

RIYAZ GANGJI
LIBAS

LIBAS CONSUMER PRODUCTS LIMITED

Our Company was incorporated as “Libas Designs Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated November 10, 2004 issued by Registrar of Companies, Mumbai, Maharashtra bearing registration No.149489. Further our Company was converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion was issued on September 20, 2016 by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to “Libas Designs Limited”. The present name was changed on November 06, 2020. The Corporate Identification Number of Our Company is L18101MH2004PLC149489.

Registered Office: 401, 4th Floor, Crecent Royale, Off. New Link Road, Lokhandwala Complex, Andheri (West) Mumbai-400 058

Tel No: +91 22 4976 7404; **E-mail:** cs@libas.co.in; **Website:** www.libasdesignsltd.com

Contact Person: Ms. Nita Sunil Mishra, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY:

NISHANT MITRASÉN MAHIMTURA, RIYAZ GANGJI, SUCHITRA NISHANT MAHIMTURA, RESHMA GANGJI, SEETHARAM K SHETTY,
PUSHPALATHA S SHETTY

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY

THE ISSUE

ISSUE OF UP TO 88,20,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[•] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[•] PER RIGHTS EQUITY SHARE), FOR AN AMOUNT COLLECTIVELY NOT EXCEEDING ₹[•] LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 2 (TWO) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [•] (THE “ISSUE”).

WILFUL DEFAULTERS OR A FRAUDULENT BORROWER

Neither our Company, our Promoters nor our Directors’ are categorized as wilful defaulters or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrower issued by the Reserve Bank of India

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Investors are advised to refer to the “Risk Factors” on page 14 of this Draft Letter of Offer before making an investment in the Issue.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect

LISTING

The existing equity shares of our Company are listed on National Stock Exchange of India Limited (“NSE”). We have received “In-Principle” approval from NSE for listing the equity shares arising from the Issue vide letter dated [•].

LEAD MANAGER TO THE ISSUE



Sarthi Capital Advisors Private Limited
CIN: U65190DL2012PTC238100
401, 4th Floor, Manek Plaza, 167, Vidyanagari Marg,
Kalina, Santacruz (E), Mumbai – 400 098
Tel No.: +91 22 2652 8671/ 72
Email Id: compliance@sarthiwm.in
Website: www.sarthiwm.in
Contact Person: Mr. Taher Engineer
SEBI Registration No.: INM000012011

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited
CIN: U99999MH1994PTC076534
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana
Road, Marol Naka, Andheri (E), Mumbai-400 059
Tel. No.: +91 22 6263 8200
Email: rightsissue@bigshareonline.com
Investor Grievance E-Mail: investor@bigshareonline.com
Contact Person: Mr. Vijay Surana
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSING DATE#
[•]	[•]	[•]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “Libas Consumer Products Limited”, “Libas”, the/our “Company”, “we”, “our”, “us” or similar terms are to Libas Consumer Products Limited or, as the context requires, and references to “you” are to the equity shareholders and/ or prospective investors in the Equity Shares.

Conventional or General Terms

Term	Description
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended from time to time
“ Libas Consumer Products Limited ”, or “ Libas ”, or “ Company ”, or “ Our Company ” or “ we ”, “ us ”, or “ our ” and the “ Issuer Company ”.	Libas Consumer Products Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
“We” or “us” or “our”	Unless the context otherwise indicates or implies, refers to Libas Consumer Products Limited
₹/Rs./Rupees /INR	Indian Rupees
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
Board of Directors	Board of Directors of our Company
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended
Depositories Act	The Depositories Act, 1996 and amendments thereto
DP or Depository Participant	Depository Participant as defined under the Depositories Act
Eligible Shareholder(s) or “Eligible Equity Shareholder(s)”	Eligible holder(s) of the equity shares of Libas Consumer Products Limited as on the Record Date
EPS	Earnings Per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standards) Rules 2015, as amended
NAV	Net Asset Value per share.
NEFT	National Electronic Fund Transfer
NR/Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non-resident external account
NRI	Non-resident Indian
OCB	Overseas Corporate Body
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SAST Regulations, 2011/ Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Stock Exchange	National Stock Exchange of India Limited (“NSE”)

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged Letter of Offer to be sent to the Equity Shareholders as on the Record date with respect to this Issue in accordance with SEBI Regulations
Allotment	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Persons to whom Equity Shares are issued pursuant to the Issue
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application, in respect of the Rights Equity Shares applied for in this Issue
ASBA/ Application Supported by Blocked Amount.	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate amount in relation to an application by an ASBA Investor
ASBA/Investor/ASBA applicant	An investor (Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
Banker(s) to the Issue/ Public Issue Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case, being [•]
Controlling Branch of SCBs	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited (“NSE”)
Draft Letter of Offer/DLoF	This Draft Letter of Offer dated August 25, 2022
Equity Share(s) or Share(s)	Equity shares of our Company having a face value of ₹10.00 each unless otherwise specified in the context thereof
Equity Shareholder/Shareholder	Means a holder of Equity Shares of our Company

Term	Description
Financial Year/ Fiscal/Fiscal Year/ FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
Issue/ Rights Issue	Issue of up to 88,20,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹[•] per Rights Equity Share aggregating up to ₹[•] lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Share for every 2 (Two) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [•].
Investor(s)	Equity Shareholders as on Record Date and/or Renounees applying in the Issue.
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Price	₹[•] for Rights Securities issued in one Rights Entitlement, (i.e. ₹[•] per Rights Equity Share, including a premium of ₹[•] per Rights Equity Share).
Issue Proceeds	The proceeds of the Issue that are available to our Company
Issue Size	The issue of 88,20,000 Equity Shares for an amount aggregating up to ₹[•] Lakhs.
Letter of Offer	The final Letter of Offer to be filed with the Stock Exchange after incorporating the observations received from the Stock Exchange on the Draft Letter of Offer
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [•]
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws
Non-Institutional Investors	All Investors including sub-accounts of FIIs/ FPIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for a cumulative amount more than ₹2.00 Lakhs
Promoters	The Promoters of our Company, being Nishant Mitrasen Mahimtura, Riyaz Ganji, Suchitra Nishant Mahimtura, Reshma Ganji, Seetharam K Shetty, Pushpalatha S Shetty
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group in accordance with the SEBI Regulations and which are disclosed by our Company to the Stock Exchange from time to time
Offer Document	Means Letter of Offer/ Abridged Letter of Offer
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations, 2018.
Record Date	[•]
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar to the Issue	Bigshare Services Private Limited
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount not more than ₹2.00 lakhs (including HUFs applying through their Karta)

Term	Description
Rights Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date
Rights Securities	Rights Equity Shares
SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Industry Related Terms

Term	Description
CSO	Central Statistical Organization
IIP	Index of Industrial Production
Ktpa	Kilo-Tonnes per Annum
Mtrs.	Meters
NIFD	National Institute of Fashion Design
NCS	National Chain Store
NTP, 2000	National Textile Policy, 2000 issued by the Ministry of Textiles, Government of India
Pcs	Pieces
RTS	Ready to Stitch
RTW	Ready to Wear
Sq. Mtrs.	Square Meters
TPA	Tonnes Per Annum
TPM	Tonnes Per Month
WTO	World Trade Organization

Abbreviations

Term	Description
ADR	American Depository Receipt
Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies' law or of this Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAF	Common Application Form
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number

Term	Description
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
COVID- 19	Novel Coronavirus, 2019
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DR	Depository Receipts
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FPIs	Foreign Portfolio Investors
F. Y	Financial Year
GDR	Global Depository Receipt
GNPA	Gross Net Performing Assets
GOI	Government of India.
GST	Goods & Service Tax
HUF	Hindu Undivided Family
ICDR Regulations/ Regulations/ Regulations	SEBI (ICDR) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Ind AS	Indian Accounting Standards
Indian GAAP/I-GAAP	Generally accepted accounting principles in India.
ISIN	International Securities Identification Number
IT	Information Technology
INR	Indian National Rupee
JV	Joint venture
Ltd.	Limited
MCLR	Marginal Cost of Funds based Lending Rate
NR	Non Resident
NSDL	National Securities Depository Limited.
Pvt.	Private
PBT	Profit Before Tax
SEBI	Securities and Exchange Board of India
SEBI Rights Issue circular	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
STT	Securities Transaction Tax

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. Further, this Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Securities may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Securities and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Securities or the Rights Entitlements referred to this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter.

Neither the Company nor the Lead Manager is making any representation to any person regarding the legality of an investment in the Rights Entitlements or the Rights Securities by such person under any investment or any other laws or regulations. No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Securities offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Securities in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to

make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Securities will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “Other Regulatory and Statutory Disclosures” on page 77.

Neither the delivery of this Draft Letter of Offer nor any sale of Rights Securities hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Securities or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Securities or Rights Entitlements. In addition, neither our Company nor the Lead Managers nor any of its affiliates is making any representation to any offeree or purchaser of the Rights Securities regarding the legality of an investment in the Rights Securities by such offeree or purchaser under any applicable laws or regulations.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND RIGHT SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (**THE “US SECURITIES ACT”**), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (**THE “UNITED STATES” OR “U.S.”**), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS SECURITIES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT (**“REGULATION S”**). THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America when the buy order is made. Envelopes containing an Application Form should not be post marked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Securities or the Rights Entitlements, it will not be, in the United States of America when the buy order is made and (ii) it is authorized to acquire the Rights Entitlement and the Rights Securities in compliance with all applicable law, rules and regulations. Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Securities in respect of any such Application Form.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to Libas Consumer Products Limited”, “Libas”, the/our “Company”, “we”, “our”, “us” or similar terms are to Libas Consumer Products Limited or, as the context requires, and references to “you” are to the equity shareholders and/ or prospective investors in the Equity Shares.

