors are stated in the **Corporate Governance Report (Annexure-III)**, other information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Details pertaining to Remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as part of this Report.

### 35. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information pursuant to section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

- a. The company has no activity involving conservation of energy or technology absorption.
- b. There is no foreign exchange earnings and outgo.

### 36. CORPORATE SOCIAL RESPONSIBILITY

Since Section 135 of Companies Act' 2013 and Rules made there under is not applicable, hence no meeting were conducted during the year.

### 37. HUMAN RESOURCES MANAGEMENT

Your Company recognizes that people play a key role in gaining competitive advantage in our industry. Your Company is focused on creating the right working environment for our people to excel.

Your Company will continue to work towards improving all aspects of our people practices to be counted among the Great Places to Work.

The key pillars of success at Libas Designs Limited from a Human Capital perspective are:

- Ensuring we have the right people in every role
- Driving scalable processes to enhance ROI
- Creating a culture of learning and Execution

Human Resources plan was executed in line with the target set at the beginning of the year.

**38. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There were no frauds as reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

**39. ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thank Customers, Members, Suppliers, Bankers, Business Partners/Associates, Central and State Governments for their consistent support and co-operation extended to the Company. We also acknowledge the significant contribution made by the employees by their dedication and hard work and trust reposed on us. We look forward to have the same support in our endeavor to help the Company to grow faster.

**For and On Behalf of the Board of  
Libas Designs Limited**

**Reshma Riyaz Ganji**  
Managing Director  
DIN: 07576582  
Mumbai  
September 04, 2020

**Nishant Mahimtura**  
Chairman cum Director  
DIN: 02000572  
Mumbai  
September 04, 2020

**ANNEXURE I**

**FORM NO.MGT-9**

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2020**  
*[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**

<b>i.</b>	CIN	<b>L18101MH2004PLC149489</b>
<b>ii.</b>	Registration Date	10/11/2004
<b>iii.</b>	Name of the Company	<b>LIBAS DESIGNS LIMITED</b>
<b>iv.</b>	Category/Sub-category of the Company	Public Limited Company / Limited by Shares
<b>v.</b>	Address of the Registered office and contact details	401, 4 <sup>th</sup> Floor, Crescent Royale, Off New Link Road Lokhandwala Complex, Andheri (West) Mumbai-400053, Maharashtra Phone: 022-66996568/ +91 9928099603 Website - <a href="http://www.libasdesignsltd.com">www.libasdesignsltd.com</a> Email: <a href="mailto:accounts@libas.co.in">accounts@libas.co.in</a> , <a href="mailto:cs@libas.co.in">cs@libas.co.in</a>
<b>vi.</b>	Whether listed company	Listed on National Stock Exchange of India Limited
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400 059; Tel: 022 - 62638200; Fax: 022 - 62638299; Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> ; Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**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/ service	% to total turnover of the company
1	Manufacture and trading of wearing apparel n.e.c.	14109	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.	Libas Designs FZE LLC, Dubai	NA	Wholly owned subsidiary	100%	NA

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	7,412,001	0	7,412,001	65.88	7,128,145	0	7,128,145	58.19	-7.69
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Subtotal (A)(1):-	7,412,001	0	7,412,001	65.88	7,128,145	0	7,128,145	58.19	-7.69
<b>2) Foreign</b>									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	0
h) Other-	0	0	0	0	0	0	0	0	0

Individuals									
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	7,412,001	0	7,412,001	65.88	7,128,145	0	7,128,145	58.19	-7.69
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									

a) Bodies Corp.									
(i) Indian	222,000	0	222,000	1.97	179,417	0	179,417	1.46	-0.51
(ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto INR 2 lakh	1,114,499	0	1,114,499	9.91	1,035,390	0	1,035,390	8.45	-6.82
(ii) Individual shareholders holding nominal share capital in excess of INR 2 lakh	2,285,500	0	2,285,500	20.32	3,841,155	0	3,841,155	24.08	+31.36
c) Others (specify)									
NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
Employee Trusts	0	0	0	0	0	0	0	0	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
Any Other (Clearing Member)	126,000	0	126,000	1.12	17,893	0	17,893	0.15	-0.97

Any Other(Non Resident Indians	90,000	0	90,000	0.80	48,000	0	48,000	0.39	-0.41
Sub-total(B)(2)	3,837,999	0	3,837,999	34.12	5,121,855	0	5,121,855	41.81	+7.69
Total Public Shareholding (B)=(B)(1)+(B)(2)	3,837,999	0	3,837,999	34.12	5,121,855	0	5,121,855	41.81	+7.69
C.Shareheld byCustodian forGDRs&ADR	0	0	0	0	0	0	0	0	0
GrandTotal (A+B+C)	11,250,000	0	11,250,000	100.00	12,250,000	0	12,250,000	100.00	0.00

**ii. SHAREHOLDING OF PROMOTER**

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Nishant Mahimtura	3,078,000	27.36	-	3,078,000	25.13	-	-2.23
2	Riyaz Ganji	1,873,350	16.65	-	1,888,494	15.42	-	-1.23
3	Pushpalat	99,000	0.88	-	50,000	0.41	-	-0.47

	ha S Shetty							
4	Suchitra Mahimtura	425,000	3.78	-	225,000	1.84	-	-1.94
5	Reshma Ganji	1,852,651	16.46	-	1,852,651	15.12	-	-1.34
6	Seetharam K Shetty	84,000	0.75	-	34,000	0.28	-	-0.47
	<b>Total</b>	<b>7,412,001</b>	<b>65.88</b>	<b>-</b>	<b>7,128,145</b>	<b>58.19</b>	<b>-</b>	<b>-7.69</b>

There has been change in number of shareholding of Promoters due to allotment of shares.

### iii. CHANGES IN PROMOTERS SHAREHOLDING

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Mr. Nishant Mahimtura</b>				
	At the beginning of the year	3,078,000	27.36	3,078,000	27.36
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year	3,078,000	25.13	3,078,000	25.13

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
2	<b>Mr. Riyaz Ganji</b>				
	At the beginning of the year	1,873,350	16.65	1,873,350	16.65
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				

	Shares purchased	15,144		1,888,494	16.65
	At the end of the year	18,73,350	16.65	18,73,350	15.42

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
3	<b>Mrs. Reshma Ganji</b>				
	At the beginning of the year	1,852,651	16.46	1,852,651	16.46
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	No Changes			
	At the end of the year	1,852,651	15.12	1,852,651	15.12

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
4	<b>Mrs. Pushpalatha S Shetty</b>				
	At the beginning of the year	99,000	0.88	99,000	0.88
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)				
	Shares sold on 27.12.2019	(49,000)		(49,000)	0.41
	At the end of the year	50,000	0.41	50,000	0.41

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the	No of shares	% of total shares of the
5	<b>Mr. Seethatram K Shetty</b>				

			<b>company</b>		<b>company</b>
	At the beginning of the year	84,000	0.75	84,000	0.75
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Shares sold on 27.12.2019	(50,000)		(50,000)	0.28
	At the end of the year	34,000	0.28	34,000	0.28

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
6	Mr. Suchitra Mahimtura				
	At the beginning of the year	425,000	3.78	425,000	3.78
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Shares sold on 15.11.2019	(200,000)		225,000	
	At the end of the year	225,000	1.84	225,000	1.84

**iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)**

Sr.No.	Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the company	No. of shares	% of total shares of the company
1.	Yatin B Shah				
	At the beginning of the year	491,250	4.01	491,250	4.01

	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Buy on 08.11.2019	1,001	0.01	492,251	4.02
	At the end of the year (or on the date of separation, if separated during the year)	492,251	4.02	492,251	4.02
<b>Sr.No.</b>					
<b>Name</b>		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>2.</b>	<b>Ravi Kanaiyalal Sheth</b>	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Buy on 05.07.2019	400,000	3.27	400,000	3.24
	At the end of the year (or on the date of separation, if separated during the year)	400,000	3.27	400,000	3.27
<b>Sr.No.</b>					
<b>Name</b>		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>3.</b>	<b>Arju Ravi Sheth</b>	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year				

	specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Buy on 05.07.2019	300,000	2.45	300,000	2.45
	At the end of the year (or on the date of separation, if separated during the year)	300,000	2.45	300,000	2.45
<b>Sr.No.</b>					
<b>Name</b>					
		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>4.</b>	<b>Rahul Ravi Sheth</b>	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Buy on 05.07.2019	300,000	2.45	300,000	2.45
	At the end of the year (or on the date of separation, if separated during the year)	300,000	2.45	300,000	2.45
<b>Sr.No.</b>					
<b>Name</b>					
		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>5.</b>	<b>Jyotivardhan Jaipuria</b>	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	222,000	1.81	222,000	1.81
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.	No Changes			

	allotment/transfer/bonus/sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)	222,000	1.81	222,000	1.81
<b>Sr.No.</b>					
<b>Name</b>					
		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>6.</b>	Sujata Sanjay Parvatkar	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	70,000	0.57	70,000	0.57
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Sold on 05.04.2019	(21,000)		49,000	0.40
	Sold on 26.04.2019	(27,000)		22,000	0.18
	Sold on 03.05.2019	(12,000)		10,000	0.08
	Sold on 08.05.2019	(3,000)		7,000	0.06
	Sold on 08.11.2019	(1)		6,999	0.06
	Buy on 15.11.2019	200,000		206,999	1.69
	Sold on 06.12.2019	(2,001)		204,998	1.67
	Sold on 14.12.2020	(510)		204,488	1.67
	Buy on 21.02.2020	100		204,588	1.67
	Sold on 31.03.2020	(13)		204,575	1.67
	At the end of the year (or on the date of separation, if separated during the year)	204,575	1.67	204,575	1.67
<b>Sr.No.</b>					
<b>Name</b>					
		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>7.</b>	Ravi K. Seth	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	0	0.00	0	0.00

	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Buy on 28.06.2019	198,000	1.62	198,000	1.62
	At the end of the year (or on the date of separation, if separated during the year)	198,000	1.62	198,000	1.62
<b>Sr.No.</b>					
<b>Name</b>		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>8.</b>	Manisha Gupta	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	191,250	1.56	191,250	1.56
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year (or on the date of separation, if separated during the year)	191,250	1.56	191,250	1.56
<b>Sr.No.</b>					
<b>Name</b>		<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the Year</b>	
<b>9.</b>	Sushil Agarwal - HUF	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	129,000	1.05	129,000	1.05

	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year (or on the date of separation, if separated during the year)	129,000	1.05	129,000	1.05
<b>Sr.No.</b>	<b>Name</b>	<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>10.</b>	Sarda madhusudan	<b>No. of shares</b>	<b>% of total share of the company</b>	<b>No. of shares</b>	<b>% of total share of the company</b>
	At the beginning of the year	102,000	0.83	102,000	0.83
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year (or on the date of separation, if separated during the year)	102,000	0.83	102,000	0.83

**v. SHAREHOLDING OF DIRECTORS AND KMP**

<b>Sr.No</b>	<b>Name</b>	<b>Shareholding at the beginning of the Year</b>		<b>Cumulative Shareholding during the year</b>	
<b>1.</b>	<b>Mr. Nishant Mahimtura</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	3,078,000	25.13	3,078,000	25.13

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year	3,078,000	25.13	3,078,000	25.13

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
2	Mr. Riyaz Ganji				
	At the beginning of the year	1,873,350	16.65	1,873,350	16.65
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	Shares purchased	15,144		1,888,494	16.65
	At the end of the year	18,73,350	16.65	18,73,350	15.42

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
3	Mrs. Reshma Ganji				
	At the beginning of the year	1,852,651	16.46	1,852,651	16.46
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Changes			
	At the end of the year	1,852,651	15.12	1,852,651	15.12

**V. INDEBTEDNESS**

<b>Particulars</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	160,007,611	-	-	160,007,611
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>160,007,611</b>	<b>-</b>	<b>-</b>	<b>160,007,611</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,134,516	-	-	1,134,516
* Reduction	-	-	-	-
<b>Net Change</b>	<b>1,134,516</b>	<b>-</b>	<b>-</b>	<b>1,134,516</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	161,142,127	-	-	161,142,127
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>161,142,127</b>	<b>-</b>	<b>-</b>	<b>161,142,127</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration To Managing Director, Whole Time Director and/or Manager**

Sr.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Managing Director - Mrs. Reshma Ganji	Wholetime Director - Mr. Riyaz Ganji	Executive Director- Mr. Nishant Mahimtura	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,980,000	1,980,000	700,000	4,660,000
	(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	-	-	-	-
	• others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	1,980,000	1,980,000	700,000	4,660,000
	<b>Ceiling as per the Act</b>				

**B. REMUNERATION TO OTHER DIRECTORS**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	<u>Independent Directors</u>		
	· Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL
	Total(1)	NIL	NIL
	<u>Other Non-Executive Directors</u>		
	· Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL
	Total(2)	NIL	NIL
	Total(B)=(1+2)	NIL	NIL
	Total Managerial Remuneration	NIL	NIL
	Overall Ceiling as per Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (*Ms. Raashi Singhi)	CFO (**Mr. Basant Agarwal)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	236,985	250,000	486,985
2.	Stock Option	-		-	-

3.	Sweat Equity	-		-	-
4.	Commission - as % of profit - others, specify	-		-	-
5.	Others, please specify			-	-
6.	Total	-	236,985	250,000	486,985

\*Resigned with effect from March 31, 2020

\*\*Appointed with effect from October 10, 2019

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>A. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>B. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

**For and On Behalf of the Board of  
Libas Designs Limited**

**Reshma Riyaz Ganji**  
Managing Director  
DIN: 07576582  
Mumbai  
September 04, 2020

**Nishant Mahimtura**  
Chairman cum Director  
DIN: 02000572  
Mumbai  
September 04, 2020

**ANNEXURE II  
FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil**

**2. Details of contracts or arrangements or transactions at Arm's length basis**

Sl. No	Particulars	Details (1)	Details (2)	Details (3)
a)	Name (s) of the related party & nature of relationship	Smriti Industries	Mrs. Suchitra Mahimtura	Mr. Pawan Mahimtura
b)	Nature of contracts/arrangements/transaction	Commission paid to Enterprise under significant influence of key Management Personnel	Holding the office or place of profit in the Company.	Availed the Service and paid the Hire Charges
c)	Duration of the contracts/arrangements/transaction	On going	On going	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA	NA	NA
e)	Date of approval by the Board	May 29, 2018	May 29, 2018	May 29, 2018
f)	Amount paid as advances, if any	NA	NA	NA

SL. No	Particulars	Details (4)
a)	Name (s) of the related party & nature of relationship	See My Brand Private Limited
b)	Nature of contracts/arrangements/transaction	Purchases
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Date of approval by the Board	May 08, 2019
f)	Amount paid as advances, if any	NA

**For and On Behalf of the Board of  
Libas Designs Limited**

**Reshma Riyaz Ganji**  
Managing Director  
DIN: 07576582  
Mumbai  
September 04, 2020

**Nishant Mahimtura**  
Chairman cum Director  
DIN: 02000572  
Mumbai  
September 04, 2020

## ANNEXURE III

### CORPORATE GOVERNANCE REPORT

#### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate governance is about maximizing shareholder's value legally, ethically and on sustainable basis, while ensuring fairness to every stakeholders, customers, employees, investors, vendors/partners and Governmental Authorities. Therefore, Corporate Governance is a reflection of a Company's culture, policies, and its relationship with the shareholders, and its commitment to values.

The Company strongly believes that establishing good Corporate Governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavors to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

A report on compliance with the principles of the Corporate Governance as on March 31, 2020 as prescribed by Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time with the stock exchanges is given below:

#### 2. BOARD OF DIRECTORS

##### a) Composition of the Board

As on March 31, 2020, the Board of Directors comprised of five members. The number of Independent directors on the Board was two. Ms. Reema Varde, Independent Director of the Company resigned from with effect from March 21, 2020 and appointed Mr. Ashish Dubey as an Additional Independent Director with effect from June 18, 2020.

All Independent directors possess the requisite qualifications and are very experienced in their own fields. The composition is as under:

Name of the Directors	Category of Directors	Directorships in other Indian Companies \$	Committee Memberships & (Chairmanship) in other companies @		No. of Shares held in the Company as at 31.03.2020	List of Directorship held in other Listed Companies and Category of Directorship
			Member	Chairman		

Anand Taggarsi	Non-Executive Independent Director	-	-	-	-	-
Nishant Mahimtura	Executive Promoter Director	2	-	-	30,78,000	-
Reshma Ganji	Executive Promoter Director	-	-	-	18,52,651	-
Riyaz Ganji	Executive Promoter Director	2	-	-	1,888,494	-
Vivek Kamath	Non-Executive Independent Director	2	-	-	-	-

@Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationships Committee in Indian Public Limited companies other than Libas Designs Limited  
 \$ Directorship is including Private Limited Companies but excluding Foreign Companies and Companies under Section 8 of the Act.

