

DIRECTORS' REPORT

To
The Members,
Libas Designs Limited,

Your Directors are pleased to present before you the 16th 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
Net Profit for the year	1,808,169.00	35,431,138

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.

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.

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 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. 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