Financial Data

Unless stated otherwise, the financial data included in this Draft Letter of Offer have been prepared in accordance with the applicable provisions of the Companies Act and Indian Accounting Standard (IND AS).

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months’ period ended 31st March of that year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “*Risk Factors*” on page 14 of this Draft Letter of Offer have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency of Presentation

In this Draft Letter of Offer, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

FORWARD-LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Extent to which the COVID affects our business and operations in the future;
- we may be unable to adequately protect our trademarks;
- ability to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner;
- Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability;
- Errors in the research disseminated or advice provided by us;
- Significant competition in our businesses may limit our growth and prospects;
- Dependence on a number of key management personnel and senior management personnel;
- Our risk management and internal controls, as well as the risk management tools available to us, may not be adequate
- Our ability to carry on diversified business activities under one name;
- Fluctuations in other operating costs;
- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;

- Other factors beyond our control;
- Our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” on page 14 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Draft Letter of Offer. Neither we, our Directors, Manager to the Offer nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange requirements, Our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission.

SECTION II-DRAFT LETTER OF OFFER SUMMARY

Summary of Business

Libas Consumer Products Limited (“**Libas**”) is engaged in the Business of designing, marketing and retail of ethnic wear through ready wear and through customization, where customers can choose the colors, fabrics and designs and make changes as per their need. We 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 the client. Apart from retail sales, we also undertake wholesale business where we provide the designs to other labels. We also give complete solutions to corporates regarding their dressing needs and designing. The Company has 9 (Nine) stores in India and 1 (One) Store in Dubai for sale of Apparels.

The Company markets its product under the brand name of “**RIYAZ GANGJI LIBAS**” and it is a well-established fashion designer brand name in Mumbai. Apparently the Company has also started Manufacturing of Innerwear in the Brand Name “KNG” and Rock Salt under the brand name “Gangji”.

Objects of the Issue:

The issue proceeds are to be utilized for financing the following objects of the Company:

- 1) Working Capital Requirement
- 2) Marketing for innerwear brand “KNG”

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue [#]	[•]
Less: Estimated Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

[#]Assuming full subscription and allotment

Subscription to the issue by our Promoter and Promoter Group

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favor by any other Promoter or member(s) of the Promoter Group of our Company. Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI (SAST) Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Financial Information:

Particulars	(₹ in lakhs)	
	Standalone FY 2021-22	Consolidated FY 2021-22
Share Capital	1,764.00	1,764.00
Net worth	3,256.38	4,640.42
Total Income*	4,632.44	8,518.96
Profit after tax	255.74	874.32
Basic EPS (in ₹)	1.45	5.18
Diluted EPS (in ₹)	1.45	5.18

Particulars	Standalone FY 2021-22	Consolidated FY 2021-22
Net Asset Value per share (in ₹)	18.46	26.31
Total borrowings	968.28	968.28

*Revenue from Operations

Auditor Qualification:

No reservations, qualifications and adverse remarks have been made by our Auditors in their reports which have not been given effect to in the Financial Statements for Fiscals 2021-22.

Outstanding Litigation:

For details, please refer to chapter titled ‘*Outstanding Litigations and Material Developments*’ on page 74 of this Draft Letter of Offer.

Risk Factors:

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “*Risk Factors*” on page 14 of this Draft Letter of Offer.

Related Party Transactions:

For details of the related party transactions, as reported in the Financial Statements, see “*Financial Statements*” on page 63 of this Draft Letter of Offer.

Financial Arrangements:

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of the Draft Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the last one (1) year immediately preceding the date of filing the Draft Letter of Offer.

SECTION III-RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates in India, our Company or our Equity Shares. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Issue.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.

In this section, unless the context otherwise requires, a reference to “our Company” or to “we”, “us” and “our” refers to Libas Consumer Products Limited and our Subsidiaries on a consolidated basis.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in “Forward Looking Statements” on page 10 of this Draft Letter of Offer. To obtain a better understanding of our business, you should read this section in conjunction with the section titled “Financial Statements” on page 63, together with all other financial information contained in this Draft Letter of Offer.

INTERNAL RISK FACTORS

Business Related Risks

- 1) 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.

- 2) We have high working capital requirements. Our inability to meet our working capital requirements may have a material adverse effect on our business, financial condition and results of operations.**

Our business requires a significant amount of working capital for smooth functioning. We meet our requirement for working capital majorly through banking facilities or fresh infusion of funds by way of issue of shares or internal accruals. In future, our inability, if any to meet our working capital requirements through banking arrangements or otherwise can adversely impact our business operations and financial position.

- 3) There are certain outstanding litigations involving our Company, our Promoter, our Directors and our Group Entities and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.**

A Summary of material outstanding legal proceedings involving our Company and our Subsidiaries as on date of this Draft Letter of Offer, including the approximate amount involved to the extent ascertainable, is set out below:

Sr. No.	Types of Proceedings	No. of Cases	Amount to the extent quantifiable (in Lakhs)
LITIGATIONS INVOLVING OUR COMPANY			
Litigation matters against our Company			
1)	Tax matters	6	211.62
Litigation matters filed by our Company			
1)	Civil matters	3	164.09
Litigation involving our Promoter			
1)	Civil Matter	3	11.59
2)	Criminal Matter	-	-
Litigation Involving our Subsidiaries			
	Nil	-	-

4) In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration and commission paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on pages 34 and 61, respectively, of this Draft Letter of Offer.

5) Our success depends largely upon the services of our Promoters and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.

Our Company and our Promoters have built relations with suppliers, clients and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company’s performance is dependent upon the services of our Promoters and other Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. Demand for key managerial personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

6) We do not own some of our Offices/Showroom/Fabrication Units from which we operate are not owned by our Company.

Some of our Offices/Showrooms/Fabrication Units from which we operate are not owned by us. They are owned by our promoters and directors, their relatives and others. Our Company has obtained No Objection Certificate dated April 01, 2019 from the promoters and directors for using the said premises for a period of 5 years. We cannot assure you that we will own, or have the right to occupy, this premises in future, or that we will be able to continue with the uninterrupted use of this premise, which may impair our operations and adversely affect our financial condition.

7) We intend to utilize a portion of the Net Proceeds for marketing of our new Innerwear Brand “KNG”.

We intend to utilize part of the Net Proceeds for marketing of our new Innerwear Brand “KNG”. Our Company has apparently started manufacturing of the Innerwear as a part of growth and expansion. The raw material used for manufacturing of Innerwear is “Bamboo Fabric”. In order to penetrate the market, our Company will incur marketing costs for the launch of the Innerwear Brand “KNG”. There are chances that the product may fail to get appropriate response from the market and our Company can face loss in the market. This may also affect the sales and profitability of the Company.

8) We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We consider our brand and intellectual property to be one of our most valuable assets and we believe the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand,



promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. Our business is dependent upon successfully protecting our intellectual property, including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully registered several trademarks including the word mark 'Riyaz Gangji' and its variations and formatives including its various logo marks such as we do not have any control over the registration of a trademark and a pending mark may not be granted registration for various reasons including being descriptive, non-distinctive or similar to a prior trademark.

Furthermore, a pending trademark may also be opposed by third parties that claim to have similar marks. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for our Company and could also impact our reputation. A party could also proceed against a registered trademark and request for its cancellation on various grounds which include bad faith use and non-use for a period of five years from grant of registration.

While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. In past we have also applied for Trademarks which are either accepted or objected by parties.

9) Our Company does not have any long-term contracts/agreements with customers/suppliers, which may adversely affect our results of operations

We do not have any long-term supply agreements or commitments in relation to the supply of raw material. There can be no assurance that there will not be a significant disruption in the supply of raw material from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of goods of comparable quality on terms acceptable to us, or at all. Consequently, these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long term contracts/agreements with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business.

10) We materially rely on a single geographical market for our sales and any adverse economic, social and/or political conditions affecting the market may materially and adversely affect our business

As on date, the revenue generation of our Company are materially based in the Mumbai. For each of the two years ended March 31, 2021 and March 31, 2020 and period ended December 31, 2021, around 90.00% of our Company's revenue was derived from sales to customers in the Mumbai, Maharashtra. Our production facility is also located in the Mumbai, Maharashtra. Our business operations and the demand for our products are therefore

exposed to any deterioration in the economic, social and/or political conditions as well as changes in the relevant government policies in the state of Maharashtra. In the event of any adverse changes in the economic and social conditions or government policies in the state of Maharashtra, our financial position and performance may be materially and adversely affected if we are unable to divert our business to other regions.

11) We are subject to stringent labour laws or other industry standards and any strike, work stoppage, Lock-out or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.

Our manufacturing activities are labor-intensive. We are subject to a number of stringent labour laws that protect the interests of our workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers. While we have not experienced significant labour unrest in the past, strikes, lock-outs and other labour action but such may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations. We cannot guarantee that we will not experience any strike, work stoppage, lock out or increased wage or other industrial action in the future and any such event could adversely affect our business, results of operation and financial condition.