**Notes:**

1. In terms of provisions of the Companies Act, 2013, Mrs. Reshma Ganji is related to Mr. Riyaz Ganji being his wife, except these, no director is related to any other director on the Board.
2. Memberships of the Directors in various Committees are within the permissible limits of the Listing Regulations.

**b) Board Meetings and attendance of Directors**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each director to enable the Directors to take an informed decision.

- i. During the year, Seven Meetings of the Board of Directors were held on May 08, 2019; May 29, 2019; June 12, 2019; September 03, 2019; October 19, 2019; November 13, 2019 and February 13, 2020.

- ii. The attendance recorded for each of the Directors at the Board Meetings during the year ended on March 31, 2020 and of the last Annual General Meeting is as under:

Directors	No. of Board Meetings attended	Attendance at the Last AGM held on September 30, 2019.
Mr. Anand Taggarsi	3	Yes
Mr. Nishant Mahimtura	6	Yes
Mrs. Reema Varde	2	No
Mrs. Reshma Ganji	7	No
Mr. Riyaz Ganji	7	Yes
Mr. Vivek Kamath	2	Yes

- c) **Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors**

The following skills / expertise / competencies required in the context of Company's businesses have been identified by the Board for it to function effectively viz.:

- (i) Business Strategy, Planning and Corporate Management
- (ii) Accounting & Financial Skills
- (iii) Marketing
- (iv) Communication, Advertising and Media
- (v) Corporate Governance
- (vi) Legal & Risk Management

These are available with the Board.

- d) Web link where familiarization programs imparted to independent directors is disclosed: [www.libasdesignsltd.com](http://www.libasdesignsltd.com)
- e) **Confirmation from the Board of Directors in context to Independent Directors:**  
The Board of Directors has confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. Also, independent directors have given declaration pursuant to Section 149 of the Companies Act, 2013.
- f) **Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director:**

Mrs. Reema Varde an Independent Director of the Company has resigned from her post with effect from March 21, 2020 due to her pre-occupation in other business services.

### 3. AUDIT COMMITTEE

The Audit Committee acts as a link between Statutory Auditors and Internal Auditors and the Board of Directors.

The Audit Committee provides reassurance to the Board regarding the existence of an effective internal control environment that ensures:-

- Efficiency and effectiveness of operation;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures; And
- Compliance with all relevant statutes.

#### **Powers**

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference
- Seek any information it requires from any employee
- Obtain legal or other independent professional advice and
- Secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

#### **a) Term of Reference**

The scope and function(s) of the Audit Committee are in accordance with the provisions of Section 177 of the act, the provisions of Regulation 18 of the SEBI (LODR) Regulation, 2015. Audit Committee is mainly entrusted with supervising and monitoring company's internal controls and financial reporting process amongst the other terms of reference which are explained below:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing the adequacy of internal audit function, discussing with internal auditors any significant findings and follow-up thereon, reviewing with the management annual and half yearly financial statements before submission to the board for approval.
- Approval or subsequent modification of any transactions of the company with related parties.
- Review and monitor the auditors independence and performance and effectiveness of the audit processes, scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system; and reviewing the functioning of the Whistle Blower mechanism.
- To monitor the end use of funds raised through public offers and related matters.
- To oversee the financial reporting process and the disclosures of its financial information to ensure that the financial statement are correct sufficient and credible.
- To review with the management, the half yearly and yearly financial results before submission to the board for their approval.

- Matters required to be included in the directors responsibility statement to be included in the board report as per section 134 of the act.
- Changes if any in accounting policies and practices along with reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by the management.
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosures of the related party transactions.

**b) Composition**

The Company has complied with the requirements of Regulation 18 of the SEBI (Listing Obligation and disclosure requirements) Regulation 2015 as regards to the composition of the audit committee. The audit committee constituted as follows;

Name of the Member	Chairman/Member	Category
Mr. Anand Taggarsai	Chairperson	Non-Executive / Independent Director
*Ms. Reema Varde	Member	Non-Executive / Independent Director
Mr. Nishant Mahimtura	Member	Executive Promoter Director & CFO

\*Resigned with effect from March 21, 2020

The Company Secretary acts as the Secretary to the Committee. All the members of the Committee are financially literate and have accounting and financial management expertise.

**c) Meeting and Attendance during the year**

During the financial year 2019-20, five (5) meetings of the Audit Committee were held, the details of which are as follows:

Sr. No.	Date of Meeting	Committee Strength	No. of members present
1.	May 29, 2019	3	3
2.	July 17, 2019	3	3
3.	October 10, 2019	3	2
4.	November 13, 2019	3	2
5.	February 13, 2020	3	2

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### a) Terms of reference

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.
- Evaluate and approve the appointment and remuneration of senior executives, including the Key Managerial Personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits
- Establish key performance metrics to measure the performance of the Managing Director, Key Managerial Personnel and the executive team.
- Review and recommend to the Board the remuneration and commission to the Managing and Executive Directors and define the principles, guidelines and process for determining the payment of commission to Non-Executive Directors of the Company

##### b) Composition

The Nomination and Remuneration Committee comprised of the following members as on March 31, 2020:

Name of the Member	Chairman/Member	Category
Mr. Anand Taggarsari	Member	Non-Executive / Independent Director
Ms. Reema Varde	Chairperson	Non-Executive / Independent Director
Mr. Vivek Kamath	Member	Non-Executive / Independent

		Director
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The Company Secretary acts as the Secretary to the Committee.

**c) Meeting and Attendance during the year**

There were no Meeting held during the financial year

**d) Performance evaluation criteria for independent Directors**

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of Independent Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concern being evaluated.

The criteria for performance evaluation are as follows:

<b>Factor</b>	<b>Attributes</b>
Role and Accountability	Application of knowledge for rendering advice to Management for resolution of business issues Offer constructive challenge to Management strategies and proposals Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	Non-partisan appraisal of issues Own recommendations given professionally without tending to majority or popular views
Leadership and initiative	Heading Board sub- committees Supporting any function or identified initiative based on domain knowledge and experience
Participation in and contribution to effective Board meetings	Commitment to role and fiduciary responsibilities as a Board Member Attendance and active participation in Board and Committee meetings Proactive, strategic and lateral thinking

**5. REMUNERATION OF DIRECTORS**

The Non-executive Directors are not paid sitting fee for meetings of the board and committees of directors and commission, also there is no pecuniary relationship or transaction with the Non-executive directors of the company.

The Company pays remuneration to its CFO and Managing Director, executive director by way of Salary and Perquisites and allowances.

No stock options were issued to Non-Executive Directors of the Company.

Criteria for making payments to Non-Executive Directors: The Company is not making payment to any Non-Executive Directors and hence, the criteria of making payment do not arise.

Following are the payments made to the Directors of the Company:

<b>Name of the Director</b>	<b>Designation</b>	<b>Salary and perquisites</b>	<b>Commissions</b>	<b>Sitting fees</b>	<b>No of equity shares held</b>

Riyaz Ganji	Whole time director	1,980,000	NIL	NIL	1,888,494
Reshma Ganji	Managing Director	1,980,000	NIL	NIL	1,852,651
Nishant Mahimtura	Director	7,00,000	NIL	NIL	30,78,000
Anand Taggarsari	Independent Director	NIL	NIL	NIL	NIL
Vivek Kamath	Independent Director	NIL	NIL	NIL	NIL
*Reema Varde	Independent Director	NIL	NIL	NIL	NIL

\*Resigned with effect from March 21, 2020

## 6. STAKEHOLDER RELATIONSHIP COMMITTEE

### a) Term of Reference

The scope and functions of the SRC are in accordance with the provisions of Section 178 of the Act, Regulation 20 of the SEBI Listing Regulations and Clause 49 of erstwhile Listing Agreement. The scope and functions of the SRC is as follows:

- To consider and resolve Redressal of shareholders and investors of the Company in respect of matters relating to transfer and transmission of shares, Non-receipt of Dividend/ Annual Report, delays in transfer of shares and Dematerialization/ re-materialization of shares etc.;
- To evaluate the performance of the Registrar and Transfer Agent of the Company;
- To review and approve the allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- To allot securities of the Company from time to time;
- To issue duplicate certificates and new certificates on split/ consolidation/ renewal, etc.;
- To provide guidance and recommendations for providing Shareholder friendly services.
- To carry out any other function as may be required as per the provisions of the Act, applicable SEBI Regulations and Listing Agreement(s), as amended from time to time.

### b) Composition

The Stakeholders Relationship Committee as on March 31, 2020 comprised of three (3) members:

Name of the Member	Chairman/Member	Category
Mr. AnandTaggarsari	Chairperson	Non-Executive / Independent Director
Ms. Reema Varde	Member	Non-Executive / Independent Director

Mr. NishantMahimtura	Member	Promoter Executive Director
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Company Secretary acts as a compliance officer to the Committee.

**c) Stakeholders' / Investors' Complaints:**

The total number of complaints received and resolved during the year ended March 31, 2019 was NIL. There were no complaints outstanding as on March 31, 2020. Summary of Shareholder complaints received during the year under review is as follows:

No of complaints pending as on April 01, 2019	NIL
No of complaints received during the year	NIL
No of complaints resolved during the year	NIL
No of complaints pending as on March 31, 2020	NIL

**d) Meeting and Attendance during the year:**

There were no meeting held during the financial year.

**7. GENERAL BODY MEETINGS**

**a. Location and time of the last three Annual General Meetings:**

Year	AGM	Location	Day & Date	Time	No. of Special Resolution
2018-19	15 <sup>th</sup> AGM	Libas Designs Limited, 401, 4th Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West), Mumbai MH 400053	Monday, September 30, 2019	12:00 Noon	1
2017-18	14 <sup>th</sup> AGM	Libas Designs Limited 401, 4th Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri	Sunday, September 30, 2018	02:30 P.M.	NIL

		(West), Mumbai MH 400053			
2016-17	13 <sup>th</sup> AGM	LIBAS RIYAZ, GANJGJI, Shop No. 2, New Sujata Soc, Juhu Tara Road, Next To Maneckji Cooper Education Trust School, Santacruz, Mumbai-400049	Thursday, 28 <sup>th</sup> September, 2017	02:30 P.M	1

**b. Details of Postal Ballot(s) conducted during the Financial Year 2019-20:**

- 1) Following are details of the Ordinary/Special Resolution passed at Extra-Ordinary General Meeting:

Sr. No.	Particulars of Special Resolution	Date of Passing the Resolution	No. of Valid Votes Polled	No. of Votes -in Favour	No. of Votes -Against
1.	Ordinary Resolution: Increase in Authorised Share Capital	June 07, 2019	4,236,751	4,236,751	Nil
2.	Special Resolution: Issue of Shares on Private/Preferential basis	June 07, 2019	4,236,751	4,236,751	Nil

2) **Person who conducted the postal ballot exercise:**

The Company had appointed M/s JMJA & Associates LLP, Practicing Company Secretaries, Mumbai as the scrutinizer ("scrutinizer") for conducting EGM in a fair and transparent manner.

- 3) **Procedure for EGM:** The procedure for EGM is as per the provisions contained in this behalf in the Companies Act, 2013 and rules made thereunder.

**8. MEANS OF COMMUNICATION**

- a. For easy reference of the Shareholders, the half yearly results/ annual results, along with the Limited Review thereon, are made available on the website of the Company i.e. [www.libasdesignsltd.com](http://www.libasdesignsltd.com).
- b. Aforesaid results are also filed with the concerned Stock Exchanges simultaneously so as to enable them to display the results on their notice board/ website.

- c. During the year no press releases or presentations were made to the institutional investors or to the analysts.
- d. The company has published Newspaper advertisement as per clause 47 of the SEBI LODR, 2015.

## 9. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting to be held

#### Day, Date, Time and Venue:

Day	Wednesday
Date	September 30, 2020
Time	03:30 P.M.
Deemed Venue	401, 4 <sup>th</sup> Floor, Crecent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West), Mumbai-400053, Maharashtra

### b. Financial year : April 01, 2019 – March 31, 2020

### c. Dates of Book Closure: From Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).

### d. Dividend Payment Date: By October 30, 2020

### e. Stock Exchange related information:

<b>Listing on Stock Exchanges</b>	National Stock Exchange of India Limited. "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
<b>Stock Code</b>	LIBAS
<b>ISIN No. for the Company's Listed Securities</b>	INE908V01012
<b>Listing fees</b>	The Company has paid the required Annual Listing Fees for the financial year 2020-21

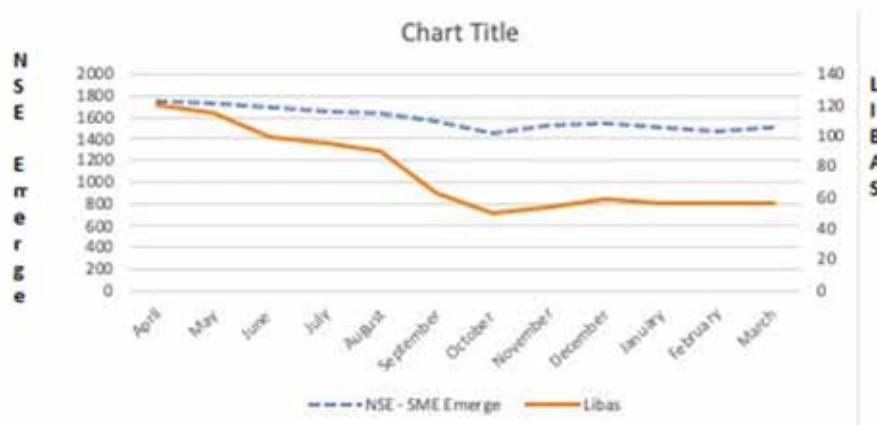
f.

i. Market price Data:

Month & Year	NSE	
	High	Low
April 2019	56.00	49.65
May 2019	53.55	49.90
June 2019	51.05	50
July 2019	58.00	44.65
August 2019	55.65	40.10
September 2019	65.00	54.15
October 2019	66.00	49.00
November 2019	58.00	41.50
December 2019	51.50	43.05
January 2020	51.00	44.60
February 2020	50.50	41.20
March 2020	48.80	42.75s

ii. Performance in comparison to broad based indices:

**LIBAS V/S NSE NIFTY**



g. Suspension from trading:

No Security of the Company has been suspended from trading on the stock exchange where they are listed.

h. Registrar to the issue and Share Transfer Agents:

The Company has appointed Bigshare Services Private Limited as its Share Transfer Agent for both physical and demat segments of Equity Shares. Below mentioned are the contact details of the RTA:

Bigshare Services Private Limited

**(UNIT: Libas Designs Limited)**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (E), Mumbai - 400 059;

Tel: +91 - 22 - 62638200; Fax: +91 - 22 - 62638299;

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com);

Website: [www.bigshareonline.com](http://www.bigshareonline.com);

SEBI Registration No.: MB / INR000001385;

Contact Person: Mr. Ashok Shetty.

**i. Share Transfer system:**

Share Transfer, Transmission and Duplicate issue of Shares in physical form are normally affected within a period of 15 days if receipt of documents complete in all respects. The Company has Bigshare Services Pvt. Ltd as Registrar and Share Transfer Agent which handles the Transfer, Transmission and Issue of Duplicate Share certificate within the aforesaid period from the lodgment of the documents.

**j. Distribution of Shareholding/Category-wise Shareholding pattern of the Company as on March 31, 2020.**

**Distribution of Shareholding**

Shareholding of Nominal	Shareholders		Number of Shares	
	Number	% of Total	Shares	% of Total
1-500	249	45.19	5,584	0.05
501-1000	10	1.81	9,084	0.07
1001-2000	18	3.27	29,619	0.24
2001-3000	107	19.42	319,477	2.61
3001-4000	5	0.91	17,200	0.14
4001-5000	3	0.55	14,041	0.11
5001-10000	77	13.97	516,416	4.22
10001-999999999	82	14.88	11,338,579	92.56
<b>Total</b>	<b>551</b>	<b>100.00</b>	<b>12,250,000</b>	<b>100.00</b>

**Category-wise Shareholding**

Category	No. of Shareholders	No. of Shares	% of Total Share as on March 31, 2020
Promoter & Promoter Group	6	7,128,145	58.19
Public	619	5,121,855	41.81
Non Promoter-Non Public	0	0	0

Shares underlying DRs	0	0	0
Shares held by Employee/ Trusts	0	0	0
<b>Total</b>	<b>625</b>	<b>12,250,000</b>	<b>100</b>

**k. Dematerialization of shares and liquidity:**

As on March 31, 2020; 12,250,000 Equity Shares (100.00% of the total number of shares) are in demat form.

