

# 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.

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### 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>



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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