12) We sell our products under our brand name “RIYAZ GAGJI LIBAS”. If we are unable to maintain quality, our brand building exercise may be adversely affected. Any deterioration in the reputation and market perception of our brand may have an adverse effect on our sales, profitability and the implementation of our growth strategy.

We believe that the recognition and reputation of our brand “RIYAZ GAGJI LIBAS” among customer has contributed significantly to the growth and success of our business. The ability to differentiate our brand and our products from our competitors through our branding is an important factor in attracting customers. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our customer base, which could have a material adverse effect on our business and prospects.

13) Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition, goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

14) We do not generally enter into agreements with our suppliers for supply of material accordingly may face disruptions in supply from our current suppliers.

We do not have any long-term agreement or contract for the supply of material. We are dependent on our suppliers for our materials requirements. However, we do not have any long-term supply agreements or commitments in relation to the same or for any other materials used in our fabrication process. Any interruptions in the manufacturing operations of the suppliers could affect our ability to receive an adequate supply of quality products at reasonable prices. Additionally, any price volatility of these materials and our inability to adjust to the same could adversely affect our results of operations and profitability. Further any deterioration in the quality of the material procured could adversely affect our results of operations and profitability.

15) We could become liable to our customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand and our sales could be diminished if we are associated with negative publicity.

Also, our Business is dependent on the trust of our customer have in quality of our products. Any negative publicity regarding our company, brand or products, including those arising from drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

16) Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 36 of this Draft Letter of Offer, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.

We intend to use our Issue Proceeds towards meeting the working capital requirement and Marketing for innerwear Brand “KNG. We intend to deploy the Net Issue Proceeds in financial year 2022-23 and next years and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 36 of this Draft Letter of Offer. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 36 of this Draft Letter of Offer, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

17) Our business is subject to our inability to forecast the trends and consumer preferences or demands in the forthcoming seasons may contribute to fluctuations in our results of operations and financial condition.

We offer products at our retail formats that our consumers require and our success is dependent on our ability to meet our consumers’ requirements. We plan our products based on the forecast of consumer buying patterns as well as on the forecast of fashion and trends in the forthcoming seasons. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory. Consumer preferences are susceptible to change with change in fashion and trends, and their service level expectations too can change from time to time.

18) Our cost of fabrication is exposed to fluctuations in the prices of material.

Our Company is dependent on third party suppliers for procuring the materials. We are exposed to fluctuations in the prices of the materials as well as its unavailability, particularly as we do not enter into any long-term supply agreements with our suppliers and our major requirement is met in spot market. We also face the risk associated with compensating for or passing on such increase in our cost on account of such fluctuations in the prices of our customers. Upward fluctuations in the prices of materials may thereby affect our margin and profitability, resulting in material adverse effect on our business, financial condition and results of operations. Though we enjoy favorable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost effective manner would cause delays in our production cycle and delivery schedules, which may result in the loss of our customers and revenues.

19) Our indebtedness and the restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.

As of period March 31, 2021, we had total outstanding borrowings of ₹1,790.84 Lakhs. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing arrangements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives.

20) We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

21) Current locations of our Exclusive Brand Outlets (EBO) may become unattractive, and suitable new locations may not be available for a reasonable price, if at all

The success of any EBO depends in part on its location. We cannot assure you that current locations of our EBOs will continue to be attractive or profitable as demographic patterns change, or as leases are renewed/extended on terms less favourable to us. Neighbourhood or economic conditions where EBOs are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighbourhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event real estate prices increase or if we are unable to renew lease agreements for our existing stores on terms favourable to us, such store locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such EBOs.

22) We have incurred losses in Fiscal 2021. In the event we incur net loss in the future, our business and financial condition may be adversely affected.

We reported a loss before tax of 165.04 lakhs in Fiscal 2021. Our losses in Fiscal 2021 were primarily on account of the impact of COVID-19 on our operations. Increases in our costs, expenses and investments may reduce our margins and materially adversely affect our business, financial condition and results of operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

23) Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition.

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by job workers on the basis of our internal quality standards. However, we cannot assure you that our job workers will always adhere to such standards and that our quality control processes will not fail or the quality tests and inspections conducted by will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. We have, from time to time, exchanged products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products or we may be required to recall or exchange such products at an additional cost. Such incidents may impact our reputation,

which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by various entities including customers, EBOs, etc., for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims

24) Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows

Some of our competitors may be larger than us or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Competitors that offer an entire range of varied clothing may also have greater reach and sales, may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Certain regional and national competitors have rapidly expanded value fashion formats in untapped new markets. Since these towns are experiencing quality retail for the first time, the nature of these retail offerings might commoditize trends in the apparel industry for the customers. As a result, we will need to create brands and propositions that provide access to high value products but also create a customer connect to our brand identity.

25) The growth of online retailers and current trends of discounting and pricing strategies may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition.

In recent years, India has witnessed the emergence and growth of online retailers and the market penetration of online retail in India is likely to continue to increase. This has led to current trends of discounting and deep price competition amongst e-commerce players. Online retailers sell multiple brands on their platforms, providing customers the ability to compare products and prices across brands. While we believe this provides us with an opportunity to increase the visibility of our brand, it also increases the negotiating position of such online retailers. We cannot assure you that we will always be able to negotiate agreements on favourable terms or at all, with such online retailers, particularly in relation to pricing or credit terms. If our customers perceive that prices of our products are not in line with the quality of our products, our sales may be directly impacted. We may not always be able to offer our products at prices which represent value for money. Further, some of our competitors may be able to negotiate better or more favourable terms with such online retailers as they enjoy pricing advantages due to large scale operations and multiple distribution channels. Any inability on our part to enter into agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

26) Our Promoters has given guarantees in relation to certain debt facilities provided to us, which if revoked may require alternative guarantees, repayment of amount due or termination of the facilities.

Our promoters have given personal guarantee and collateral security in respect of loan availed by us. As on date, Mr. Riyaz Ganji, Mrs Reshma Ganji and Mr. Nishant Mahimtura have provided personal guarantee of ₹15.20 crores to Union Bank of India for a Cash Credit availed by our Company. In the event that any of these guarantees/collaterals are revoked, the lender for such facilities may require alternate guarantees, repayments of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could significantly affect our financial condition and cash flows.

27) We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest

We have entered into certain transactions with related parties, our Directors and our Key Managerial Personnel and their relatives and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions of financials of the Company,

beginning on page 63 of this Draft Letter of Offer. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

28) The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our finances.

29) Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business.

30) We could become liable to our customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand and our sales could be diminished if we are associated with negative publicity.

Also, our Business is dependent on the trust of our customer have in quality of our products. Any negative publicity regarding our company, brand or products, including those arising from drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

31) Our Company does business with customers on Purchase Order basis and do not enter into any agreement with our customer and we not have fixed customer base. There can be no assurance that we may get repeat order flows from our customers

We are primarily into fashion industry and our business model is such that our sales are in the spot market and we do not enter into any long term or fixed contracts with our customers. Further, at present we sell through online portals and supplies products to retail customers. The online e-retailors also order our products after evaluating the demand of our products. There can be no assurance that we shall get repeat order flow from our customers. While we believe that our brand is well known in the market and our qualitative supply at competitive prices shall ensure that we get sufficient orders, there can be no assurance that we shall be able to create sufficient demand for our products. Any contraction in our customer base or lack of order may adversely affect our revenue from operations and consequently our profitability.

32) We may suffer loss of income, if our products/designs are duplicated by our competitors

As our industry is fashion oriented, there is constant need for updating and innovation. Hence, designs in our industry change on a frequent basis. Our success highly depends upon the adaptability of the designs as per the latest trends and the acceptance of the product in the market. If any of our designs hits the market and receives over whelming response, our competitors may tend to copy our design to increase their market share and revenues and take due advantage; thus hampering market. Since our design is not registered, we may not be able to claim our rights over it and could suffer loss of income thereby affecting our operations and our results of operations.

33) Our Promoters, together with our Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant control over us. We cannot assure you that our Promoters and Promoter Group will always act in the best interests of the Company or you.

The majority of our issued and outstanding Equity Shares are currently beneficially owned by the Promoters and the Promoter Group. Upon completion of the Offer, the Promoters and Promoter Group will own [•] Equity Shares, representing [•] % of our post-Offer Equity Share capital, assuming full subscription of the Offer. Accordingly, the Promoters and the Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders 'approval, including the composition of the Board of Directors, the adoption of amendments to our constitutional documents, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters and Promoter Group as the Company's controlling shareholders could conflict with the Company's interests or the interests of its other shareholders. We cannot assure that the Promoters and Promoter Group will act to resolve any conflicts of interest in the Company's or your favor.

34) We constantly face a credit risk which may in turn affect our complete buying cycle adversely

Our Business is working capital intensive as we purchase fabrics from the manufacturers in bulk and then as per requirement of the Customers we fabricate these fabrics into apparels. In order to maintain trading relations and manage competition, we provide long / short term credit facilities to our customers. Our Debtors receivable period on an average is 134 days for the year ended March 31, 2022. Our aforementioned buying cycle is heavily dependent on timely payments being received from our customers. If there is a default in payment from any of our customers or there is any unforeseeable delay in payment, our working capital cycle will be adversely affected. This may lead to our inability to maintain our working capital and thus lack the competitive advantage against various other traders leading to an adverse effect on our business operations and profitability.