**l. Outstanding GDRs/ADRs/Warrants or any convertible instruments**

The Company has not issued any GDR's/ADR's, Warrants or any convertible instruments during the financial year 2019-20. Further, none of the Non- Executive Director holds any convertible instruments.

**m. Hedging of risk**

The Company has a robust frame work in place to protect its interest from risks arising out of market volatility. Based on market intelligence and continuous monitoring, the procurement team is advised on appropriate strategy to deal with such market volatility. The Company does not have any exposure hedged during the financial year 2018-19.

**n. Plant Locations**

<b>Location of the manufacturing units of the Company:</b>
Gala no :- 55 Sidhapura Industrial Estate, Masrani lane Near Halav Pool Kurla ( w ) Mumbai 400070
Gala no :- 62 Sidhapura Industrial Estate, Masrani lane Near Halav Pool Kurla ( w ) Mumbai 400070
A4 Gala no 103, Harihar Corporation, Survey No 106 Hissa No 5 PaikiDapode, Bhiwandi Maharashtra 421302

**o. Address for correspondence:**

<b>Name for investor related matter</b>	<b>Address</b>	<b>Telephone No.</b>	<b>Email id&amp; Website</b>
Mr. Suresh Tiwari Ms. Nita Mshra	Libas Designs Limited, 401, 4th Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West) Mumbai MH 400053 IN	022-49767404 022-49767396	<a href="mailto:accounts@libas.co.in">accounts@libas.co.in</a> <a href="mailto:cs@libas.co.in">cs@libas.co.in</a> <a href="http://www.libasdesignsltd.com">www.libasdesignsltd.com</a>

10. Further, the Company has no debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds (whether in India or abroad), during the relevant financial year. Thus, there are no credit ratings obtained the same.

## 11. OTHER DISCLOSURES

- a. During the financial year 2019-20 there were no materially significant transactions entered into between the Company and its promoters, Directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts detailing the transactions as required under the Act is placed before the Board. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.
- b. **Details of the Penalties imposed by SEBI**  
No penalties imposed during the period.
- c. **Establishment of Vigil Mechanism/Whistle Blower Policy**  
The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- d. The Policy for determining 'material' subsidiaries is disclosed on website of the Company [www.libasdesignsltd.com](http://www.libasdesignsltd.com).
- e. The Policy on dealing with related party transactions is disclosed on website of the Company [www.libasdesignsltd.com](http://www.libasdesignsltd.com).
- f. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**Not Applicable
- g. **Details of the Recommendation of any committee of the board which is mandatorily required and not accepted by the Board:** The Board has adopted all the recommendation made by the committee.
- h. **Certificate from Practicing Company Secretary**  
The Company has obtained a certificate from SARK & Associates, Company Secretaries, that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

- i. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Total fees for all services paid by the Company to the statutory auditor has been given in Notes to the financial statements.

- j. **Disclosure in relation of sexual harassment of women at workplace**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The details of complaints are as under:

No. of complaints filed during the financial year	Nil
No. of complaints disposed off during the financial year	Nil
No. of complaint pending as on end of the financial year	Nil

- k. **Non-compliance of Corporate Governance report above, with the reasons thereof**

The Company has generally complied with the Compliance Governance Report.

- l. **Compliance Status of the requirements of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of Listing Regulations is mentioned below**

<b>I. Disclosure on website in terms of Listing Regulations</b>	
<b>Item</b>	<b>Compliance status (Yes/No/NA) refer note below</b>
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining "material" subsidiaries	Yes
Details of familiarization programmes imparted to independent	Yes

directors		
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	
Email address for grievance redressal and other relevant details	Yes	
Financial results	Yes	
Shareholding pattern	Yes	
Details of agreements entered into with the media companies and/or their associates	NA	
New name and the old name of the listed entity	NA	
<b>II. Annual Affirmations</b>		
<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA)</b> refer note below
<i>Independent director(s) have been appointed in terms of specified criteria of "independence" and/or "eligibility"</i>	16(1)(b) & 25(6)	Yes
<i>Board composition</i>	17(1)	Yes
<i>Meeting of Board of directors</i>	17(2)	Yes
<i>Review of Compliance Reports</i>	17(3)	Yes
<i>Plans for orderly succession for appointments</i>	17(4)	Yes
<i>Code of Conduct</i>	17(5)	Yes
<i>Fees/compensation</i>	17(6)	No fees paid to Independent Directors and Non-Executive Directors
<i>Minimum Information</i>	17(7)	Yes
<i>Compliance Certificate</i>	17(8)	Yes
<i>Risk Assessment &amp; Management</i>	17(9)	Yes
<i>Performance Evaluation of Independent Directors</i>	17(10)	Yes
<i>Composition of Audit Committee</i>	18(1)	Yes
<i>Meeting of Audit Committee</i>	18(2)	Yes
<i>Composition of nomination &amp; remuneration Committee</i>	19(1) & (2)**	Yes
<i>Composition of Stakeholder Relationship Committee</i>	20(1) & (2)	Yes
<i>Composition and role of risk management Committee</i>	21(1),(2),(3),(4)	Not Applicable
<i>Vigil Mechanism</i>	22	Yes

<i>Policy for related party Transaction</i>	23(1),(5),(6),(7) & (8)	Yes
<i>Prior or Omnibus approval of Audit Committee for all related party transactions</i>	23(2), (3)	Yes
<i>Approval for material related party transactions</i>	23(4)	Yes
<i>Composition of Board of Directors of unlisted material Subsidiary</i>	24(1)	NA
<i>Other Corporate Governance requirements with respect to subsidiary of listed entity</i>	24(2),(3),(4),(5) & (6)	NA
<i>Maximum Directorship &amp; Tenure</i>	25(1) & (2)	Yes
<i>Meeting of independent directors</i>	25(3) & (4)	Yes
<i>Familiarization of independent directors</i>	25(7)	Yes
<i>Memberships in Committees</i>	26(1)	Yes
<i>Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel</i>	26(3)	Yes
<i>Disclosure of Shareholding by Non-Executive Directors</i>	26(4)	NA
<i>Policy with respect to Obligations of directors and senior management</i>	26(2) & 26(5)	Yes

**12. Declaration by CFO stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:** Attached separately

**13. Certificate from the Auditor regarding compliance of conditions of corporate governance:** Attached separately

**14. Disclosure with respect to demat suspense account/unclaimed suspense account:**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Not Applicable
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	Not Applicable
number of shareholders to whom shares were transferred from suspense	Not Applicable

account during the year;	
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	Not Applicable
that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Not Applicable

## ANNEXURE

### Statement of Disclosure of Remuneration

Information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Remuneration Disclosure for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2020**

Sl. No.	Name of the Directors and KMP	Remuneration of Directors/KMP for the financial year 2019-20	% increase/decrease in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Riyaz Ganji- Wholetime Director	1,980,000.00	-17.50	5.19
2.	Reshma Ganji- Managing Director	1,980,000.00	-17.50	5.19
3.	Nishnant Mahimtura- Executive Director	700,000.00	+16.67	1.83
4.	Raashi Singhi- Company Secretary	236,985.00	+204.78	0.62
5.	Basant Agarwal- CFO*	Not Applicable	-	-

\*Appointed in November, 2019, therefore yearly remuneration is not comparable.

- B.** Percentage increase in the median remuneration of employees in the financial year is 2.50%
- C.** The number of permanent employees on the rolls of the Company as on March 31, 2020 is 22.
- D.** Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY20 was 4.20%.
- E.** It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE IV  
FORM NO MR-3  
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31<sup>st</sup> March, 2020

*[Pursuant to Section 204(1) of the Companies Act 2013 and Rule No.9 of Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**LIBAS DESIGNS LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by **LIBAS DESIGNS LIMITED** (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. Our Report is to be read along with the attached Note in **Annexure I** and other Annexure to this Report, which form an integral part of this Report.

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 the Secretarial Audit, We hereby report that in our opinion, the company has during the Audit period covering the Financial Year ended on **March 31, 2020** complied with the Statutory provisions listed hereunder and to the extent stated in this Report and also that the Company has the 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, Reports issued by various fellow Professionals and other applicable Records and Registers maintained by the Company on a test check basis for the financial year ended on **March 31, 2020** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
8. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit period)**

9. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
10. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
11. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
12. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**

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.

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Employees State Insurance Act, 1948
3. Equal Remuneration Act, 1948
4. Acts as prescribed under the Direct Taxes and Indirect Taxes
5. Payment of Gratuity Act, 1972
6. The Bombay Shops & Establishments Act, 1948
7. Contract Labour (Regulation and Abolition) Act, 1979
8. Employees Superannuation Scheme.
9. Registration Act, 1908
10. Indian Stamp Act, 1899
11. The Micro, Small and Medium Enterprises Development Act, 2006
12. Trademarks Act, 1999 (TM Act)
13. Copyrights Act, 1957 (Copyright)
15. Patents Act, 1970 (Patent Act)

We have examined the applicable provisions of

- (a) Secretarial Standards I and II as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015.
- (b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declarations given and the information provided, during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except that:

1. *The company has not obtained approval in respect of certain Related Party transactions as specified under the Companies Act, 2013*
2. *The Company has pending income tax, professional tax and ESIC liabilities.*
3. *The Company has filed various E-forms with the ROC within due date/with additional fees wherever applicable.*

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Year under review were carried out in Compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in case of meetings called at a short notice for urgency of business and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period the company has allotted 10 lakh equity shares on 12<sup>th</sup> June, 2019.

**SARK & Associates**  
**(Company Secretaries)**

**Raju Ananthanarayanan**  
**(Partner)**  
**(FCS: 4175, COP: 8744)**  
**UDIN: F004175B000626698**

**August 28, 2020**  
**Mumbai**

*NOTE: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.*

**To,  
The Members,  
Libas Designs Limited**

**'Annexure'**

Our report of even date is to be read with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit;
2. We have followed the audit practices and process 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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.;
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, Secretarial Standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis;
6. 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;
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy;
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**SARK & Associates  
(Company Secretaries)**

**Raju Ananthanarayanan  
(Partner)  
(FCS: 4175, COP: 8744)  
UDIN: F004175B000626698**

**August 28, 2020  
Mumbai**

**CFO Certificate**  
**(As per Schedule II of the Listing Regulations)**

**To**  
**The Board of Directors**  
**Libas Designs Limited**

- a) We have reviewed financial statements and the cash flow statement of Libas Designs Limited for the year ended March 31, 2020 and to the best of our knowledge and belief:
- (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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 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 Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have 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.

**For Libas Designs Limited**

**Riyas Ganji**  
**Wholetime Director**

**Basant Agarwal**  
**CFO**

**Mumbai**  
**September 04, 2020**

**COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE**

[Under Regulation 34(3) read with Schedule V(E) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To**  
**The Members**  
**Libas Designs Limited**

We have examined compliance by Libas Designs Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on March 31, 2020.

In our opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

**For & on behalf of**  
**SARK & Associates**  
**(Company Secretaries)**

**Sumit Khanna**  
**(Practicing Company Secretary)**  
**(ACS: 22135, COP: 9304)**  
**UDIN: A022135B000626772**

**August 28, 2020**  
**Mumbai**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,  
The Members  
Libas Designs Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Libas Designs Limited** having CIN L18101MH2004PLC149489 and having registered office at 401, 4<sup>th</sup> Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West), Mumbai- 400053, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority:

Sr. No.	Name of the Director	DIN	Designation	Date of Appointment in the Company
1	Reshma Ganji	07576582	Managing Director	July 26, 2016
2	Riyaz Ganji	02236203	Wholetime Director	November 10, 2004
3	Nishant Mahimtura	02000572	Executive Director	November 10, 2004
4	V. P. Kamath	07239860	Non-Executive Independent Director	September 21, 2016
5	Anand Taggarsi	06959365	Non-Executive Independent Director	September 21, 2016

*\*Reema Varde an Independent Director of the Company resigned from her post with effect from March 21, 2020. Mr. Ashish Dubey was appointed as an Additional Independent Director with effect from June 18, 2020.*

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**SARK & Associates  
(Company Secretaries)**

**Raju Ananthanarayanan  
(Partner)  
(FCS: 4175, COP: 8744)  
UDIN: F004175B000626711**

**August 28, 2020  
Mumbai**

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

**To,  
The Members  
Libas Designs Limited**

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended March 31, 2020.

**For Libas Designs Limited**

**Riyas Ganji  
Wholetime Director**

**Mumbai  
September 04, 2020**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. BUSINESS SEGMENT - TEXTILES

#### a) Industry Structure and Developments:

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

India's textile industry is one of the economy's largest. India's textile industry is also significant in a global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns. Unlike other major textile-producing countries, India's textile industry is comprised mostly of small-scale, nonintegrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labour-intensive, small-scale operations and discriminated against larger scale firms.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US\$ 39.2 billion in FY18 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 31.65 billion in FY19 (up to Jan 19). The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Some of the major investments in the Indian textiles industry are as follows:

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiatives taken by Government of India are:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018 it generated additional investments worth Rs 25,345 crore (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Upgradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.

However, the Textile Industry overall, is going through tough times due to the structural transformation after GST and due to the weak market position in the Domestic as well as overseas markets. E-Commerce/On-line sales are growing with reputed brands retailers. That coupled with low cotton production and increasing prices, is putting pressure on prices and margins. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand

## **b) Opportunities and Threats:**

### **Opportunities**

- A shift towards the market of branded ready-made garment is being observed.
- Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels.
- There is a provision of more FDI and investment opportunities.
- Withdrawal of quota restriction is contributing immensely in market development.
- Subsidy from the central government to give boost to the home textiles Industry.

### **Threats**

- Continuous Quality Improvement is the need of hour as there are different demand pattern all over the world.
- Striking a balance between the quality and price of products.

## **c) Segmental Review and Analysis**

The Financial Performance of our textile unit in some of the branch in India been affected by the slow-down in the retail markets and the margins have been under pressure due to the liquidity crunch in the unorganized sector, who are affected during this fiscal because of higher

compliance cost, eroding market share and limited ability to pass on the increase in raw material prices. A few retail shops have been closed down due to slow down of the market.

**d) Outlook**

We are engaged in the process of fabrication of fabric into garments and other products through customization, where customers can choose the colours, fabrics and designs and make changes as per their need. We at LIBAS RIYAZ GANGJI implement the traditional bespoke process with a modern-day approach. Right from the initial stage that involves the client preferences to constructing the most desirable outfit, we ensure complete satisfaction to our client. Apart from retail sales, we also undertake wholesale business where we provide our designs to other labels. We also give complete solutions to corporates regarding their dressing needs and designing. It has tie up with many Indian & international designers. We have tie ups with major ecommerce players portals such as [www.jabong.com](http://www.jabong.com), [www.glitstreet.com](http://www.glitstreet.com), [www.indianroots.com](http://www.indianroots.com) etc. The Company has also launched the website [www.libasdesignsltd.com](http://www.libasdesignsltd.com) so as to reach the customers easily. Also, the Company has opened 3 manufacturing units in Mumbai till now.

To boost the export of its garments, the Company has incorporated a Wholly Owned Subsidiary viz. Libas Designs FZE LLC, Ajman Media City, Dubai in December 2018.

While your Company is attuned to judicious capital allocation strategies and sustainable growth, Libas continues to work towards cost efficiencies and provide its customer the best experience.

**e) Risks and concerns.**

- Changes in market trends, fashion and consumer preferences and increase in Competition that are largely beyond our control could adversely affect our business, financial condition, results of operations and prospects.  
Fashion industry is very sensitive to change as per market trend. Any change in the latest fashion can render the old stock obsolete and increase in competition with close competitors will reduce the demand. Also Factors such as change in trend, fashion and customer preference are generally beyond our control. Some or all of our concepts may become less attractive in light of changing consumer preferences or better design by competitors, and we may be unable to adapt to such changes in a timely manner. Any change in consumer preferences that decreases demand could adversely affect our business, financial condition, results of operations and prospects.
- Our cost of fabrication is exposed to fluctuations in the prices of material.
- Natural calamities and force majeure events may have an adverse impact on our business.
- Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.
- Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.
- We may suffer loss of income, if our products/designs are duplicated by our competitors.

- We face competition in our business from both domestic and international brands. Such competition would have an adverse impact on our business and financial performance.
- Our insurance coverage may not adequately protect us against future unforeseen liabilities and this may have a material adverse effect on our business.
- Other types of risks include Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

## **2. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a well-established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of the follow-up action required. The Company conducts its business with integrity and high standards of ethical behaviour and in compliance with the all applicable laws and regulations that govern its business.

## **3. FINANCIAL AND OPERATIONAL PERFORMANCE**

Please refer financial statement.

## **4. HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS**

The man machine combination is balanced optimally as the Company believes that Human Resource is one of the most vital resources and a key pillar in providing the Organization a competitive edge in current business environment. A motivated and efficient workforce can help it attain its target in a realistic manner. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The Company appreciates the productive co-operation extended by its employees in the efforts of the management to carry the Company to greater heights.