35) We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.

We currently avail credit facilities from Union Bank of India. We have entered into agreements for term loans and financial facilities with our banker / lenders and the covenants in borrowings from bank / lenders, among other things require us to obtain permissions in writing in respect of, including, but not limited to effecting any change in the management/Board of the Company, capital structure, Company should not divert funds to sister concern/associate concern, no inter-transfer of funds within the group, except for genuine trade transactions. These covenants may have an adverse effect on the functioning of our Company.

Issue Specific Risks

36) SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021 and May 19, 2022 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution,

carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and May 19, 2022 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 81 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

37) Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form ("**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

38) The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

39) Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

40) No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the trading price of the Equity Shares may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements.

41) The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

42) Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Securities to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

43) Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor’s demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor’s demat account or that trading in the Equity Shares will commence in a timely manner.

44) There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares

The price at which the Equity Shares will trade after this Issue will be determined by the market place and may be influenced by many factors, including:

- Our financial results and the financial results of the other companies in the similar lines of businesses;
- The history of, and the prospects for, our business and the sectors in which we compete;
- The valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

45) Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

46) Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements

Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements and capital expenditures. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

47) There are restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily 'circuit breaker' imposed by the Stock Exchanges, which may not allow transactions beyond specified increases or decreases in the price of our Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of our Equity Shares.

This circuit breaker will limit the upward and downward movements in the price of our Equity Shares during the day. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

48) Any future issuance of Equity Shares may dilute the investor's shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

EXTERNAL RISK FACTORS

49) Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

50) We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of Investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

51) Rights of shareholders under Indian laws may be more limited than the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

52) Terrorist attacks, civil unrests and other acts of violence in India and around in the world could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, financial condition and cash flows.

Terrorist attacks, civil unrests and other acts of violence or war in India and around in the world may adversely affect the worldwide financial markets and result in a loss of client's confidence and ultimately adversely affect our business, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares.

53) Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favorable terms or at all.

54) Natural disasters and health epidemics could have a negative impact on the Indian economy, damage our facilities and also destroy the outlook of our Company.

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our intangible assets and the loss of business continuity. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, cash flows, financial condition and results of operations.

55) Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

56) Significant differences exist between IndAS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Draft Letter of Offer.

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information and is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

57) Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- The General Anti Avoidance Rules ("GAAR") have been made effective from April 01, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 01, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

58) We and our Investors resident outside India are subject to foreign investment restrictions under Indian law which may adversely affect our Company's operations and its ability to freely sell the Rights Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. Also, under the foreign exchange regulations currently in force in India, transfers of shares

between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

SECTION IV – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on February 12, 2022 pursuant to section 62 of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 81 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	1,76,40,000 Equity Shares
Rights Equity Shares being offered by our Company*	88,20,000
Rights Entitlement	1 (One) Rights Equity Share for every 2 (Two) Equity Shares held on the Record Date for every Rights Equity Share allotted.
Record Date	[•]
Face Value per Equity Share	₹10.00 each
Issue Price per Equity Share	₹[•] per Rights Equity Share
Issue Size	Up to ₹[•] Lakhs
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,64,60,000 Equity Shares
Terms of the Issue	Please see “Terms of the Issue” on page 81 of this Draft Letter of Offer.
Use of Issue Proceeds	Please see “Objects of the Issue” on page 36 of this Draft Letter of Offer.

*Assuming full subscription in the Issue

Note: For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 (Two) Equity Shares or is not in multiples of 2 (Two), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

Issue Schedule:

Issue Opening Date	[•]
Last Date for On Market Renunciation of Rights	[•]
Issue Closing Date	[•]

GENERAL INFORMATION

Our Company was incorporated as “Libas Designs Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated November 10, 2004 issued by Registrar of Companies, Mumbai, Maharashtra bearing registration No. 149489. Further our Company was converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion was issued on September 20, 2016 by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to “Libas Designs Limited”. The present name was changed on November 06, 2020. The Corporate Identification Number of Our Company is L18101MH2004PLC149489.

Registered Office of the Company

Libas Consumer Products Limited

CIN: L18101MH2004PLC149489

401, 4th Floor, Crecent Royale, Off. New Link Road,
Lokhanwala Complex, Andheri (West) Mumbai-400 053

Tel No.: +91 22 4976 7404/4976 7396

E-mail: cs@libas.co.in

Website: www.libasdesignsltd.com

Registrar of Companies

The Registrar of Companies, Maharashtra

Registrar of Companies, 100, Everest, Marine Drive,
Mumbai- 400002, Maharashtra

Board of Directors

The following table sets out the current details regarding our Board of Directors as on the date of filing of this Draft Letter of Offer:

Name	DIN	Address	Designation
Mr. Nishant Mahimtura Mitrasen	02000572	4-B, Chandan Building, 62B, Peddar Road, Mumbai – 400 026.	CFO & Director
Mr. Riyaz Eqbal Ahmed Ganji	02236203	1103/1203 Duplex Height, Yamuna Nagar, Andheri (W), Mumbai-400053	Whole-Time Director
Reshma Riyaz Ganji	07576582	1103/1203 Duplex Height, Yamuna Nagar, Andheri (W), Mumbai-400053	Managing Director
Mr. Vivek Padmanabh Kamath	07239860	201 Shubhkamana, T H Kataria Road, Mahim, Mumbai-400 016	Independent Director
Mr. Ashish Anil Dubey	08766592	B/1, Flat No 403, Sahyadri Apt CHS, Pimpri Pada, Gokuldham, Malad (E), Mumbai-400097	Independent Director
Mr. Rishi Rajnikant Sharma	09453515	B-32, Wild Wood Park, Yari Road, Versova, Andheri (W), Mumbai-400061	Independent Director

For further details of our Directors, please refer titled “Our Management” beginning on page 61 of this Draft Letter of Offer.

Company Secretary & Compliance Officer

Ms. Nita Sunil Mishra

Libas Consumer Products Limited

401, 4th Floor, Crecent Royale, Off. New Link Road,
Lokhanwala Complex, Andheri (West) Mumbai-400 053

Tel No.: +91 22 4976 7404/4976 7396

E-mail: cs@libas.co.in

Website: www.libasdesignsltd.com

Chief Financial Officer

Ms. Nishant Mitrasen Mahimtura

Libas Consumer Products Limited

401, 4th Floor, Crecent Royale, Off. New Link Road,
Lokhanwala Complex, Andheri (West) Mumbai-400 053

Tel No.: +91 22 4976 7404/4976 7396

E-mail: info@libas.co.in

Website: www.libasdesignsltd.com

Key Intermediaries to the Issue

Lead Manager to the Issue	Registrar and Share Transfer Agent
Sarathi Capital Advisors Private Limited CIN: U65190DL2012PTC238100 401, 4 th Floor, Manek Plaza, 167, Vidyanagari Marg, Kalina, Santacruz (E), Mumbai – 400 098 Tel No.: +91 22 2652 8671/ 72 Email Id: compliance@sarthiwm.in Website: www.sarthiwm.in Contact Person: Mr. Deepak Sharma SEBI Registration No.: INM000012011	Bigshare Services Private Limited CIN: U99999MH1994PTC076534 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059 Tel. No.: +91 22 6263 8200 Email: rightsissue@bigshareonline.com Investor Grievance E-Mail: investor@bigshareonline.com Contact Person: Mr. Vijay Surana Website: www.bigshareonline.com SEBI Registration No.: INR000001385
Statutory Auditor	Legal Advisor to the Issue
Jain Jagawat Kamdar & Co. Chartered Accountants 301-302, Poonam Pearl, Juhu Lane, Andheri (W), Mumbai-400058 Tel. No.: +91 22 2620 3021 Contact Person: Mr. Chandra Shekhar Jagawat E-mail: jjk@jjkandco.com	Kanojiya & Associates Advocate High Court 59/60, Ultimate Business Centre 111-A, M.G. Road, Ground Floor, Opp. Bombay University, Fort, Mumbai-400023 Contact No.: +91 9082177973 Contact Person: Yogita Munna Kanojiya Advocate Reg. No.: MAH/3849/2021 Email: kanojiyay12@gmail.com
Banker to the Issue	
[•]	

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

For further details on the ASBA process, please refer to details given in ASBA form and also see “Terms of the Issue” on page 81 of this Draft Letter of Offer.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked , ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” beginning on page 81.

Inter-se Allocation of Responsibilities

The Company has appointed Sarthi Capital Advisors Private Limited as the sole Lead Manager to the Issue and hence there is no inter-se allocation of responsibilities.

Credit Rating

This being an issue of Right Issue of Equity shares, credit rating is not required.

Monitoring Agency

As per Regulation 41(1) SEBI (ICDR) Regulations, 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹10,000 Lakhs. Since the Issue size is below ₹10,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Agency

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Expert Opinion

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the Draft Letter of Offer, our Company has not obtained any expert opinions.

Underwriting

This Issue of Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Debenture Trustee

Since this is not a Debenture issue, appointment of debenture trustee is not required.

Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will, subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Filing

SEBI vide its Amendment regulations i.e. SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, has granted certain relaxations with respect to rights issues under the SEBI ICDR

Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten Crores to Fifty Crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchanges and will not be filed with SEBI.

CAPITAL STRUCTURE

The Issue has been authorized by way of a resolution passed by our Board on February 12, 2022 pursuant to section 62 of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” on page 81 of this Draft Letter of Offer.

(₹ in Lakhs except per share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Share Capital		
2,80,00,000 Equity Shares of ₹10.00 each	2,800.00	-
Issued, subscribed and paid-up capital before the Issue		
1,76,40,000 Equity Shares of ₹10.00 each	1,764.00	-
Present Issue in terms of this Draft Letter of Offer⁽²⁾		
88,20,000 Equity Shares issued on Rights Basis, each at a premium of ₹[•] Equity Share i.e. at a Price of ₹[•] per Rights Equity Share	882.00	[•]
Issued, subscribed and paid-up capital after the Issue^{(1) (2)}		
2,64,60,000 Equity Shares of ₹10.00 each	264.60	-
Securities Premium Account		
Before the Issue		Nil
After all the Issue		[•]*

(1) The Issue has been authorized by our Board through resolution dated February 12, 2022.

(2) Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.

* Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

Notes to the Capital Structure

- 1) As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares.
- 2) Our Company does not have a stock option scheme.
- 3) Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations
 - a) The shareholding pattern of our Company, as on June 30, 2022, can be accessed on the website of the NSE [here](#).
 - b) The statement showing holding of Equity Shares of persons belonging to the category "Promoters and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2022, can be accessed on the website of the NSE [here](#).
 - c) The statement showing holding of securities of persons belonging to the category "Public" including Equity Shareholders holding more than 1.00% of the total number of Equity Shares as on June 30, 2022, can be accessed on the website of the NSE [here](#).
- 4) No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

- 5) The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer.
- 6) At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 7) As on the date of this Draft Letter of Offer, our company has not issued any SR equity shares and there are no outstanding equity shares having special voting rights.
- 8) There has been no acquisition of specified securities by the Promoter and Promoter Group in the last 1 (One) year immediately preceding the date of filing of this Draft Letter of Offer.
- 9) The ex-rights price arrived in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the SAST Regulations, 2011 in connection with the Issue is ₹[•].
- 10) No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in the rights issue, except for fees or commission for services rendered in relation to the Issue.

11) Details for subscription of Rights Equity Shares by Promoter and Promoter Group

The Promoter of our Company through its letters dated August 16, 2022 ("**Subscription Letter**") have confirmed that it intends to subscribe to the full extent of its Rights Entitlement in the Issue and to the extent of unsubscribed portion (if any) of the Issue.

Further, the Promoter may also apply for additional shares along with its Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in its percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the Takeover Regulations. The Promoter acknowledge and undertake that its investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI LODR Regulations.

In case the rights issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

- 1) Meeting Working Capital Requirement
- 2) Marketing for innerwear Brand “KNG”

The main object clause of MoA of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MoA.

Issue Proceeds

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue [#]	[•]
Less: Estimated Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

[#] Assuming full subscription and allotment

Requirement of Funds of the Net Proceeds:

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1)	Working Capital Requirement	[•]
2)	Marketing for innerwear Brand “KNG”	[•]
	Total	[•]

Means of Finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the following means:

- 1) Issue of Equity Shares through this Draft Letter of Offer
- 2) Internal Accruals

Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth herein below:

1) Meeting Working Capital Requirement.

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of Working Capital Requirement, is as under:

Particulars	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Projected)	FY 2023-24 (Projected)	FY 2024-25 (Projected)
Current Assets					
(a) Inventories	2,099.97	2907.79	3,257.21	2,892.50	3,021.70
(b) Trade receivables	1,976.49	1705.83	1,907.59	2,332.99	2,588.59
(c) Cash and Bank Balances	551.17	72.14	540.12	398.60	466.65
(d) Other Current Assets	-	124.76	195.26	188.96	293.16
Total (A)	2,527.65	1,777.97	2447.71	2,731.59	3,055.24
Current Liabilities					
(a) Creditors	595.64	1,260.99	946.63	869.31	897.22
(b) Provisions	79.51	7.80	53.81	104.90	283.55
(c) Other Financial Liability	101.14	71.32	132.55	182.03	240.03
Total (B)	776.30	1,340.11	1,132.99	1,156.24	1,420.80
Net Working Capital (A)-(B)	1,751.36	437.86	1,314.72	1,575.36	1,634.44
Sources of Working Capital					
Working Capital funding through Rights Issue Proceeds to be utilized			[•]	[•]	[•]
Funding through Internal Accruals	1,751.36	437.86	[•]	[•]	[•]

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2022-23 and 2023-24.

We have estimated future working capital requirements based on the following:

Particulars	<i>(No. of Days)</i>				
	FY 2020-21 (Audited)	FY 2021-22 (Provisional)	FY 2022-23 (Projected)	FY 2023-24 (Projected)	FY 2024-25 (Projected)
Current Assets					
Inventories:	219	229	190	125	97
Trade Receivables	206	134	111	101	83
Current Liabilities					
Trade Payables	62	99	55	38	29

Justification for estimation:

- Inventories** : The Management has assumed that the company will maintain current inventory levels shall be optimized and try to keep at same levels in terms of quantity and value. Over the year in order to increase in sales need to keep more inventory at adequate level with prices of raw material volatility, therefore holding level shall sustain at optimum level of inventory.
- Trade Receivables** : The management assumes that the company shall focus on collection by offering some discounts and incentives, so that collection will improve and receivables shall improve from 229 days to 190 days.
- Trade Payables** : The management assumes that the company shall procure material on cash as liquidity will remain adequate and trade payable days shall improve from 99 days to 55 days.
- Capacity and Utilisation & Demand** : The management believes that present capacity will be sufficient to generate estimated levels of revenue

2) Marketing for innerwear Brand “KNG”

Our Company is in the Business of designing, marketing and retail of ethnic wear through ready wear and through customization, where customers can choose the colors, fabrics and designs and make changes as per their need. Further our Company has started with manufacturing of innerwear for men under the brand name “KNG”



We propose to tap markets for marketing our innerwear products. The details of expenditure for marketing of the brand “KNG” is as under:

Sr. No.	Nature of Expense	Amount (approx.)	Remarks
1)	Media Net	6.00 crores	Quotation received from Times Group for the Advertisements
2)	Advertisements (Digital & Physical)		
3)	Bombay Times Fashion Week		
4)	Broadcast (Free Commercial Time)		
5)	Economic Times Industry Leader (Awards) Nomination Filing		
6)	Special Print Supplement		

Issue Related Expenses

The Issue related expenses consist of fees payable to the Lead Manager, Registrars to the Issue, Printing and Stationery expenses, Advertising Expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately [•] lakhs towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, selling commission, registrar fees and expenses)	[•]	[•]	[•]
Advertising, Printing, stationery and distribution Expenses	[•]	[•]	[•]
Statutory and other Miscellaneous Expenses	[•]	[•]	[•]
Total	[•]	[•]	[•]

Interim use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

Our Company has currently not raised any bridge loan towards any of the stated objects of the Issue as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised.

Monitoring of utilization of funds

Since the proceeds from the Issue are less than ₹10,000 lacs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor. Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Letter of Offer.

Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and the members of our Promoter Group or Group Entities.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To

The Board of Directors

Libas Consumer Products Limited
401, 4th Floor, Crecent Royale,
Off. New Link Road, Lokhandwala Complex,
Andheri (W) Mumbai-400 053

Dear Sirs,

Sub : Proposed Right Issue of Equity Shares (“Issue”) by Libas Consumer Products Limited (“Company”/” Libas”)

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

Yours faithfully,

For **Jain Jagawat Kamdar & Co.**

Chartered Accountants

Reg. No.: 122530W

Sd/-

Chandra Shekhar Jagawat

Partner

Membership No. 116078

UDIN: 22116078ALCTHC7291

Place: June 14, 2022

Date: Mumbai

SECTION VI – ABOUT THE COMPANY

OUR INDUSTRY

Introduction:

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.30 billion people, and the most populous democracy in the world. India boasts of an immensely rich cultural heritage including numerous languages, traditions, and people. The country holds its uniqueness in its diversity, and hence has adapted itself to international changes with poise and comfort. While the economy has welcomed international companies to invest in it with open arms since liberalisation in the 1990s, Indians have been prudent and pro-active in adopting global approach and skills. Indian villagers have proudly taken up farming, advanced agriculture and unique handicrafts as their profession on one hand, while modern industries, IT, Technology and professional services sectors are coming up in a big way on the other.

India's economy is poised for a rebound after enduring a second wave of COVID-19 infections this year that further constrained activity. India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis. New infections have fallen significantly and vaccination rates have risen.

Key Economic Indicator:

National Income:

Gross Domestic Product (GDP) for FY2021-22 is reported at Rs 147.36 Lakh crore as compared to Rs 135.58 lakh crore in FY2020-21, grown by 8.7% as compared to -6.6% in FY2020-21. Gross Value added for (GVA) has registered the growth of 8.1% in FY2021-22, GVA is reported at Rs 136.05 lakh crore as compared to Rs 125.85 Lakh crore in FY2020-21.