The industrial relations in all units of the Company continue to be cordial.

## **5. CAUTIONARY STATEMENT**

The statements made above may be construed as Forward Looking Statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

# FINANCIALS

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS  
LIBAS DESIGNS LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **LIBAS DESIGNS LIMITED** (the "Company") and, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for matter mentioned in the para "Basis for Qualify Opinion", the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (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 state of affairs of the Company as at March 31, 2020, its profit and loss statement and cash flows for the year ended on that date.

#### Basis for Qualify Opinion

- 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 Standalone financial statement in accordance Indian Accounting Standard, however management yet to adopt Ind AS for the preparation and presentation of these standalone 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.
- 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.
- 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.
- Attention is also invited on the undisputed income tax liability for the FY 2018-19 is remain unpaid till the signing of this report as at 05<sup>th</sup> August 2020 amounting to Rs.41.18 Lakhs/-.
- Attention is also invited that there is undisputed tax liability in relation to Professional Tax are unpaid till the signing of this report as at 05<sup>th</sup> August 2020 amounting to Rs. 2.22 Lakhs/-.
- As per note "28" of the Standalone financial statement, company has pending litigation under ESIC and amount involved under litigation is amounting to Rs 19.44 Lakhs, same were not provided in the Standalone financial statement.

- Company has made Investment if Foreign Subsidiary (LIBAS DESIGN LLC (Ajman, U.A.E)), however approval from RBI with respect to Overseas direct investment (ODI) is yet to be obtained by the company.
- Company has internal auditor for the year but internal audit report was not produced during our Audit in contravention with section 138 of Indian Companies Act 2013 read with Rule 13 Of Companies (Accounts) Rules, 2014.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How the matter was addressed in our audit
<b>Evaluation of tax positions:-</b>		
1.	<p>The Company as a whole operates in India and Ajman U.A.E. is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters.</p> <p>These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial Statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of key tax litigations and potential tax exposures</li> <li>• We along with our internal tax experts – read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• Evaluated the status of the recent and current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures.</li> </ul>
<b>Revenue Recognition</b>		

2.	Revenue recognition on SOR Sales.	<p>Our Audit procedure on revenue recognition from Sales or returnable sale include</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the systems, processes and controls implemented by management for recording such transaction</li> <li>• Calculating revenue from those transactions.</li> <li>• Reviewing the continuity of supply and the associated contract with the vendors.</li> </ul>
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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the consolidate financial position, consolidate financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

However, due to global COVID-19 pandemic, lockdown placed by Central and State Government which has impacted our audit procedure which are generally expected to perform in normal situation. Due to such issues we are majorly rely on the analytical audit procedure instead of substantive procedure which is generally expected while performing audit procedure on client place. We have also applied other appropriated audit procedure to minimize the risk of material misstatement in financials statement of the company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Statement of Profit and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company have pending litigations which would impact its financial position (refer note "28" of Standalone Financial Statement.)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Jain Jagawat Kamdar & Co**  
**Chartered Accountants**  
**(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat**  
**Partner**  
**Membership No: 116078**  
**UDIN: 20116078AAAADE3665**

**Mumbai**  
**August 5, 2020**

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

**As required by section 143(11) of the act, we report, to the extent applicable that:**

- i. In respect of the Company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, do not have immovable properties as at balance sheet date and hence clause for ownership of the property do not applicable to company to that extent.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. **The company has granted interest free unsecured advance /loans, to the directors and relatives of Directors of the company covered in the registration maintained under section 189 of the Companies Act 2013, the terms and condition of loan is prejudicial to the interest of the Company. The repayment schedule was not in line with prudential practice. (Refer Note no. 30 to Standalone financial statement.**
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income Tax, Goods and Services tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable except Professional Tax of Rs 2.22 Lakhs and Income Tax Liability of Rs 141.18 Lakhs.
  - b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which has not been deposited by the Company on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company has raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and same has been utilized for the purpose for which it was raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are not in compliance with Sections 177 and 188 of the Act as company has not passed necessary resolution for Related Party Transaction during the year however details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Jain Jagawat Kamdar & Co**  
**Chartered Accountants**  
**(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat**  
**Partner**  
**Membership No: 116078**  
**UDIN: 20116078AAAADE3665**

**Mumbai**  
**August 5, 2020**

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to Standalone financial statements of Libas Designs Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to Standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to Standalone financial statements are a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting

principles. A company's internal financial controls with reference to Standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Jain Jagawat Kamdar & Co**  
**Chartered Accountants**  
**(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat**  
**Partner**  
**Membership No: 116078**  
**UDIN: 20116078AAAADE3665**

**Mumbai**  
**August 5, 2020**

**LIBAS DESIGNS LIMITED**

CIN NO. L18101MH2004PLC149489

**STANALONE BALANCE SHEET AS AT 31st March 2020**

Particulars	Note	As At 31-Mar-2020	As At 31-Mar-2019
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	122,500,000	112,500,000
Reserves and surplus	3	196,896,347	151,088,177
		<b>319,396,347</b>	<b>263,588,177</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	4	-	-
Deferred Tax Liabilities (Net)	4A	551,943	331,417
Other Long Term Liabilities	5	14,262,000	17,217,000
Long Term Provisions	5A	-	-
		<b>14,813,943</b>	<b>17,548,417</b>
<b>Current Liabilities</b>			
Short term borrowings	6	161,142,127	160,007,611
Trade payables			
Belongs to MSME	7A	-	486,500
Others	7B	36,262,835	26,272,644
Other current liabilities	8	9,174,160	3,145,423
Short term provisions	9	15,140,980	24,925,432
		<b>221,720,101</b>	<b>214,837,610</b>
<b>Total Equity &amp; Liabilities</b>		<b>555,930,391</b>	<b>495,974,205</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	10	19,000,431	22,087,124
Non Current investments	11	7,674,116	9,124,116
Deferred Tax Assets (Net)	12	-	-
Long term loans and advances	13	958,857	8,379,058
Other non current assets	14	135,220,788	25,455,877
		<b>162,854,192</b>	<b>65,046,175</b>
<b>Current Assets</b>			
Inventories	15	234,225,343	229,214,698
Trade receivables	16	126,210,586	170,853,157
Cash & Bank Balances	17	32,640,271	17,761,513
Short term loans and advances	18	-	13,098,662
		<b>393,076,200</b>	<b>430,928,030</b>
<b>Total Assets</b>		<b>555,930,391</b>	<b>495,974,205</b>
Significant Accounting policies and Notes on Financial Statements	1 -37		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For JAIN JAGAWAT KAMDAR & CO.**

Chartered Accountants

Firm Regn No. 122530W

Chandrashekhar Jagawat

Partner

M. No. -116078

Place: Mumbai

Date: August 5, 2020

**For Libas Designs Limited**

Reshma Ganji

Managing Director

DIN 07576582

Nishant Mahimtura

Chairman

DIN 02000572

Basant Agarwal

Chief Financial Officer

Riyaz Ganji

Whole Time Director

DIN 02236203

Nita Mishra

Company Secretary

M No: A39489

Annual Report 2019-20/100

# LIBAS DESIGNS LIMITED

CIN NO. L18101MH2004PLC149489

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2020

Particulars	Note	Year ended 31-03-2020	Year ended 31-03-2019
<b>Revenue :</b>			
Gross Sales	19	332,175,253	517,167,501
Less: Excise duty		-	-
Net Sales		332,175,253	517,167,501
Other operating income	20	-	483,137
Revenue from operations (net)		332,175,253	517,650,638
Other income	21	13,904,017	1,692,893
<b>Total revenue</b>		<b>346,079,271</b>	<b>519,343,531</b>
<b>Expenses :</b>			
Cost of materials consumed	22	249,314,583	385,139,889
Employee benefits expenses	24	20,300,896	20,831,750
Finance costs	25	20,630,919	18,830,692
Depreciation and amortization expenses	26	4,682,581	5,369,061
Other expenses	27	48,445,396	39,793,361
<b>Total expenses</b>		<b>343,374,375</b>	<b>469,964,754</b>
Profit before exceptional and extraordinary items and tax		2,704,895	49,378,777
Extraordinary items			
<b>Profit before tax</b>		<b>2,704,895</b>	<b>49,378,777</b>
<b>Tax expense</b>			
Current tax		676,200	13,750,000
Deferred tax Liability		220,526	197,640
(Excess) / Short provision of earlier years			
<b>Profit (Loss) for the period</b>		<b>1,808,169</b>	<b>35,431,137</b>
<b>Earnings per equity share ( of Rs.10/- each)</b>			
	33		
(1) Basic		0.16	3.15
(2) Diluted		0.16	3.15

Significant Accounting policies and Notes on Financial Statements 1 -37  
The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

**For JAIN JAGAWAT KAMDAR & CO.**

Chartered Accountants  
Firm Regn No. 122530W

Chandrashekhar Jagawat  
Partner  
M. No. -116078

Place: Mumbai  
Date: August 5, 2020

**For Libas Designs Limited**

Reshma Ganji  
Managing Director  
DIN 07576582

Nishant Mahimtura  
Chairman  
DIN 02000572

Basant Agarwal  
Chief Financial Officer

Riyaz Ganji  
Whole Time Director  
DIN 02236203

Nita Mishra  
Company Secretary  
M No: A39489

**LIBAS DESIGNS LIMITED**

CIN NO. L18101MH2004PLC149489

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR PERIOD ENDED 31st MARCH, 2020**

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	2,704,895	49,378,777
Adjustments for		
- Depreciation	4,682,581	5,369,061
- Interest paid on Income Tax		
- Dividend Received	-	-
- Interest Received	(9,944,053)	(1,019,973)
- Interest Paid	20,630,919	18,830,692
- Gratuity Provided	-	-
	<b>15,369,447</b>	<b>23,179,781</b>
<b>Operating Profit before working capital changes</b>	<b>18,074,342</b>	<b>72,558,558</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	44,642,571	(21,545,838)
- (Increase)/Decrease in Inventories	(5,010,645)	1,330,952
- (Increase)/Decrease in Loans & Advances	7,420,201	(289,252)
- (Increase)/Decrease in Short term Loans & Advances	13,098,662	12,689,704
- (Increase)/Decrease in non current Assets	(109,764,911)	(1,645,697)
- Increase/(Decrease) in other Current Liabilities	6,028,737	(25,443,167)
- Increase/(Decrease) in Trade payable	9,503,690	(44,234,106)
- Increase/(Decrease) in Provision	(10,460,652)	-
	<b>(44,542,346)</b>	<b>(79,137,405)</b>
<b>Cash generated from operations</b>	<b>(26,468,004)</b>	<b>(6,578,847)</b>
Direct taxes paid	-	(2,500,000)
<b>Net cash from operating activities</b>	<b>(26,468,004)</b>	<b>(9,078,847)</b>
<b>B Cash flow from investing activities</b>		
- Interest Received	9,944,053	1,019,973
- Dividend Income	-	-
- Investment in Fixed Deposit		
- Investments	1,450,000	-
- Purchase of fixed assets	(1,595,888)	(6,383,789)
<b>Net cash used in investing activities</b>	<b>9,798,165</b>	<b>(5,363,816)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(2,955,000)	741,956
- Loans Short term borrowed (Net of repayment)	1,134,515	38,692,886
- Issue of Shares		
- Public Issue Expenses	54,000,000	
- Interest paid	(20,630,919)	(18,830,692)
<b>Net cash used in financing activities</b>	<b>31,548,596</b>	<b>20,604,150</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>14,878,758</b>	<b>6,161,487</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17,761,513</b>	<b>11,600,026</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>32,640,271</b>	<b>17,761,513</b>

**Cash and Bank Balances**

<b>A Cash and cash equivalents</b>		
Cash on hand	32,956,712	11,248,879
Balance with banks		
In Current accounts	(316,441)	6,512,634
	<b>32,640,271</b>	<b>17,761,513</b>
<b>B Other Bank Balance</b>		
Margin Money Deposit (Maturity above 3 months)	<b>32,640,271</b>	<b>17,761,513</b>

For JAIN JAGAWAT KAMDAR & CO.  
Chartered Accountants  
Firm Regn No. 122530W

Chandrashekhar Jagawat  
Partner  
M. No. -116078

Place: Mumbai  
Date: August 5, 2020

For Libas Designs Limited

Reshma Ganji  
Managing Director  
DIN 07576582

Nishant Mahimtura  
Chairman  
DIN 02000572

Basant Agarwal  
Chief Financial Officer

Riyaz Ganji  
Whole Time Director  
DIN 02236203

Nita Mishra  
Company Secretary  
M No: A39489

# LIBAS DESIGNS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### General company profile :

Libas Designs Limited (the 'Company') was incorporated on 10/11/2004 as Private Limited Company under the Companies Act 1956 and the same was converted in Public Limited Company on 20th September, 2016. The company is engaged mainly in the process of fabrication of fabric into garments and other products through customisation. The Company is listed on SME Emerge Platform of National Stock exchange of India Limited (NSE).

### 1 Significant Accounting Policies:

#### (A) Basis of accounting :

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied by the company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hither to in use.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and the realisation in cash and cash equivalent, the company has ascertained its operating cycle less than 12 months.

#### (B) Accounting Estimates :

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any difference between the actual result and estimates are recognized in the period in which the results are known / materialised. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### (C) Fixed assets & Depreciation :

##### (i) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### (ii) Depreciation:

- 1) Depreciation on fixed assets is provided on written down value method for the period for which the assets have been used. Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- 2) Depreciation on the fixed assets added / disposed off / discarded during the year has been provided on pro rata basis with reference to the date of addition / disposition / discardation.

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(ii) **Depreciation:**

- 1) Depreciation on fixed assets is provided on written down value method for the period for which the assets have been used. Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- 2) Depreciation on the fixed assets added / disposed off / discarded during the year has been provided on pro rata basis with reference to the date of addition / disposition /discardation.

**(D) Impairment of Assets :**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(E) Borrowing Costs :**

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(F) Taxes :**

Provision for tax is made for both current and deferred taxes. Provisions for current income tax is determined at the amount of tax payable at the applicable rates in respect of estimated taxable income for the year. The Company provides for deferred tax based on the tax effect of timing difference resulting from the recognition of items in the financial statement and in estimating its current tax provision. Deferred tax assets are recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted or substantively enacted as on the balance sheet date.

**(G) Inventories :**

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence , if any. Cost of Inventories comprises of cost of purchase , cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Work in - progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

**(H) Income / Expenses Recognition :**

- (i) Domestic Sales are recognized on dispatch of goods from factory and Export Sales on transfer of significant risk & rewards of ownership of such goods. Sales are disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- (ii) Revenue from labour job is recognised on the basis of execution of job.
- (iii) The company accounts for excise duty rebate, duty entitlements and other incentives on exports on accrual basis.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(I) Foreign currency:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items remaining unsettled at the year end are translated / reported at the year end rate. Any gain or loss arising on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

**(J) Employees Benefits :**

Short Term Employee Benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service rendered.

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#### **Retirement Benefits :**

- i) Retirement benefits in the form of Provident Fund , which are defined Contribution Plans, are accounted on accrual basis and charged to the Statement of Profit and Loss of the Year.
- ii) Retirement benefits in the form of Gratuity which is a defined benefit plan and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- iii) The actuarial gains/losses arising during the year are recognised in the Statement of Profit & Loss of the year.
- iv) The actuarial valuation is carried at the end of each financial year.

#### **(K) Lease accounting:**

Operating lease rentals are expensed with reference to lease terms and other consideration.

#### **(L) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involved substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **(M) Earning per Share**

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard specified under Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the end of the year.