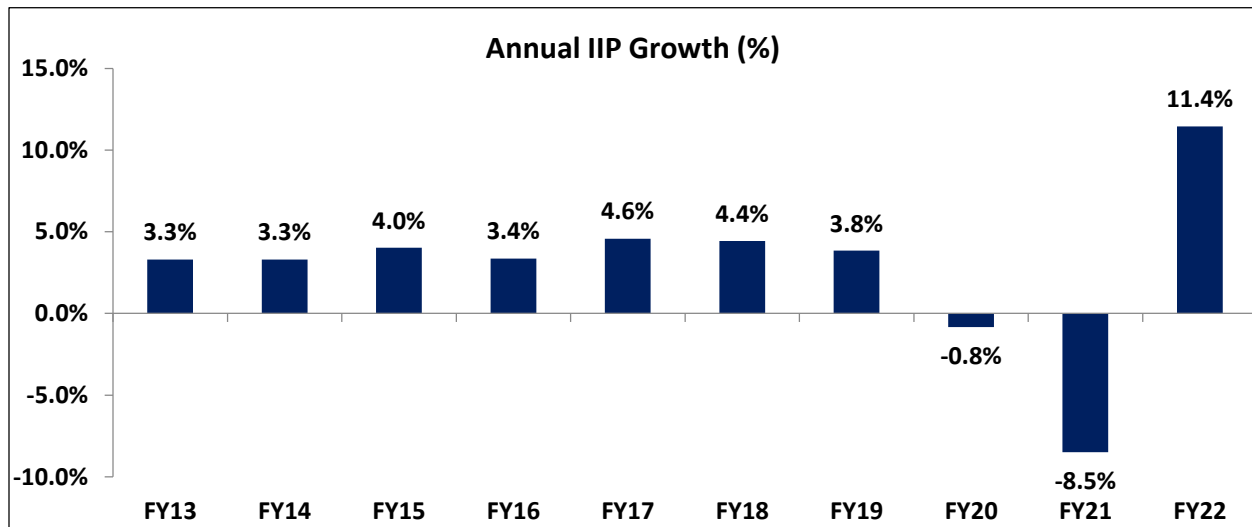
In the component of GVA for FY2021-22, as result of pandemic and the its impact on the economy, Agriculture, Forestry & Fishing grown by 3.0%, Mining & Quarrying rose 11.5%, Manufacturing gained 9.9%, Electricity, Gas, Water Supply and Other Utility Services grown by 7.5%, Construction surged by 11.5%, Trade, Hotels, Transport, Communication and Services Related to Broadcast had grown by 11.1%, Financial, Real Estate and Professional Services surged by 4.2%, Public Administration, Defence and Other Services saw a growth of 12.6%.

Component of GVA	FY2020-21 (Rs lakh Cr)	FY2021-22 (Rs lakh Cr)	Growth YoY
Agriculture, Forestry & Fishing	20.48	21.10	3.0%
Mining & Quarrying	2.94	3.28	11.1%
Manufacturing	22.48	24.71	9.9%
Electricity, Gas, Water Supply and Other Utility Services	2.90	3.11	7.5%
Construction	9.63	10.74	11.5%
Trade, Hotels, Transport, Communication and Services Related to Broadcast	21.47	23.85	11.1%
Financial, Real Estate and Professional Services	29.62	30.87	4.2%
Public Administration, Defence and Other Services	16.33	18.39	12.6%
GVA (Gross VALUE Added)	125.85	136.05	8.1%

Source: https://www.mospi.gov.in/documents/213904/416359//Press%20Note_PE%20FY22m1653998874449.pdf/9616eef9-71b9-7522-808a-5fd438857454

Industrial Production:

Index of Industrial Production (IIP) for FY2021-22 stood at 131.6 compared to 118.1 in FY2020-21, showing the growth of 11.4% compared to the previous year. In FY2020-21 IIP declined by 8.5%. As per Used Based Classification, Primary goods grew by 9.7%, Capital Goods grew by 17%, Intermediate goods grew by -15.4%, Infrastructure and Construction Goods grew by 18.9%, Consumer Durables surged by 12.5%, and Consumer Non-Durables declined by 3.3% in FY2021-22 compared to FY2020-21.



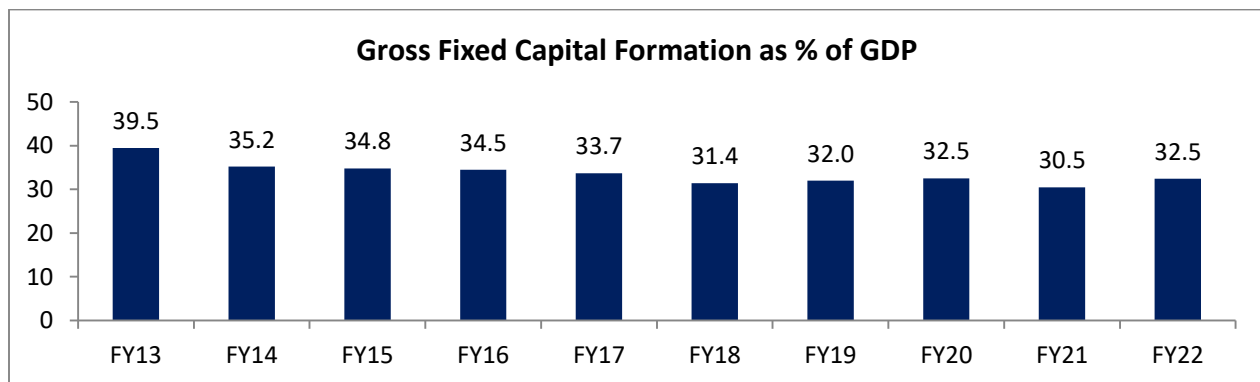
Inflation:

Consumer Price Index (CPI) which measures the retail Inflation in the economy, decreased at 5.5% in FY2021-22 compared to 6.2% in FY2020-21.

Wholesale Price Index (WPI) rose to 139.4 for the FY2021-22 compared to 123.4 in FY2020-21, showing the surge of 13% in wholesale inflation.

Gross Fixed Capital Formation:

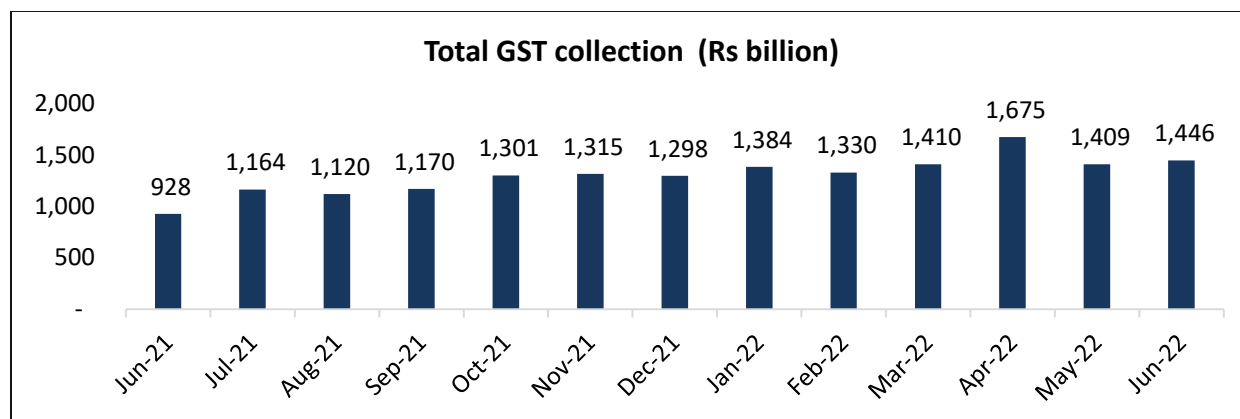
Gross Fixed Capital Formation (GFCF) for the financial year FY2021-22, reported at Rs 47.84 lakh crore as compared to Rs 41.31 lakh crore in FY2020-21. As a percent of GDP it was reported at 32.47% of FY22 GDP which was 30.47% of the GDP in FY21.



Source: RBI

Monthly GST collection:

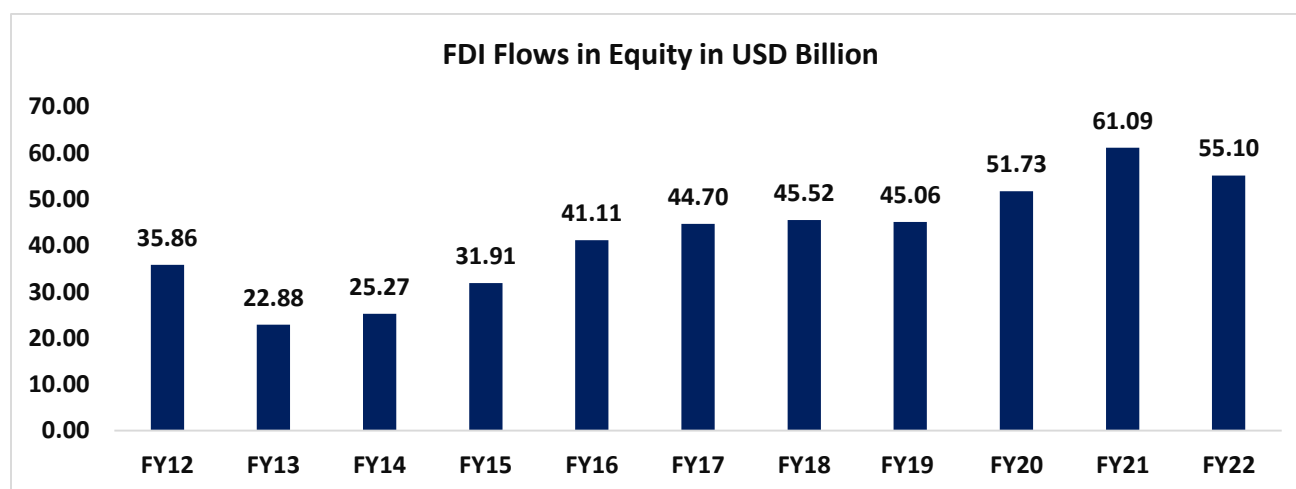
The revenues for the month of June 2022 are Rs 1.45 lakh crore and 56% higher than the GST revenues in the same month last year of Rs 0.93 lakh crore. This is only the fourth time the monthly GST collection crossed Rs 1.40 lakh crore mark since inception of GST and third month at a stretch since March 2022.