#### **(N) Cash and cash equivalents :**

Cash and cash equivalents for the purposes of cash-flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

2 Share Capital:	As At 31-03-2020	As At 31-03-2019
<b>Authorized</b>		
12,000,000 equity shares of Rs. 10 each	120,000,000	120,000,000
<b>Issued, Subscribed and Paid up</b>		
7,500,000 Equity shares of Rs. 10 each fully paid-up	122,500,000	112,500,000
	<b>122,500,000</b>	<b>112,500,000</b>

**(a) Rights, preferences and restrictions attached to shares**

(i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of the equity shares of the Company will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**(b) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:**

	As At 31-03-2020	As at 31-03-2019
<b>Equity Shares:</b>		
<b>At the beginning</b>		
- Number of shares	11,250,000	7,500,000
- Amount	112,500,000	75,000,000
<b>Addition during the year</b>		
- Number of shares	1,000,000	3,750,000
- Amount	10,000,000	37,500,000
<b>At the end</b>		
- Number of shares	12,250,000	11,250,000
- Amount	122,500,000	112,500,000

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
- Nishant Mahimtura	3,078,000	27.36	2,060,000	27.47
- Riyaz Ganji	1,888,494	16.79	1,248,900	16.65
- Reshma Ganji	1,852,651	16.47	1,235,100	16.47

3 Reserves and Surplus:	31.03.2020	31.03.2019
<b>Capital reserve</b>		
<b>Securities Premium account</b>		
Balance as per last Balance sheet	113,340,671	113,340,671
Add : Addition During the year	44,000,000	-
	157,340,671	113,340,671
Less : Public Issue Expenses	-	-
<b>Balance as at the end of the year</b>	<b>157,340,671</b>	<b>113,340,671</b>
<b>General Reserve</b>		
Balance as at beginning of the year	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as at beginning of the year	37,747,506	39,816,369
Profit for the year	1,808,169	35,431,137
Less: Bonus Shares	-	-
<b>Amount available for appropriation</b>	<b>39,555,676</b>	<b>75,247,506</b>
Less: Appropriations :		
- Bonus	-	37,500,000
- Transitional provision for : Depreciation charge	-	-
- Short / Excess Provision for Income Tax for earlier year	-	-
<b>Total appropriations</b>	<b>-</b>	<b>37,500,000</b>
<b>Total appropriations</b>	<b>-</b>	<b>37,500,000</b>
<b>Balance as at end of the year</b>	<b>39,555,676</b>	<b>37,747,506</b>
<b>Total reserves and surplus</b>	<b>196,896,347</b>	<b>151,088,177</b>

Note. Public Issue expenses are written off as per Section 52 of the Companies Act, 2013 from the security premium received. Annual Report 2019-20/106

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

4 Long Term Borrowings:	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Current Maturity		Non-current portion	
<b>Secured:</b>	-	-	-	-
<b>Total Unsecured Borrowings</b>	-	-	-	-
Amount disclosed under the head "Short term Borrowing" (refer note 6 )	-	-	-	-
<b>Total long-term borrowings</b>	-	-	-	-

4A Deferred Tax Liabilities (Net):	31.03.2020	31.03.2019
<b>Deferred Tax Liabilities</b>		
- Depreciation	473,492	331,417
- Donation		
- Gratuity (Expenses allowable for tax purposes when paid)	78,451	
	551,943	331,417
<b>Deferred Tax Assets</b>		
- Provision for employee benefit		
- Unabsorbed Depreciation		
<b>Total deferred tax liabilities (net)</b>	<b>551,943</b>	<b>331,417</b>

5 Other Long term Liabilities	31.03.2020	31.03.2019
Franchise security deposit	14,262,000	14,262,000
Rent Deposit- Knoweys Ecom Pvt. Ltd	-	1,800,000
Madhyam Housing Pvt Ltd	-	951,000
Aman Ganji	-	204,000
<b>Total Long-term provisions</b>	<b>14,262,000</b>	<b>17,217,000</b>

5A Long-term Provisions / Liabilities:	31.03.2020	31.03.2019
<b>Provision for Employees Benefit expenses:</b>		
Provision for Gratuity payment	-	-
Leave Encashment		
<b>Total Long-term provisions</b>	-	-

Note:- Company has not provided for Gratuity though it was covered under Level-1 in term of definition provided in AS-15

6 Short-term Borrowings:	31.03.2020	31.03.2019
<b>Secured:</b>		
<b>Working Capital Loan from Union Bank of India</b>		
Cash Credit Hypothecation Accounts *	154,830,786	152,141,094
Current maturities of Long-term debts (UBI)	6,311,341	7,866,517
Loan Against Fixed Deposits	-	-
<b>Total Short-term borrowings</b>	<b>161,142,127</b>	<b>160,007,611</b>

\* (a) Working Capital Loan from Union Bank of India are secured against hypothecation of stock & book debts and co-leteral security by way of Hypothecation of land & building situated at Gala no.55,62- Siddhapura Industrial Estate, Masrani Lane, Near Halav pool, Kurla West owned by Director Mr. Riyaz Ganji & Chaiman cum CFO Mr. Nishant Mahimtura respectively & Property situated at 1103,1203 duplex height CHS, Yamuna Nagar Andheri (W), owned by Mr. Riyaz Ganji & Mrs. Reshma Ganji and also personal Gurantee of Directors.

(b) Cash credit is repayable on demand and carries variable interest.

**LIBAS DESIGNS LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>7A Trade Payables:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Trade payables (Goods)	36,262,835	26,759,144
<b>Total trade payables</b>	<b>36,262,835</b>	<b>26,759,144</b>
<b>7A Trade Payable to MSME</b>	<b>-</b>	<b>486,500</b>
<b>7B Trade Payable to Others</b>	<b>36,262,835</b>	<b>26,272,644</b>

- a) Details of Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act"). Under Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act"), certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. The Company is in process of compling relevant information from its suppliers about their coverage under the said Act. Since the relevant information to the extent available are recorded in the books of accounts . However in view of the management, the impact of interest, if any , that may be payable in accordance with the provision of this Act is not expected to be material.

<b>8 Other Current Liabilities:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Branch Division	949,419	
Creditor for expense	5,532,275	-
Audit Fees Payable	-	121,654
CST Payable	-	395,254
Sales Tax Payable	-	228,419
Professional Tax Payable	222,300	131,400
GST Payable	790,943	536,913
Statutory dues (TDS Payable)	1,569,833	1,731,783
Electricity Payable	105,259	
Internet Charges Payable	4,130	
<b>Total other current liabilities</b>	<b>9,174,160</b>	<b>3,145,423</b>

Creditors for Expenses are net of advance given to vendors.

<b>9 Short Term provisions:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Current maturities of Long-term provisions of Employees Benefit expenses</b>		
Provision for Gratuity payment	714,780	413,044
	<u>714,780</u>	<u>413,044</u>
<b>Other Provisions</b>		
Income Tax Payable (A.Y. 2015-16)	-	1,339,995
Income Tax Provision (A.Y. 2017-18)	-	3,072,393
Income Tax Provision (A.Y. 2018-19)	-	6,350,000
Income Tax Provision (A.Y. 2019-20)	13,750,000	13,750,000
Income Tax Provision (A.Y. 2020-21)	676,200	
	<u>14,426,200</u>	<u>24,512,388</u>
<b>Total short-term provisions</b>	<b>15,140,980</b>	<b>24,925,432</b>

<b>11 Non Current Investment</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Long Term :</b>		
Shares in Shamrao Bank	100,000	100,000
Union Capital Protection Fund	1,500,000	6,500,000
LIBAS DESIGNS FZE LLC	6,074,116	2,524,116
<b>Total Non Current Investment</b>	<b>7,674,116</b>	<b>9,124,116</b>

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

12 Deferred Tax Assets (Net)	31.03.2020	31.03.2019
Timing Difference on account of :		
Depreciation	-	
Employee Benefit		
<b>Total Deferred Tax Assets (Net)</b>	-	-

13 Long Term Loans & Advances	31.03.2020	31.03.2019
Excise Duty Paid	-	-
Advance Tax (AY 2018-19)	-	2,500,000
Advance Tax (AY 2014-15)	-	94,171
Advance Tax (AY 2017-18)	-	3,000,000
Self Asst. Tax (AY 2015-16)	-	1,620,000
TDS Received (AY 2017-18)	-	191,805
TDS Received (AY 2011-12)	-	4,500
TDS Received (A.Y. 2014-15)	-	56,504
TDS Received (A.Y. 2016-17)	-	5,124
TDS Received (A.Y. 2018-19)	-	612,181
TDS Received (A.Y. 2020-21)	958,857	289,252
TDS Received (FY 2014-15)	-	5,521
<b>Total Long Term Loans &amp; Advances</b>	<b>958,857</b>	<b>8,379,058</b>

14 Other non-current assets:	31.03.2020	31.03.2019
Deposits paid against premises taken on lease:	6,761,690	
Other Advance	128,459,097	
<b>Total other non-current assets</b>	<b>135,220,788</b>	<b>25,455,877</b>

**LIBAS DESIGNS LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>15 Inventories:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Raw Materials	-	116,552,832
Finished Goods	234,225,343	112,661,866
<b>Total inventories</b>	<b>234,225,343</b>	<b>229,214,698</b>
<b>16 Trade Receivables:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Unsecured- Considered goods</b>		
Outstanding for more than six months	21,270,177	32,175,388
Others	104,940,408	138,677,769
<b>Total trade receivables</b>	<b>126,210,586</b>	<b>170,853,157</b>
<b>17 Cash &amp; Bank Balance</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	32,956,712	11,248,879
<b>Balance with banks</b>		
In Current accounts	(316,441)	6,512,634
<b>Total cash and bank balance</b>	<b>32,640,271</b>	<b>17,761,513</b>
<b>18 Short-term Loans and Advances:</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Loans &amp; Advances</b>		
Sales Tax Refund	-	-
Fixed Deposit (Short Term)	-	-
Branch /Divisions	-	13,098,662
<b>Total short-term loans and advances</b>	<b>-</b>	<b>13,098,662</b>
<b>19 Revenue:</b>	<b>Year Ended 31-03-2020</b>	<b>Year Ended 31-03-2019</b>
Sale of products	332,175,253	517,167,501
Sale of Services	-	-
Less : Excise duty / GST	-	-
<b>Total revenue</b>	<b>332,175,253</b>	<b>517,167,501</b>
<b>20 Other operating income:</b>	<b>Year Ended 31-03-2020</b>	<b>Year Ended 31-03-2019</b>
Franchise Fee	-	483,137
<b>Total other operating income</b>	<b>-</b>	<b>483,137</b>
<b>21 Other income:</b>	<b>Year Ended 31-03-2020</b>	<b>Year Ended 31-03-2019</b>
Consultancy Charges	3,550,000	-
Discount Received	274,046	22,920
Dividend Received - SVC Bank	-	-
Fashion Show Event	-	650,000
Interest on FD	-	1,019,973
Other Interest Income	9,944,053	-
Subsidy Received	135,918	-
<b>Total other income</b>	<b>13,904,017</b>	<b>1,692,893</b>
<b>22 Cost of material consumed:</b>	<b>Year Ended 31-03-2020</b>	<b>Year Ended 31-03-2019</b>
<b>Raw material consumed:</b>		
Opening inventories	229,214,698	230,545,650
Add : Purchases	245,242,687	358,866,862
Add : Direct Exps	9,082,541	24,942,075
	<b>483,539,926</b>	<b>614,354,587</b>
Less : Closing inventories	234,225,343	229,214,698
<b>Total cost of material consumed</b>	<b>249,314,583</b>	<b>385,139,889</b>

LIBAS DESIGNS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Stock at the end of the year:</b>		
Finished goods	-	116,552,832
Raw Materials	-	112,661,866
Total (A)	-	229,214,698
<b>Stock at the beginning of the year:</b>		
Finished goods	116,552,832	122,148,763
Raw Materials	112,661,866	108,396,887
Total (B)	229,214,698	230,545,650
<b>Increase / (Decrease) in Stock</b>	<b>Total (A - B)</b>	<b>(1,330,952)</b>

24 Employee Benefits expenses:	Year Ended 31-03-2020	Year Ended 31-03-2019
Salaries, Wages and Bonus	14,234,265	14,757,314
Remuneration to Directors	5,120,000	5,950,000
Gratuity	301,736	-
Welfare and other benefits	644,895	124,436
<b>Total employee benefits expenses</b>	<b>20,300,896</b>	<b>20,831,750</b>

The disclosure required as per the revised AS 15 is as under:

a) **Retirement Benefits**

The Company has following long term retirement employees benefits:

i) **Defined Contribution Plan:**

The Company's defined contribution plans are Employees' Provident fund and Pension Scheme (under the provision of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952). since the company has no further obligation beyond making the contributions. During the year Company has not paid / provided for mandatory Provident fund.

Charge to the Profit and Loss Account based on Contributions :	Year Ended 31-03-2020	Year Ended 31-03-2019
Provident and Pension fund		

(ii) **Gratuity and Retirement Benefits.**

Disclosure for defined benefit plan based on calculation as on 31-03-2018

**Change in Defined Benefit Obligation**

Opening defined benefit obligation	413,044	
Prior period liability recognised in current period	-	334,000
Interest cost	-	22,044
Current service cost	301,736	57,000
Benefits paid		
Actuarial loss / (gain)		
Closing defined benefit obligation	714,780	413,044

**Change in Fair Value of Assets**

Opening fair value of plan assets		
Expected return on plan assets		
Contributions by employer		
Benefits paid		
Actuarial gain / (loss)		
Closing fair value of plan assets		

**Amount recognized in the Balance Sheet**

Fair value of plan assets as at beginning of the year		
Actual return on plan assets		
Contributions		
Benefits paid		
Fair value of plan assets as at end of the year		
Funded status	(714,780)	(413,044)

**Excess of Actual over estimated return on plan assets**

<b>Actuarial (gain) / loss recognized</b>		
Actuarial (gain) / loss for the year - plan assets		
Actuarial (gain) / loss on obligations		
Actuarial (gain) / loss recognized in the year		

**Amount to be recognized in the Balance Sheet and Profit & Loss accounts**

Present value of obligation as at the end of the year	714,780	413,044
Fair value of plan assets as at the end of the year		
Funded status	(714,780)	(413,044)
Net (Assets) / Liabilities recognized in the Balance Sheet	714,780	413,044

Prior period liability recognised in current period	-	334,000
Current service cost	-	57,000
Interest cost	-	22,044
Expected return on plan assets		
Net Actuarial (gain) / loss recognised in the year		
Expenses recognised in the statement of Profit & Loss account	-	413,044

**Actuarial Assumptions**

Discount Rate	-	-
Salary Escalation	-	-

Note: This being the first year of liability of the company toward gratuity payable to employees, hence comparative previous year figure not being given.

b) **Short Term Employee Benefits**

All employees benefits falling due wholly with in twelve months of rendering services are classified as short term employee benefits, which include salaries, wages, bonus, leave encashment etc. The said benefits are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the company by the year end or in the immediate subsequent year.

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

25 Finance cost:	Year Ended 31-03-2020	Year Ended 31-03-2019
Interest on Term & Working Capital Loans	19,836,029	16,721,897
Processing fees	-	1,321,214
Financial Charges	459,855	563,722
Insurance Premium	335,035	223,860
<b>Total finance cost</b>	<b>20,630,919</b>	<b>18,830,692</b>
26 Depreciation and Amortization expenses:	Year Ended 31-03-2020	Year Ended 31-03-2019
Depreciation on Tangible Assets	4,682,581	5,369,061
<b>Total depreciation and amortization expenses</b>	<b>4,682,581</b>	<b>5,369,061</b>
27 Other expenses:	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>Sales &amp; Distribution expenses</b>		
Sales Promotion	2,793,405	3,432,979
Freight	360,602	68,763
Commission & Discount	1,097,198	2,811,937
Courier charges & Postage	60,428	880,736
Custom Clearance charges	-	47,919
	<b>4,311,633</b>	<b>7,242,334</b>
<b>Administration &amp; Other Expenses</b>		
Sundry Expenses	167,439	111,519
Audit Fees	600,000	325,000
Books & Magazines	2,000	21,760
Conveyance charges	1,284,899	345,285
Donation	13,796	85,000
Electricity charges	2,701,515	2,454,382
Hire charges paid	555,000	600,000
Interest On Statutory Liabilities	2,556,734	-
Penalty on GST	139,250	-
Legal Exps	33,050	791,988
Maintenance charges	211,036	1,392,022
Written Off	12,848,805	-
ROC & Listing fee	243,400	211,320
Office Exps	425,704	850,205
Petrol & Diesel Exps	800	1,090,835
Printing & Stationery Exps	322,409	424,568
Profession Fees Paid	2,329,560	1,255,118
Registration Exps	77,800	22,710
Rent for Shops	16,483,300	17,107,000
Repair & Maintenance	2,072,590	1,669,223
Security charges paid	598,507	1,001,762
Software Exps	75,492	203,000
Telephone & Internet Charges Paid	252,405	287,536
Tours & Travel	138,273	2,300,794
	<b>44,133,764</b>	<b>32,551,027</b>
<b>Total other expenses</b>	<b>48,445,396</b>	<b>39,793,361</b>

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

28 Contingent Liabilities and commitments (to the extend not provided for)	Year Ended 31-03-2020	Year Ended 31-03-2019
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The Company has following ongoing litigation as at 31.03.2020

**1. Employees State Insurance Corporation has filed Application ESI No. 28 of 2013 in the Hon'ble Employees Insurance Court.**

Case No. ESI No. 28 of 2013 filed in the Hon'ble Employees Insurance Court, Mumbai by ESIC for recovery of Rs. 7,84,838/-. Company got the recovery stayed through Hon'ble Employees Insurance Court. Employees State Insurance Corporation filed the case alleging that the stay orders are obtained by suppressing or misrepresenting the material facts to obtain orders and hence to award punishment in accordance with law. Application is at the stage of Evidence.