Source: <https://gstcouncil.gov.in/gst-revenue>

FDI Inflows:

During the financial year FY 2021-22, India has received the FDI in equities of \$ 55.10 billion as compared to \$ 61.09 billion in FY 2020-21. FDI in FY20 registered the declining growth of 9.80% compared to 18.1% in FY21. On cumulative basis, from FY11 to FY22 India has received the total FDI of \$ 482.49 billion.



Source: RBI

Global Current Economic Scenario:

Global recovery to strengthen from the second quarter of this year after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities.

This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China—including in key manufacturing hubs—have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

The war adds to the series of supply shocks that have struck the global economy over the course of the pandemic, contributing to more shortages beyond the energy and agricultural sectors. Through closely integrated global supply chains, production disruptions in one country can very quickly cascade globally.

Growth Outlook:

Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022. Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances including those stemming from the war and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

Global growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022–23—0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January 2022 World Economic Outlook. The ongoing war in Ukraine and sanctions on Russia are expected to reduce global growth in 2022 through direct impacts on the two countries and global spillovers. This shock comes just as the threat from the Omicron variant appeared to be fading, with many parts of world moving past the acute phase of the pandemic.

World Economic Outlook April 2022		Projection	
	2021	2022	2023
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Germany	2.8	2.1	2.7
France	7	2.9	1.4
Italy	6.6	2.3	1.7
Spain	5.1	4.8	3.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Other Advanced Economies ²	5	3.1	3
Emerging Market and Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India ³	8.9	8.2	6.9
ASEAN-5	3.4	5.3	5.9

World Economic Outlook April 2022		Projection	
Emerging and Developing Europe	6.7	-2.9	1.3
Russia	4.8	-8.5	-2.3
Latin America and the Caribbean	6.8	2.5	2.5
Brazil	4.6	0.8	1.4
Mexico	4.8	2	2.5
Middle East and Central Asia	5.7	4.6	3.7
Saudi Arabia	3.2	7.6	3.6
Sub-Saharan Africa	4.5	3.8	4
Nigeria	3.6	3.4	3.1
South Africa	4.9	1.9	1.4

² Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and Euro area countries.

³ For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

⁵ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$69.07 in

2021; the assumed price, based on futures markets, is \$106.83 in 2022 and \$92.63 in 2023.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>.

Industry Overview

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibers like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

The textiles industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.99 billion from April 2000-March 2022. 100% FDI (automatic route) is allowed in the Indian textile sector.

Companies involved in home textiles are using technology to optimize the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

The Government's Rs. 10,683 crores (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

The Government approved the Mega Integrated Textile Region and Apparel (MITRA) Park scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period, which will boost textile manufacturing in the country.

For the export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under the National Handloom Development Programme (NHDP). Alongside, the Ministry of Textiles has also been implementing Handloom Marketing Assistance (HMA), a component of the National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers, and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.

The government has allocated funds worth Rs. 17,822 crores (US\$ 2.38 billion) between FY16-22 for the ‘Amended Technology Up-gradation Fund Scheme’ (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

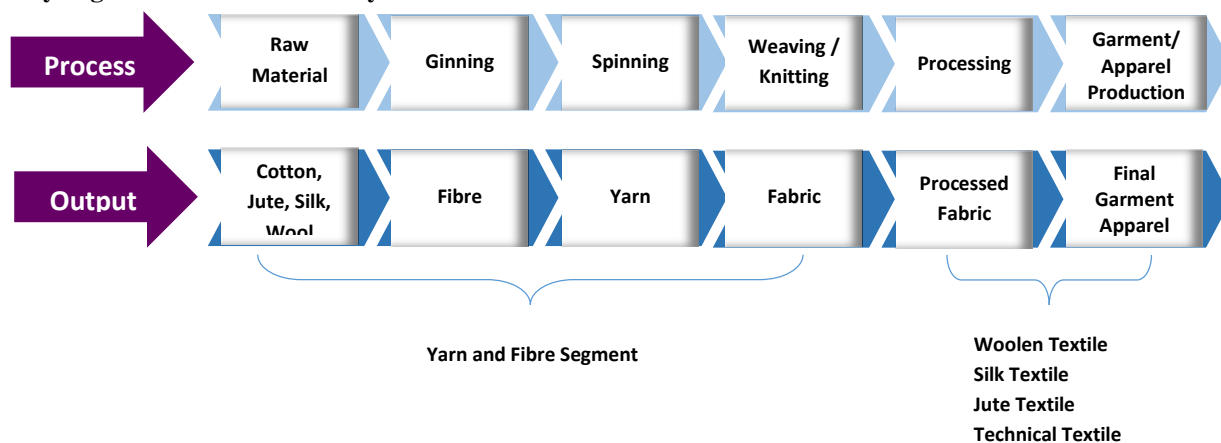
To support the handloom weaver’s/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

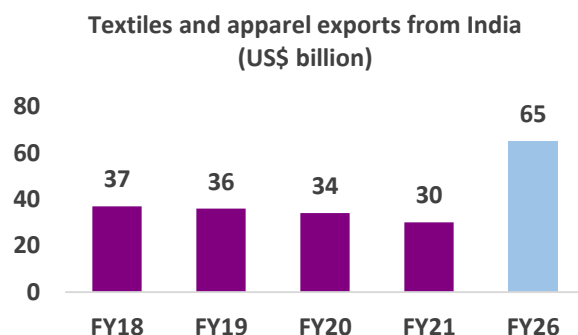
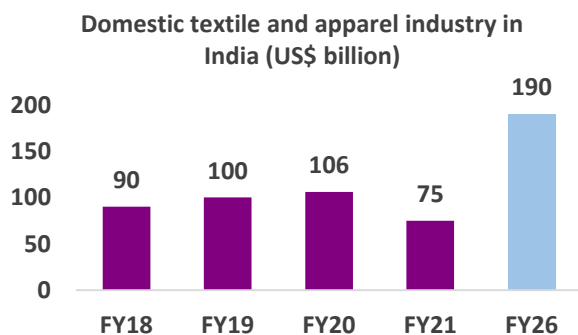
Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

Market Overview

Key Segment in Textile Industry

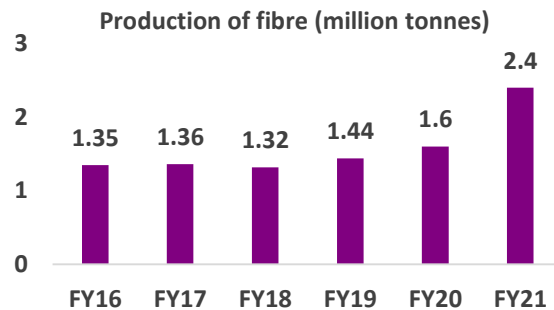
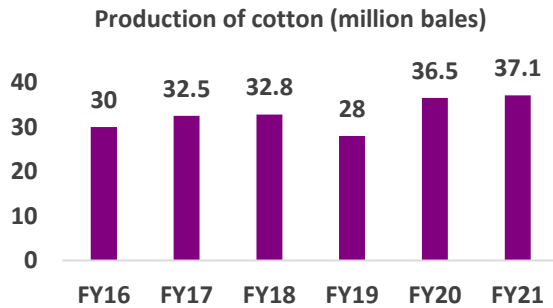


Indian textile market size was \$75 billion in FY21 and is expected to be \$ 190 billion in FY26 with growing at CAGR of 20%. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025.



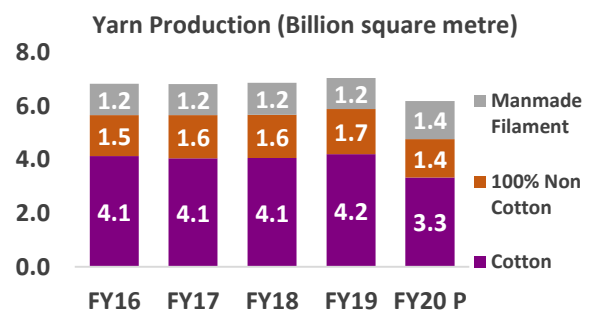
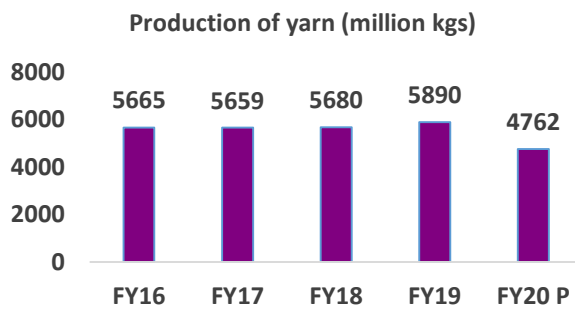
Production of Cotton and Manmade fibre

India is the world's largest producer of cotton. Production stood at 360.13 lakh bales for the crop year October 2021-September 2022. Domestic consumption for the 2021-22 crop year is estimated to be at 335 lakh bales. Cotton and fibers are the two major segments in this category. Production of man-made fibre has also been on an upward trend. In FY19, the production of fibre in India stood at 1.44 million tonnes, which reached 2.40 million tonnes in FY21 (until January 2021).