**2. ESI Cases filed against our Company.**

• Case No. 267/SW/2012 filed for non-payment of contribution for the period February 2007 to December 2011 of Rs. 11,59,373/-.

• Case No. 2512447/2012 filed for non-submission of Return of contribution from April 2006 to September 2011 in due dates i.e. within 42 days from the expiry of contribution period.

Both the cases were filed on October 10, 2012 in Sewree Court, Company has attending the case. The said cases are also pending in E.I. Court Bandra, Mumbai at final stage.

**3. Tax Proceeding involving the Company**

• Details of outstanding demand in respect of TDS: Amounting to Rs. 22,52,924/- since 2007 to March 2018

4 The Company has filed the Arbitration against G.S. Majestic Developers Pvt Ltd for Rs 6,98,95,800/- in the High Court Mumbai on 30.11.2017 and the case no ARBAPL/1007/2017, The High Court has been appointed Justice Rohan Savant for hearing, the case has been still pending.

29 Disclosure in respect of Lease	As at 31-03-2020	As at 31-03-2019
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**Operating Lease**

(a) Not later than 1 year

(b) Later than 1 year but not later than 5 years

(c) Later than 5 years

**LIBAS DESIGNS LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

30 Related parties disclosure :	As at 31-03-2020	As at 31-03-2019
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**A) Relationships**

**1) Key Managerial Personnel**

Name	Designation
- NISHANT MITRASEN MAHIMTURA	Founder & CEO
- RIYAZ EQBAL GANJI	Whole Time Director
- RESHMA RIYAZ GANJI	Managing Director
- BASANT AGARWAL	CFO
- RAASHI SINGH	Company Secretary

**2) Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives and with whom transactions have taken place in the ordinary course of business**

- LIBAS DESIGN LLC (Ajman, U.A.E) - Subsidiary
- Smriti Industries (Proprietary Concern of Director -Nishant Mahimtura)
- Suchitra Mahimtura (Admin Head - Spouse of Nishant Mahimtura)
- Pawan Mahimtura (Hire Charges - Son of Nishant Mahimtura)
- Golden Bricks Infrastructure Private Limited (Director Interested)
- Reserve Wines Private Limited (Director Interested)
- See My Brand Private Limited.

**B) Related Parties Transactions**

	As at 31-03-2020	As at 31-03-2019
<b>i) Remuneration Paid</b>		
RIYAZ EQBAL GANJI	1,980,000	2,400,000
RESHMA RIYAZ GANJI	1,980,000	2,400,000
NISHANT MITRASEN MAHIMTURA	700,000	600,000
GOVIND RAO	-	80,000
Raashi Singhi	236,985	77,756
<b>ii) Salary Paid</b>		
Suchitra Mahimtura	450,000	550,000
<b>iii) Expenses paid</b>		
Commission to Smriti Industries	690,000	1,380,000
Hire Charges (Pawan Mahimtura)	555,000	600,000
<b>iv) Purchase from</b>		
See My Brand Private Limited.	63,868,774	-
<b>v) Loan Given (Net of Received During the year)</b>		
Riyaz Gangji	1,357,570	-
Reshma Gangji	879,475	714,324
<b>vi) Loan Taken (Net of Repaid During the year)</b>		
Riyaz Gangji	-	197,019
<b>vii) Guarantee/Security provided by</b>		
Personal Guarantee of Directors for Loan taken by the Company		
<b>viii) Amount Receivable from related parties</b>		
RIYAZ EQBAL GANJI	3,808,205	2,450,635
RESHMA RIYAZ GANJI	5,035,898	4,156,422
Golden Bricks Infrastructure Pvt. Ltd.	6,010,257	1,204,130
Reserve Wines Pvt. Ltd.	-	10,000
Smriti Industries	297,702	424,983
LIBAS DESIGN LLC (Ajman, U.A.E) - Subsidiary	600,000	-
<b>ix) Amount Payable to related parties</b>		
See My Brand Private Limited.	11,516,520	-

## LIBAS DESIGNS LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

31 Expenses / Earnings in foreign currency:	As at 31-03-2020	As at 31-03-2019
Export	595,707	554,550

32 Foreign currency exposures:	(Amount in Foreign Currency )	As at 31-03-2020	As at 31-03-2019
Foreign currency exposures that are not hedged as at 31st March: Total Receivables (USD)		-	-

33 Earnings per share :	As at 31-03-2020	As at 31-03-2019
Net Profit after tax for the year	-	35,431,137
- Net Profit attributable to Equity Shareholders	-	35,431,137
- Number of equity shares of Rs. 10/- each.	12,250,000	11,250,000
- Earnings per share - Basic	-	3.15
- Earnings per share -Diluted	-	3.15

34 Closing stock of Finished Goods is valued at net of GST

35 In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

36 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

37 Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

**For JAIN JAGAWAT KAMDAR & CO.**  
Chartered Accountants  
Firm Regn No. 122530W

Chandrashekhar Jagawat  
Partner  
M. No. -116078

Place: Mumbai  
Date: August 5, 2020

**For Libas Designs Limited**

Reshma Ganji Managing Director DIN 07576582	Riyaz Ganji Whole Time Director DIN 02236203
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Nishant Mahimtura Chairman DIN 02000572	Nita Mishra Company Secretary M No: A39489
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Basant Agarwal  
Chief Financial Officer

10 Fixed Assets :											
Particulars		Gross Block				Depreciation & Amortisation			Net Book Value		
		As at 01-04-2019	Additions	Disposal	As at 31-03-2020	As at 01-04-2019	For the period	Disposal / Discard	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Tangible Assets (Office Premises)	9.50%	11,266,500	-	-	11,266,500	1,820,157	897,403	-	2,717,560	8,548,940	9,446,343
Furniture & Fixture	25.89%	17,534,778	-	450,000	17,084,778	6,002,951	2,881,499	-	8,884,451	8,200,327	11,531,826
Office Equipment	45.07%	1,208,176	51,500	-	1,259,676	736,743	223,066	-	959,808	299,867	471,433
Computer Hardware	63.16%	1,223,525	119,388	-	1,342,913	962,920	190,018	-	1,152,938	189,974	260,604
Plant & Machinery	18.10%	552,922	-	-	552,922	176,005	68,222	-	244,227	308,695	376,917
Motor Vehicle	31.23%	-	1,875,000	-	1,875,000	-	422,373	-	422,373	1,452,627	-
<b>Total (A):</b>		<b>31,785,901</b>	<b>2,045,888</b>	<b>450,000</b>	<b>33,381,789</b>	<b>9,698,776</b>	<b>4,682,581</b>	<b>-</b>	<b>14,381,358</b>	<b>19,000,431</b>	<b>22,087,124</b>
Previous Year:		25,402,112	6,383,789	-	31,785,901	4,329,715	5,369,061	-	9,698,776	22,087,124	21,072,397

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS  
LIBAS DESIGNS LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **LIBAS DESIGNS LIMITED** (the "Holding Company") and its Subsidiary Company "**LIBASDESIGNS FZE LLC**", which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, expect for matter mentioned in the para "Basis for Qualify Opinion", the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (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 state of affairs of the Company as at March 31, 2020, its profit and loss statement and cash flows for the year ended on that date.

#### Basis for Qualify Opinion

- 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 consolidated financial statement in accordance Indian Accounting Standard, however management yet to adopt Ind AS for the preparation and presentation of these standalone 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.
- 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.
- 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.
- Attention is also invited on the undisputed income tax liability for the FY 2018-19 is remain unpaid till the signing of this report as at 05<sup>th</sup> August 2020 amounting to Rs.41.18 Lakhs/-.
- Attention is also invited that there is undisputed tax liability in relation to Professional Tax are unpaid till the signing of this report as at 05<sup>th</sup> August 2020 amounting to Rs. 2.22 Lakhs/-.
- As per note "28" of the consolidated financial statement, company has pending litigation under ESIC and amount involved under litigation is amounting to Rs 19.44 Lakhs, same were not provided in the consolidated financial statement.

- Company has made Investment in Foreign Subsidiary (LIBAS DESIGN LLC (Ajman, U.A.E)), however approval from RBI with respect to Overseas direct investment (ODI) is yet to be obtained by the company.
- Company has internal auditor for the year but internal audit report was not produced during our Audit in contravention with section 138 of Indian Companies Act 2013 read with Rule 13 Of Companies (Accounts) Rules, 2014.

While stating our opinion on consolidated financial statement, we have relied on the audit report prepared by Husain Al Hashmi Auditing of Accounts Dubai, United Arab Emirates Auditor Mr. M. No. . They conducted the Audit of Libas Design LLC of Ajman. The reliance was placed in accordance with SA 600, "Using Work of another Auditor"

We conducted our audit of the standalone financials and mathematical working of consolidation in Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How the matter was addressed in our audit
<b>Evaluation of tax positions:-</b>		
1.	The Company as a whole operates in India and Ajman U.A.E. is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct tax, transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the financial Statements.	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of key tax litigations and potential tax exposures</li> <li>• We along with our internal tax experts – read and analyzed select key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</li> <li>• discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</li> <li>• evaluated the status of the recent and</li> </ul>

		current tax assessments / inquiries, results of previous tax assessments and changes in the tax environment to assess management's estimate of the possible outcome of key tax litigations and potential tax exposures.
	<b>Revenue Recognition</b>	
2.	Revenue recognition on SOR Sales.	Our Audit procedure on revenue recognition from Sales or returnable sale included <ul style="list-style-type: none"> <li>• Obtaining an understanding of the systems, processes and controls implemented by management for recording such transaction</li> <li>• Calculating revenue from those transactions.</li> <li>• Reviewing the continuity of supply and the associated contract with the vendors.</li> </ul>

#### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibilities for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidate financial position, consolidate financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

However, due to global COVID-19 pandemic, lockdown placed by Central and State Government which has impacted our audit procedure which are generally expected to perform in normal situation. Due to such issues we are majorly rely on the analytical audit procedure instead of substantive procedure which is generally expected while performing audit procedure on client place. We have also applied other appropriated audit procedure to minimize the risk of material misstatement in financials statement of the company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related

safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The consolidated Balance Sheet, the Statement of Profit and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) 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;
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company have pending litigations which would impact its financial position (refer note "28" of Consolidated Financial Statement.)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Jain Jagawat Kamdar & Co**  
**Chartered Accountants**  
**(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat**  
**Partner**  
**Membership No: 116078**  
**UDIN: 20116078AAAADE3665**

**Mumbai**  
**August 5, 2020**

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

### As required by section 143(11) of the act, we report, to the extent applicable that:

- i. In respect of the Holding Company and its Subsidiary Company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable properties owned by the company are properly registered and the ownership documents were in favour of Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. *The Holding Company and its Subsidiary company has granted interest free unsecured advance /loans, to the directors and relatives of Directors of the company, covered in the registration maintained under section 189 of the Companies Act 2013. The terms and condition of loan is prejudicial to the interest of the Company. The repayment schedule was not in line with prudential practice. (Refer Note no. 30 to consolidated financial statement).*
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the means of the directives issued by the Reserve Bank of India, under the provisions of Section 73 to 76 of the Act and any other relevant provisions and any other relevant rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.  
According to the information and explanations given to us, except mentioned below no undisputed amounts payable with respect to Provident fund, Employees’ State Insurance, Income Tax, Goods and Services tax, Duty of Customs, Cess and other material statutory dues were in arrears as on 31 March 2020, which, being due for a period of more than six months from the date, have become payable; except Professional Tax of Rs 2.22 Lakhs and Income Tax Liability of Rs 141.18 Lakhs.
  - b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise or Value added taxes which have not been deposited by the Company on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any

outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

- ix. In our opinion and according to the information and explanations given to us, the Company has raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and same has been utilized for the purpose for which it was raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are not in compliance with Sections 177 and 188 of the Act as company has not passed necessary resolution for Related Party Transaction during the year however details of such transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Jain Jagawat Kamdar & Co**  
**Chartered Accountants**  
**(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat**  
**Partner**  
**Membership No: 116078**  
**UDIN: 20116078AAAADE3665**

**Mumbai**  
**August 5, 2020**

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to consolidated financial statements of Libas Designs Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements are a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements .

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Jain Jagawat Kamdar & Co  
Chartered Accountants  
(Firm's Registration No. - 122530W)**

**Chandrashekhar Jagawat  
Partner  
Membership No: 116078  
UDIN: 20116078AAAADE3665**

**Mumbai  
August 5, 2020**

**LIBAS DESIGNS LIMITED**  
CIN NO. L18101MH2004PLC149489  
**CONSOLIDATED BALANCE SHEET AS AT 31st March 2020**

Particulars	Note	As At 31-Mar-2020	As At 31-Mar-2019
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	122,500,000	112,500,000
Reserves and surplus	3	265,463,616	172,735,840
		<b>387,963,616</b>	<b>285,235,840</b>
Share application money pending allotment		-	-
<b>Non-current Liabilities</b>			
Long Term Borrowings	4	-	688,315
Deferred Tax Liabilities (Net)	4A	551,943	331,417
Other Long Term Liabilities	5	14,262,000	17,217,000
Long Term Provisions	5A	-	-
		<b>14,813,943</b>	<b>18,236,732</b>
<b>Current Liabilities</b>			
Short term borrowings	6	161,142,127	160,007,611
Trade payables			
Belongs to MSME	7A	-	486,500
Others	7B	41,638,420	29,696,572
Other current liabilities	8	9,575,926	3,607,259
Short term provisions	9	15,140,980	24,925,432
		<b>227,497,453</b>	<b>218,723,374</b>
<b>Total Equity &amp; Liabilities</b>		<b>630,275,012</b>	<b>522,195,946</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	10	19,000,431	22,087,124
- Intangible assets	10	-	-
- Capital work-in-progress	10	-	-
Non Current investments	11	4,872,193	7,235,216
Deferred Tax Assets (Net)	12	-	-
Long term loans and advances	13	958,857	8,379,058
Other non current assets	14	135,220,788	25,455,877
		<b>160,052,268</b>	<b>63,157,275</b>
<b>Current Assets</b>			
Current investments			
Inventories	15	253,172,781	242,453,886
Trade receivables	16	166,240,404	179,632,459
Cash & Bank Balances	17	42,673,421	21,276,449
Short term loans and advances	18	8,136,137	15,675,877
		<b>470,222,744</b>	<b>459,038,671</b>
<b>Total Assets</b>		<b>630,275,012</b>	<b>522,195,946</b>
Significant Accounting policies and Notes on Financial Statements	1 -37		
Note: We have consolidated the Audited financials received from the subsidiary taking the exchange rate of 31st March 2020 we are relying on work performed by the other auditor.			
<b>For JAIN JAGAWAT KAMDAR &amp; CO.</b>		<b>For Libas Designs Limited</b>	
<b>Chartered Accountants</b>			
<b>Firm Regn No. 122530W</b>		<b>Reshma Ganji</b>	<b>Riyaz Ganji</b>
		<b>Managing Director</b>	<b>Whole Time Director</b>
		<b>DIN 07576582</b>	<b>DIN 02236203</b>
<b>Chandrashekhar Jagawat</b>			
<b>Partner</b>		<b>Nishant Mahimtura</b>	<b>Nita Mishra</b>
<b>M. No. -116078</b>		<b>Chairman</b>	<b>Company Secretary</b>
		<b>DIN 02000572</b>	<b>M No: A39489</b>
<b>Place: Mumbai</b>		<b>Basant Agarwal</b>	
<b>Date: August 5, 2020</b>		<b>Chief Financial Officer</b>	

**LIBAS DESIGNS LIMITED**  
**CIN NO. L18101MH2004PLC149489**

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2020**

Particulars	Note	Year ended 31-03-2020	Year ended 31-03-2019
<b>Revenue :</b>			
Gross Sales	19	651,745,961	631,298,428
Less: Excise duty		-	-
Net Sales		651,745,961	631,298,428
Other operating income	20	-	483,137
Revenue from operations (net)		651,745,961	631,781,565
Other income	21	13,904,017	1,692,893
<b>Total revenue</b>		<b>665,649,979</b>	<b>633,474,458</b>
<b>Expenses :</b>			
Cost of materials consumed	22	516,990,631	475,759,829
Employee benefits expenses	24	22,873,066	21,432,420
Finance costs	25	20,630,919	18,830,692
Depreciation and amortization expenses	26	4,682,581	5,742,043
Other expenses	27	56,151,742	40,683,034
<b>Total expenses</b>		<b>621,328,939</b>	<b>562,448,019</b>
Profit before exceptional and extraordinary items and tax		44,321,039	71,026,440
Add: Exceptional items		-	-
Profit before extraordinary items and tax		44,321,039	71,026,440
Extraordinary items			
<b>Profit (Loss) before tax</b>		<b>44,321,039</b>	<b>71,026,440</b>
<b>Tax expense</b>			
Current tax		676,200	13,750,000
Deferred tax Liability		220,526	197,640
(Excess) / Short provision of earlier years			
<b>Profit (Loss) for the period</b>		<b>43,424,313</b>	<b>57,078,800</b>
<b>Earnings per equity share ( of Rs. 10/- each)</b>	33		
(1) Basic		3.54	5.07
(2) Diluted		3.54	4.66
Significant Accounting policies and Notes on Financial Statements	1 -37		
The accompanying notes are an integral part of the financial statements.			
As per our Report of even date			
<b>For JAIN JAGAWAT KAMDAR &amp; CO.</b>		<b>For Libas Designs Limited</b>	
Chartered Accountants			
Firm Regn No. 122530W		Reshma Ganji	Riyaz Ganji
		Managing Director	Whole Time Director
		DIN 07576582	DIN 02236203
Chandrashekhar Jagawat		Nishant Mahimtura	Nita Mishra
Partner		Chairman	Company Secretary
M. No. -116078		DIN 02000572	M No: A39489
Place: Mumbai		Basant Agarwal	
Date: August 5, 2020		Chief Financial Officer	
		DIN 02000572	

**LIBAS DESIGNS LIMITED**  
CIN NO. L18101MH2004PLC149489

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR PERIOD ENDED 31ST MARCH, 2020**

Particulars	Year ended	Year ended
	31-03-2020	31-03-2019
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	44,321,039	71,026,440
Adjustments for	-	-
- Depreciation	4,682,581	5,369,061
- (Profit) / Loss on sale of Mutual Fund	-	-
- Interest paid on Income Tax	-	-
- Dividend Received	-	-
- Interest Received	(9,944,053)	(1,019,973)
- Interest Paid	20,630,919	18,830,692
- Gratuity Provided	-	-
	<b>15,369,447</b>	<b>23,179,781</b>
<b>Operating Profit before working capital changes</b>	<b>59,690,486</b>	<b>94,206,220</b>
Adjustments for	-	-
- (Increase)/Decrease in Trade and other receivables	28,351,996	(19,516,752)
- (Increase)/Decrease in Inventories	(10,718,895)	(11,908,235)
- (Increase)/Decrease in Loans & Advances	-	-
- (Increase)/Decrease in Short term Loans & Advances	-	-
- (Increase)/Decrease in non current Assets	-	-
- Increase/(Decrease) in other Current Liabilities	(4,491,985)	(22,019,233)
- Increase/(Decrease) in Trade payable	11,455,348	(43,772,270)
	<b>24,596,464</b>	<b>(99,847,346)</b>
<b>Cash generated from operations</b>	<b>84,286,950</b>	<b>(5,641,126)</b>
Direct taxes paid	-	(2,500,000)
<b>Net cash from operating activities</b>	<b>84,286,950</b>	<b>(8,141,126)</b>
<b>B Cash flow from investing activities</b>		
- Interest Received	9,944,053	1,019,973
- Dividend Income	-	-
- Investment in Fixed Deposit	5,000,000	-
- Investments	(107,098,424)	-
- Purchase of fixed assets	(1,595,888)	(6,383,789)
<b>Net cash used in investing activities</b>	<b>(93,750,259)</b>	<b>(5,363,816)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(3,643,315)	741,956
- Loans Short term borrowed (Net of repayment)	1,134,515	38,692,886
- Issue of Shares	54,000,000	1,888,900
- Net Movement in Shareholder Current Account	-	688315.16
- Interest paid	(20,630,919)	(18,830,692)
<b>Net cash used in financing activities</b>	<b>30,860,281</b>	<b>23,181,365</b>
	0	0
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>21,396,972</b>	<b>9,676,424</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>21,276,449</b>	<b>11,600,026</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>42,673,421</b>	<b>21,276,449</b>

**Cash and Bank Balances**

<b>A Cash and cash equivalents</b>		
Cash on hand	32,956,712	14,763,815
Cheques, drafts on hand		
Balance with banks		
In Current accounts	9,716,709	6,512,634
	<b>42,673,421</b>	<b>21,276,449</b>
<b>B Other Bank Balance</b>		
Margin Money Deposit (Maturity above 3 months)	-	-
	<b>42,673,421</b>	<b>21,276,449</b>

For JAIN JAGAWAT KAMDAR & CO.  
Chartered Accountants  
Firm Regn No. 122530W

Chandrashekhar Jagawat  
Partner  
M. No. -116078

Place: Mumbai  
Date: August 5, 2020

For Libas Designs Limited

Reshma Ganji  
Managing Director  
DIN 07576582

Nishant Mahimtura  
Chairman  
DIN 02000572

Basant Agarwal  
Chief Financial Officer

Riyaz Ganji  
Whole Time Director  
DIN 02236203

Nita Mishra  
Company Secretary  
M No: A39489

# LIBAS DESIGNS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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### General company profile :

Libas Designs Limited (the 'Company') was incorporated on 10/11/2004 as Private Limited Company under the Companies Act 1956 and the same was converted in Public Limited Company on 20th September, 2016. The company is engaged mainly in the process of fabrication of fabric into garments and other products through customisation. The Company is listed on SME Emerge Platform of National Stock exchange of India Limited (NSE).

### 1 Significant Accounting Policies:

#### (A) Statement of Compliance

The Consolidated Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied by the company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hither to in use.

#### (B) Basis of Preparation & Consolidation:

##### Basis of Preparation

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. The statement of cash flows have been prepared under indirect method.

##### Basis of Consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Entities controlled by the Company are consolidated from the date control commences until the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

#### (C) Property, plant and equipment

##### (i) Tangible fixed assets

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### (ii) Depreciation:

1) Depreciation on fixed assets is provided on written down value method for the period for which the assets have been used. Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

2) Depreciation on the fixed assets added / disposed off / discarded during the year has been provided on pro rata basis with reference to the date of addition / disposition / discardation.

#### (D) Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(E) Borrowing Costs :**

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowings. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(F) Taxes :**

Provision for tax is made for both current and deferred taxes. Provisions for current income tax is determined at the amount of tax payable at the applicable rates in respect of estimated taxable income for the year. The Company provides for deferred tax based on the tax effect of timing difference resulting from the recognition of items in the financial statement and in estimating its current tax provision. Deferred tax assets are recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted or substantively enacted as on the balance sheet date.

**(G) Inventories :**

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence , if any. Cost of Inventories comprises of cost of purchase , cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Work in - progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

**(H) Income / Expenses Recognition :**

- (i) Domestic Sales are recognized on dispatch of goods from factory and Export Sales on transfer of significant risk & rewards of ownership of such goods. Sales are disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- (ii) Revenue from labour job is recognised on the basis of execution of job.
- (iii) The company accounts for excise duty rebate, duty entitlements and other incentives on exports on accrual basis.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(I) Foreign currency:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items remaining unsettled at the year end are translated / reported at the year end rate. Any gain or loss arising on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of Long Term Liabilities.

**(J) Employees Benefits :**

Short Term Employee Benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service rendered.

**Retirement Benefits :**

- i) Retirement benefits in the form of Provident Fund , which are defined Contribution Plans, are accounted on accrual basis and charged to the Statement of Profit and Loss of the Year.
- ii) Retirement benefits in the form of Gratuity which is a defined benefit plan and accrued on the basis of an independent actuarial valuation applying the Projected Unit Credit Method.
- iii) The actuarial gains/losses arising during the year are recognised in the Statement of Profit & Loss of the year.
- iv) The actuarial valuation is carried at the end of each financial year.

**(K) Lease accounting:**

Operating lease rentals are expensed with reference to lease terms and other consideration.

**(L) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involved substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(M) Earning per Share**

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard specified under Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the end of the year.

**(N) Cash and cash equivalents :**

Cash and cash equivalents for the purposes of cash-flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

<b>2 Share Capital:</b>	<b>As At 31-03-2020</b>	<b>As At 31-03-2019</b>
<b>Authorized</b>		
12,000,000 equity shares of Rs. 10 each	120,000,000	120,000,000
<b>Issued, Subscribed and Paid up</b>		
7,500,000 Equity shares of Rs. 10 each fully paid-up	112,500,000	112,500,000
	<b>112,500,000</b>	<b>112,500,000</b>

**(a) Rights, preferences and restrictions attached to shares**

- (i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of the equity shares of the Company will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**(b) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:**

	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Equity Shares:</b>		
<b>At the beginning</b>		
- Number of shares	11,250,000	7,500,000
- Amount	112,500,000	75,000,000
<b>Addition during the year</b>		
- Number of shares	1,000,000	3,750,000
- Amount	10,000,000	37,500,000
<b>At the end</b>		
- Number of shares	12,250,000	11,250,000
- Amount	122,500,000	112,500,000

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
- <b>Nishant Mahimtura</b>	3,078,000	27.36	2,060,000	27.47
- <b>Riyaz Ganji</b>	1,888,494	16.79	1,248,900	16.65
- <b>Reshma Ganji</b>	1,852,651	16.47	1,235,100	16.47

3 Reserves and Surplus:	As At 31-03-2020	As at 31-03-2019
<b>Capital reserve</b>		
<b>Securities Premium account</b>		
Balance as per last Balance sheet	113,340,671	113,340,671
Add : Addition During the year	44,000,000	-
	<u>157,340,671</u>	<u>113,340,671</u>
Less : Public Issue Expenses	-	-
<b>Balance as at the end of the year</b>	<b>157,340,671</b>	<b>113,340,671</b>
<b>General Reserve</b>		
Balance as at beginning of the year		
Add : Transferred from the statement of profit and loss account		
Less : Utilised for allotment of Bonus Shares		
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as at beginning of the year	37,747,506	39,816,369
Profit for the year	1,808,169	35,431,137
Less: Bonus Shares		
<b>Amount available for appropriation</b>	<b>39,555,676</b>	<b>75,247,506</b>
Less: Appropriations :		
- Bonus	-	37,500,000
- Transitional provision for : Depreciation charge		
- Short / Excess Provision for Income Tax for earlier year		
<b>Total appropriations</b>	<b>-</b>	<b>37,500,000</b>
<b>Total appropriations</b>		
<b>Balance as at end of the year</b>	<b>39,555,676</b>	<b>37,747,506</b>
<b>Add; Reserve &amp; surplus of the Subsidiary</b>	<b>68,567,270</b>	<b>21,647,662</b>
<b>Total reserves and surplus</b>	<b>265,463,616</b>	<b>172,735,840</b>

Note. Public Issue expenses are writtenoff as per Section 52 of the Companies Act, 2013 from the security premium received.

4 Long Term Borrowings:	As At 31-03-2020	As at 31-03-2019	As At 31-03-2020	As at 31-03-2019
	Current Maturity		Non-current portion	
<b>Secured:</b>	-	-	-	-
<b>Total Unsecured Borrowings</b>	-	-		
Amount disclosed under the head "Short term Borrowing" (refer note 6 )	-	-	-	-
<b>Total long-term borrowings</b>	-	-	-	-

4A Deferred Tax Liabilities (Net):	As At 31-03-2020	As at 31-03-2019
<b>Deferred Tax Liabilities</b>		
- Depreciation	473,492	331,417
- Donation		
- Gratuity (Expenses allowable for tax purposes when paid)	78,451	
	<u>551,943</u>	<u>331,417</u>
<b>Deferred Tax Assets</b>		
- Provision for employee benefit		
- Unabsorbed Depreciation		
<b>Total deferred tax liabilities (net)</b>	<b>551,943</b>	<b>331,417</b>

5 Other Long term Liabilities	As At 31-03-2020	As at 31-03-2019
Franchise security deposit	14,262,000	14,262,000
Rent Deposit- Knoweys Ecom Pvt. Ltd	-	1,800,000
Madhyam Housing Pvt Ltd	-	951,000
Aman Ganji	-	204,000
Others	-	688,315
<b>Total Long-term provisions</b>	<b>14,262,000</b>	<b>17,905,315</b>

5A Long-term Provisions / Liabilities:	As At 31-03-2020	As at 31-03-2019
<b>Provision for Employees Benefit expenses:</b>		
Provision for Gratuity payment	-	-
Leave Encashment	-	-
<b>Total Long-term provisions</b>	<b>-</b>	<b>-</b>

Note:- Company has not provided for Gratuity though it was covered under Level-1 in term of definition provided in AS-15

<b>6 Short-term Borrowings:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Secured:</b>		
<b>Working Capital Loan from Union Bank of India</b>		
Cash Credit Hypothecation Accounts *	154,830,786	152,141,094
Current maturities of Long-term debts (UBI)	6,311,341	7,866,517
Loan Against Fixed Deposits	-	-
<b>Total Short-term borrowings</b>	<b>161,142,127</b>	<b>160,007,611</b>

\* (a) Working Capital Loan from Union Bank of India are secured against hypothecation of stock & book debts and co-terrestrial security by way of Hypothecation of land & building situated at Gala no.55,62- Siddhapura Industrial Estate, Masrani Lane, Near Halav pool, Kurla West owned by Director Mr. Riyaz Ganji & Chaiman cum CFO Mr. Nishant Mahimtura respectively & Property situated at 1103,1203 duplex height CHS, Yamuna Nagar Andheri (W), owned by Mr. Riyaz Ganji & Mrs. Reshma Ganji and also personal Gurantee of Directors.

(b) Cash credit is repayable on demand and carries variable interest.

<b>7A Trade Payables:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Trade payables (Goods)	36,262,835	26,759,144
Trade payables (Goods) - Subsidiary	5,375,586	3,423,928
<b>Total trade payables</b>	<b>41,638,420</b>	<b>30,183,072</b>
<b>7A Trade Payable to MSME</b>	<b>-</b>	<b>486,500</b>
<b>7B Trade Payable to Others</b>	<b>41,638,420</b>	<b>29,696,572</b>

a) Details of Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act"). Under Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act") , certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. The Company is in process of compling relevant information from its suppliers about their coverage under the said Act. Since the relevant information to the extent available are recorded in the books of accounts . However in view of the management, the impact of interest, if any , that may be payable in accordance with the provision of this Act is not expected to be material.

<b>8 Other Current Liabilities:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Branch Division	949,419	-
Creditor for expense	5,532,275	-
Audit Fees Payable	-	121,654
CST Payable	-	395,254
Sales Tax Payable	-	228,419
Professional Tax Payable	222,300	131,400
GST Payable	790,943	536,913
Statutory dues (TDS Payable)	1,569,833	1,731,783
Electricity Payable	105,259	-
Internet Charges Payable	4130	-
Other Payables - Subsidiary	401,766	461,836
<b>Total other current liabilities</b>	<b>9,575,926</b>	<b>3,607,259</b>

a) Creditors for Expenses are net of advance given to vendors.

<b>9 Short Term provisions:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Current maturities of Long-term provisions of Employees Benefit expenses</b>		
Provision for Leave encashment		
Provision for Gratuity payment	714,780	413,044
	714,780	413,044
<b>Other Provisions</b>		
Income Tax Payable (A.Y. 2015-16)	-	1,339,995
Income Tax Provision (A.Y. 2017-18)	-	3,072,393
Income Tax Provision (A.Y. 2018-19)	-	6,350,000
Income Tax Provision (A.Y. 2019-20)	13,750,000	13,750,000
Income Tax Provision (A.Y. 2020-21)	676,200	-
	14,426,200	24,512,388
<b>Total short-term provisions</b>	<b>15,140,980</b>	<b>24,925,432</b>

<b>11 Non Current Investment</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Long Term :</b>		
Shares in Shamrao Bank	100,000	100,000
Union Capital Protection Fund	1,500,000	6,500,000
LIBAS DESIGNS FZE LLC	3,272,193	2,524,116
<b>Total Non Current Investment</b>	<b>4,872,193</b>	<b>9,124,116</b>
<b>12 Deferred Tax Assets (Net)</b>		
	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Timing Difference on account of :		
Depreciation	-	-
Employee Benefit	-	-
<b>Total Deferred Tax Assets (Net)</b>		
<b>13 Long Term Loans &amp; Advances</b>		
	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Advance Tax (AY 2018-19)	-	2,500,000
Advance Tax (AY 2014-15)	-	94,171
Advance Tax (AY 2017-18)	-	3,000,000
Self Asst. Tax (AY 2015-16)	-	1,620,000
TDS Received (AY 2017-18)	-	191,805
TDS Received (AY 2011-12)	-	4,500
TDS Received (A.Y. 2014-15)	-	56,504
TDS Received (A.Y. 2016-17)	-	5,124
TDS Received (A.Y. 2018-19)	-	612,181
TDS Received (A.Y. 2020-21)	958,857	289,252
TDS Received (FY 2014-15)	-	5,521
<b>Total Long Term Loans &amp; Advances</b>	<b>958,857</b>	<b>8,379,058</b>
<b>14 Other non-current assets:</b>		
	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Deposits paid against premises taken on lease:	6,761,690	
Other Advance	128,459,097	
<b>Total other non-current assets</b>	<b>135,220,788</b>	<b>25,455,877</b>

<b>15 Inventories:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Raw Materials	-	116,552,832
Finished Goods	234,225,343	112,661,866
Inventories (FG) - Subsidiary	18,947,438	13,239,188
<b>Total inventories</b>	<b>253,172,781</b>	<b>242,453,886</b>

<b>16 Trade Receivables:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Unsecured- Considered goods</b>		
Outstanding for more than six months	21,270,177	32,175,388
Others	104,940,408	138,677,769
Receivables - Subsidiary	40,029,819	8,779,302
<b>Total trade receivables</b>	<b>166,240,404</b>	<b>179,632,459</b>

<b>17 Cash &amp; Bank Balance</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand (Including Subsidiary)	32,956,712	14,763,815
<b>Balance with banks</b>		
In Current accounts	9,716,709	6,512,634
<b>Total cash and bank balance</b>	<b>42,673,421</b>	<b>21,276,449</b>

\* Margin Money Deposits includes deposits of Rs.2,07,075/- ( March 31, 2016 Rs. 1,94,223/-) with maturity for more than 12 months.

\*\* Recurring Deposit includes deposits of Rs.16,88,092/- (March 31, 2016 - Rs. 5,08,025/-) with maturity for more than 12 months.

<b>18 Short-term Loans and Advances:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Loans &amp; Advances</b>		
Branch /Divisions	-	13,098,662
Short Term Advance - Subsidiary	8,136,137	2,577,215
<b>Total short-term loans and advances</b>	<b>8,136,137</b>	<b>15,675,877</b>

<b>19 Revenue:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Sale of products	332,175,253	517,167,501
Sale of Services	-	-
Less : Excise duty / GST	-	-
Gross Sales - Subsidiary	319,570,708	114,130,927
<b>Total revenue</b>	<b>651,745,961</b>	<b>631,298,428</b>

<b>20 Other operating income:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Franchise Fee	-	483,137
<b>Total other operating income</b>	<b>-</b>	<b>483,137</b>

<b>21 Other income:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Consultancy Charges	3,550,000	
Discount Received	274,046	22,920
Fashion Show Event	-	650,000
Interest on FD	-	1,019,973
Other Interest Income	9,944,053	
Subsidy Received	135,918	
<b>Total other income</b>	<b>13,904,017</b>	<b>1,692,893</b>

<b>22 Cost of material consumed:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Raw material consumed:</b>		
Opening inventories	229,214,698	230,545,650
Add : Purchases	245,242,687	358,866,862
Add : Direct Exps	9,082,541	24,942,075
	<b>483,539,926</b>	<b>614,354,587</b>
Less : Closing inventories	234,225,343	229,214,698
Material Consumed - Subsidiary	267,676,048	90,619,959
<b>Total cost of material consumed</b>	<b>516,990,631</b>	<b>475,759,847</b>

24 Employee Benefits expenses:	As At 31-03-2020	As at 31-03-2019
Salaries, Wages and Bonus	14,234,265	14,757,314
Remuneration to Directors	5,120,000	5,950,000
Gratuity	301,736	-
Welfare and other benefits	644,895	124,436
Salaries, Wages and Bonus - Subsidiary	2,572,171	600,670
<b>Total employee benefits expenses</b>	<b>22,873,066</b>	<b>21,432,420</b>

The disclosure required as per the revised AS 15 is as under:

a) **Retirement Benefits**

The Company has following long term retirement employees benefits:

i) **Defined Contribution Plan:**

The Company's defined contribution plans are Employees' Provident fund and Pension Scheme (under the provision of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952). since the company has no further obligation beyond making the contributions. During the year Company has not paid / provided for mandatory Provident fund.

Charge to the Profit and Loss Account based on Contributions :	As At 31-03-2020	As at 31-03-2019
Provident and Pension fund		

(ii) **Gratuity and Retirement Benefits.**

**Disclosure for defined benefit plan based on calculation as on 31-03-2018**

**Change in Defined Benefit Obligation**

Opening defined benefit obligation	413,044	
Prior period liability recognised in current period		334,000
Interest cost		22,044
Current service cost	301,736	57,000
Benefits paid		
Actuarial loss / (gain)		
Closing defined benefit obligation	714,780	413,044

**Change in Fair Value of Assets**

Opening fair value of plan assets		
Expected return on plan assets		
Contributions by employer		
Benefits paid		
Actuarial gain / (loss)		
Closing fair value of plan assets		

**Amount recognized in the Balance Sheet**

Fair value of plan assets as at beginning of the year		
Actual return on plan assets		
Contributions		
Benefits paid		
Fair value of plan assets as at end of the year		
Funded status		(413,044)

Excess of Actual over estimated return on plan assets

<b>Actuarial (gain) / loss recognized</b>		
Actuarial (gain) / loss for the year - plan assets		
Actuarial (gain) / loss on obligations		
Actuarial (gain) / loss recognized in the year		

**Amount to be recognized in the Balance Sheet and Profit & Loss accounts**

Present value of obligation as at the end of the year	714,780	413,044
Fair value of plan assets as at the end of the year		
Funded status		(413,044)
Net (Assets) / Liabilities recognized in the Balance Sheet	714,780	413,044

Prior period liability recognised in current period		334,000
Current service cost	-	57,000
Interest cost	-	22,044
Expected return on plan assets	-	
Net Actuarial (gain) / loss recognised in the year	-	
Expenses recognised in the statement of Profit & Loss account	-	413,044

**Actuarial Assumptions**

Discount Rate		-
Salary Escalation		-

Note: This being the first year of liability of the company toward gratuity payable to employees, hence comparative previous year figure not being given.

b) **Short Term Employee Benefits**

All employees benefits falling due wholly within twelve months of rendering services are classified as short term employee benefits, which include salaries, wages, bonus, leave encashment etc. The said benefits are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the company by the year end or in the immediate subsequent year.

<b>25 Finance cost:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Interest on Term & Working Capital Loans	19,836,029	16,721,897
Processing fees	-	1,321,214
Financial Charges	459,855	563,722
Insurance Premium	335,035	223,860
<b>Total finance cost</b>	<b>20,630,919</b>	<b>18,830,692</b>

<b>26 Depreciation and Amortization expenses:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
Depreciation on Tangible Assets	4,682,581	5,369,061
Deferred Revenue Expenses written off		
Assets Discarded / Impairment		
Amortisation -Subsidiary	-	372,982
<b>Total depreciation and amortization expenses</b>	<b>4,682,581</b>	<b>5,742,044</b>

<b>27 Other expenses:</b>	<b>As At 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Sales &amp; Distribution expenses</b>		
Sales Promotion	2,793,405	3,432,979
Freight	360,602	68,763
Commission & Discount	1,097,198	2,811,937
Courier charges & Postage	60,428	880,736
Custom Clearance charges	-	47,919
	-	-
	<b>4,311,633</b>	<b>7,242,334</b>
<b>Administration &amp; Other Expenses</b>		
Sundry Expenses	167,439	111,519
Audit Fees	600,000	325,000
Books & Magazines	2,000	21,760
Conveyance charges	1,284,899	345,285
Donation	13,796	85,000
Electricity charges	2,701,515	2,454,382
Hire charges paid	555,000	600,000
Interest On Statutory Liabilities	2,556,734	
Penalty on GST	139,250	
Legal Exps	33,050	791,988
Maintenance charges	211,036	1,392,022
Misc Exps W/off IPO issue Exps	12,848,805	-
ROC & Listing fee	243,400	211,320
Office Exps	425,704	850,205
Petrol & Diesel Exps	800	1,090,835
Printing & Stationery Exps	322,409	424,568
Profession Fees Paid	2,329,560	1,255,118
Registration Exps	77,800	22,710
Rent for Shops	16,483,300	17,107,000
Repair & Maintenance	2,072,590	1,669,223
Security charges paid	598,507	1,001,762
Software Exps	75,492	203,000
Telephone & Internet Charges Paid	252,405	287,536
Tours & Travel	138,273	2,300,794
Admin Expenses - Subsidiary	7,706,346	889,672
	<b>51,840,109</b>	<b>33,440,699</b>
<b>Total other expenses</b>	<b>56,151,742</b>	<b>40,683,033</b>

28 Contingent Liabilities and commitments (to the extend not provided for)	As At 31-03-2020	As at 31-03-2019
--	---------------------	---------------------

**The Company has following ongoing litigation as at 31.03.2020**

**1. Employees State Insurance Corporation has filed Application ESI No. 28 of 2013 in the Hon'ble Employees Insurance Court.**

Case No. ESI No. 28 of 2013 filed in the Hon'ble Employees Insurance Court, Mumbai by ESIC for recovery of Rs. 7,84,838/- . Company got the recovery stayed through Hon'ble Employees Insurance Court. Employees State Insurance Corporation filed the case alleging that the stay orders are obtained by suppressing or misrepresenting the material facts to obtain orders and hence to award punishment in accordance with law. Application is at the stage of Evidence.

**2. ESI Cases filed against our Company.**

· Case No. 267/SW/2012 filed for non-payment of contribution for the period February 2007 to December 2011 of Rs. 11,59,373/-.

· Case No. 2512447/2012 filed for non-submission of Return of contribution from April 2006 to September 2011 in due dates i.e. within 42 days from the expiry of contribution period.

Both the cases were filed on October 10, 2012 in Sewree Court, Company has attending the case. The said cases are also pending in E.I. Court Bandra, Mumbai at final stage.

**3. Tax Proceeding involving the Company**

· Details of outstanding demand in respect of TDS: Amounting to Rs. 22,52,924/- since 2007 to March 2018

4 The Company has filed the Arbitration against G.S. Majestic Developers Pvt Ltd for Rs 6,98,95,800/- in the High Court **Mumbai** on 30.11.2017 and the case no ARBAPL/1007/2017, The High Court has been appointed Justice Rohan Savant for hearing, the case has been still pending.

29 Disclosure in respect of Lease
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**Operating Lease**

(a) Not later than 1 year	-	-
(b) Later than 1 year but not later than 5 years	-	-
(c) Later than 5 years	-	-

30 Related parties disclosure :	As At 31-03-2020	As at 31-03-2019
---------------------------------	---------------------	---------------------

**A) Relationships**

**1) Key Managerial Personnel**

Name	Designation
- NISHANT MITRASEN MAHIMTURA	Founder & CEO
- RIYAZ EQBAL GANJI	Whole Time Director
- RESHMA RIYAZ GANJI	Managing Director
- BASANT AGARWAL	CFO
- RAASHI SINGH	Company Secretary

**2) Relatives of Key Managerial Personnel and Entities over which significant influence is exercised by key management personnel or their relatives and with whom transactions have taken place in the ordinary course of business**

- LIBAS DESIGN LLC (Ajman, U.A.E) - Subsidiary
- Smriti Industries (Proprietary Concern of Director -Nishant Mahimtura)
- Suchitra Mahimtura (Admin Head - Spouse of Nishant Mahimtura)
- Pawan Mahimtura (Hire Charges - Son of Nishant Mahitura)
- Golden Bricks Infrastructure Private Limited (Director Interested)
- Reserve Wines Private Limited (Director Interested)
- See My Brand Private Limited.

B) <b>Related Parties Transactions</b>	As At 31-03-2020	As at 31-03-2019
<b>i) Remuneration Paid</b>		
RIYAZ EQBAL GANJI	1,980,000	2,400,000
RESHMA RIYAZ GANJI	1,980,000	2,400,000
NISHANT MITRASEN MAHIMTURA	700,000	600,000
GOVIND RAO	-	80,000
Raashi Singhi	236,985	77,756
	-	-
<b>ii) Salary Paid</b>		
Suchitra Mahimtura	450,000	550,000
	-	-
<b>iii) Expenses paid</b>		
Commission to Smriti Industries	690,000	1,380,000
Hire Charges (Pawan Mahimtura)	555,000	600,000
	-	-
<b>iv) Purchase from</b>		
See My Brand Private Limited.	63,868,774	-
	-	-
<b>v) Loan Given (Net of Received During the year)</b>		
Riyaz Gangji	1,357,570	-
Reshma Gangji	879,475	714,324
	-	-
<b>vi) Loan Taken (Net of Repaid During the year)</b>		
Riyaz Gangji	-	197,019
	-	-
<b>vii) Guarantee/Security provided by</b>		
Personal Guarantee of Directors for Loan taken by the Company	-	-
	-	-
<b>viii) Amount Receivable from related parties</b>		
RIYAZ EQBAL GANJI	3,808,205	2,450,635
RESHMA RIYAZ GANJI	5,035,898	4,156,422
Golden Bricks Infrastructure Pvt. Ltd.	6,010,257	1,204,130
Reserve Wines Pvt. Ltd.	-	10,000
Smriti Industries	297,702	424,983
LIBAS DESIGN LLC (Ajman, U.A.E) - Subsidiary	600,000	-
	-	-
<b>ix) Amount Payable to related parties</b>		
See My Brand Private Limited.	11,516,520	-

31 Expenses / Earnings in foreign currency:	As At 31-03-2020	As at 31-03-2019
Export	595,707	554,550

32 Foreign currency exposures:	As At 31-03-2020	As at 31-03-2019
(Amount in Foreign Currency )		
Foreign currency exposures that are not hedged as at 31st March:		
Total Receivables (USD)	-	-

33 Earnings per share :	As At 31-03-2020	As at 31-03-2019
Net Profit after tax for the year	1,808,169	35,431,137
- Net Profit attributable to Equity Shareholders	1,808,169	35,431,137
- Number of equity shares of Rs. 10/- each.	12,250,000	11,250,000
- Earnings per share - Basic	0.15	3.15
- Earnings per share -Diluted	0.15	3.15

34 Closing stock of Finished Goods is valued at net of GST

35 In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

36 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

37 Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

**For JAIN JAGAWAT KAMDAR & CO.**  
Chartered Accountants  
Firm Regn No. 122530W

Chandrashekhhar Jagawat  
Partner  
M. No. -116078

Place: Mumbai  
Date: August 5, 2020

**For Libas Designs Limited**

Reshma Ganji                      Riyaz Ganji  
Managing Director              Whole Time Director  
DIN 07576582                      DIN 02236203

Nishant Mahimtura              Nita Mishra  
Chairman                              Company Secretary  
DIN 02000572                      M No: A39489

Basant Agarwal  
Chief Financial Officer

**Form AOC-1**

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES AS PER COMPANIES ACT, 2013**

Sl. No.	1
Name of Subsidiary	Libas Designs FZE LLC
Country of Incorporation	Dubai
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
Reporting currency	AED
Exchange rate	20.53
Share capital	100,000
Reserves & surplus	3,338,881
Total Liabilities	281,328
Total assets	3,756,649
Investments	0
Turnover	1,836,781
Profit before taxation	(368,850)
Provision for taxation	0
Profit after taxation	(368,850)
Proposed Dividend	0
% of shareholding	100

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**PART B**

**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

There is no Associate or Joint Ventures company during the year.

**For Libas Designs Limited**

**Riyas Ganji**  
Wholetime Director  
(DIN: 02236203)

**Nishant Mahimtura**  
Chairman cum Director  
(DIN: 02000572)

**Basant Agarwal**  
Chief Financial Officer

**Nita Mishra**  
Company Secretary

**Mumbai**  
**September 4, 2020**

## ANNEXURE I

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

Rs. in Lacs

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures 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	<b>236,534,044</b>	<b>237,191,519</b>
7.	Net Worth	<b>319,396,347</b>	318,738,872
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 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 IndAs 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 05<sup>th</sup> 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 30<sup>th</sup> 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 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

IndAS in the Company can be avoided by taking timely decision. Other qualification are not material to the operation of the Company.

**III. Signatories:**

Riyaj Gangi  
Director  
DIN: 02236203



CFO

--SD--

Audit Committee Chairman

--SD--

Statutory Auditor

For JAIN JAGAWAT KAMDAR & CO.  
Chartered Accountants  
Firm Regn. No. 122530W

CA Chandrashekhar Jagawat  
Partner  
M.No:- 116078

**Place: Mumbai**  
**Date:05<sup>th</sup> August, 2020**

RIYAZ GANGJI  
LIBAS

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THANK YOU



RIYAZ GANGJI  
LIBAS

Libas Designs Limited  
CIN: L18101MH2004PLC149489  
Regd. Off: 401 Crescent Royale  
Morya Estate, off, Veera Desai Road,  
Mumbai 400-053, Maharashtra.  
Tel: 022 4976 7404 / 7396  
website: [www.libasdesignsllt.com](http://www.libasdesignsllt.com)  
Info@libas.co.in

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