Cotton is the Major Segment in Yarn

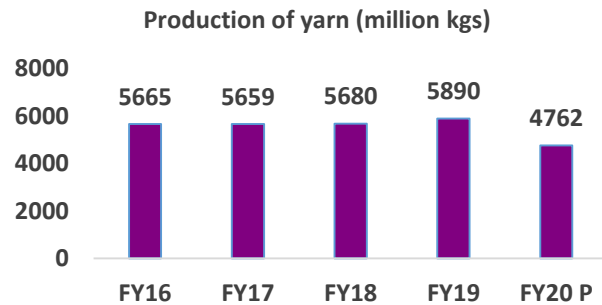
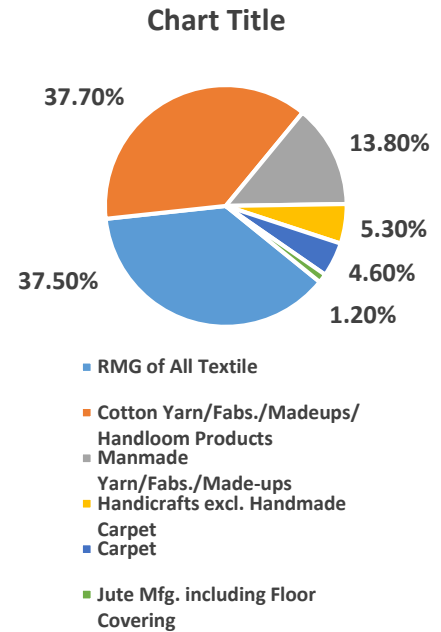
Production of yarn grew to 5,890 million kgs in FY19 from 5,665 million kgs in FY16. In the year 2020-21, 1.13 million tonnes of cotton yarn was exported from India. In March 2021, Natco Pharma announced its expansion into pheromone-based technology in order to provide Indian farmers with an integrated pest control solution. The company is planning to introduce its first green-label pheromone product to control 'pink bollworm' in cotton fields. For the pheromone-based mating disruption technology, its Crop Health Science (CHS) division will collaborate with ATGC Biotech Pvt. Ltd. (ATGC).



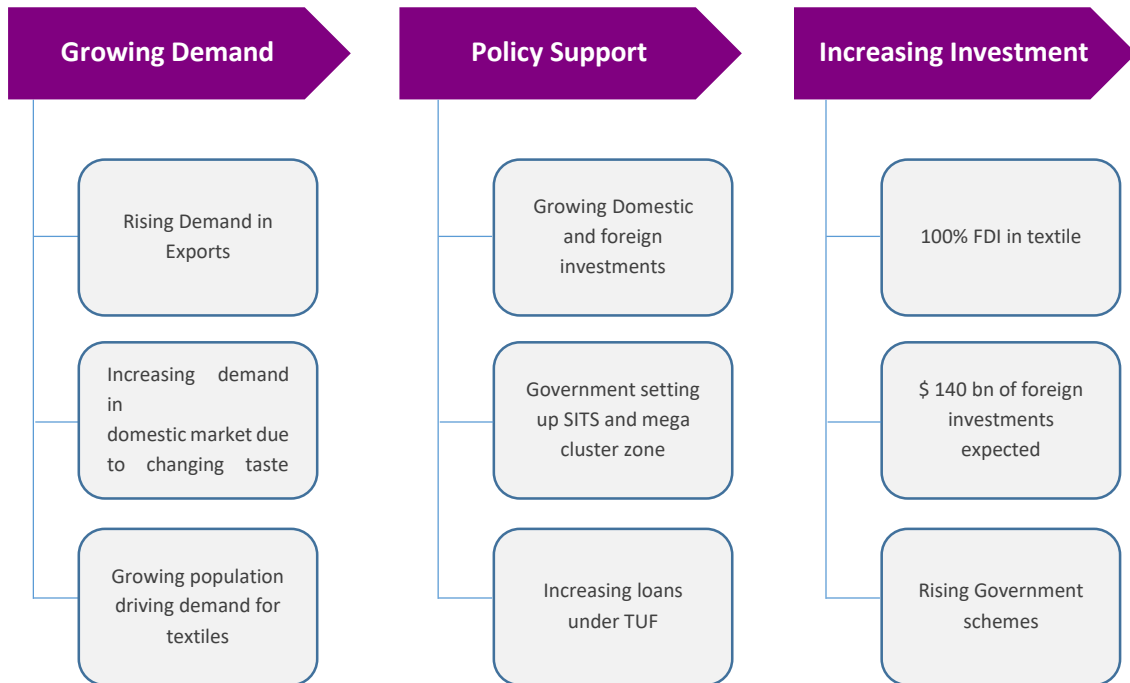
FY20 P: Until January 2020.

International Trade over the Years

Exports of textiles excluding handmade carpets, carpets and jute manufacturing but including floor coverings) stood at US\$ 29.8 billion between April 2021-December 2021. In August 2021, Union Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal said that steps need to be taken to boost production capacities of handloom sector from existing Rs. 60,000 crores (US\$ 8.06 billion) to 125,000 crores (US\$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crores (US\$ 335.92 million) to Rs. 10,000 crores (US\$ 1.34 billion).



Growth Drivers of Industry



Opportunities Going Ahead

A. Growth Potential:

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The textile and apparel industry is expected to grow to US\$ 190 billion by FY26.
- In October 2021, the government announced the target to achieve US\$ 100 billion from India's textile exports in the next five years.
- Urbanization is expected to support higher growth due to change in fashion and trends.

B. Bilateral Relations:

- In October 2021, Ministry of Textiles and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) signed MoU to implement the 'Indo German Technical Cooperation' project. The project aims to increase the value addition from sustainable cotton production in the country.
- In March 2021, Pakistan approved reinstatement of cotton and sugar imports from India, indicating softening of bilateral relations.

C. Bilateral Relations:

- In October 2021, Ministry of Textiles and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) signed an MoU to implement the 'Indo German Technical Cooperation' project. The project aims to increase the value addition from sustainable cotton production in the country.
- In March 2021, Pakistan approved reinstatement of cotton and sugar imports from India, indicating softening of bilateral relations.

D. Proposed FDI in Multi-Brand retail:

- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investment along the entire value chain - from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

E. Union Budget 2022-23:

- Under Union Budget 2022-23, the government has allocated around Rs. 12,382 crores (US\$ 1.62 billion) to the Ministry of Textiles.
- Rs. 133.83 crore (US\$ 17.53 million) is allocated to Textile Cluster Development Scheme.
- Rs. 478.83 crore (US\$ 62.73 million) is allocated for Research and Capacity Building in textiles.
- Rs. 100 crores (US\$ 13.07 million) for National Technical Textiles Mission.

Source:

<https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>
https://www.ibef.org/download/1651209669_Textiles-and-Apparel-PPT-mar-22-min.pdf

OUR BUSINESS

Our Company was incorporated as “Libas Designs Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated November 10, 2004 issued by Registrar of Companies, Mumbai, Maharashtra bearing registration No.149489. Further our Company was converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion was issued on September 20, 2016 by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to “Libas Designs Limited”. The present name was changed on November 06, 2020. The Corporate Identification Number of Our Company is L18101MH2004PLC149489.

Libas Consumer Products Limited (“**Libas**”) is engaged in the Business of designing, marketing and retail of ethnic wear through ready wear and through customization, where customers can choose the colors, fabrics and designs and make changes as per their need. We 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 the client. Apart from retail sales, we also undertake wholesale business where we provide the designs to other labels. We also give complete solutions to corporates regarding their dressing needs and designing. The Company has 9 (Nine) stores in India and 1 (One) Store in Dubai for sale of Apparels. Apparently the Company has also started manufacturing of innerwear in the Brand Name “**KNG**” and trading of Rock Salt under the Brand Name “**Gangji**”.

The Company markets its product under the brand name of RIYAZ GANGJI LIBAS and it is a well-established fashion designer brand name in Mumbai. Currently, we have 10 stores either own or on franchisee basis.

We also have a dedicated team working on creating premium quality uniforms for all types of businesses including Corporate Offices, Schools, Hotels & Restaurants Security Agencies, Saloons, Hospitals etc. All our uniforms are rightly tailored based on the requirements set forth by our clients. The clothing material used is of the finest quality and sourced from authentic dealers.

We also offer an extensive range of jute bags, best suited for everyday use. With 100s of different colors and styles, customers have a good number of options to choose from. Customers may also get to design their own bag by choosing their own dimensions, colors and features such as the buttons, zippers, the handle and of course the overall styling.

PRODUCTS CATEGORIES

Men	Women	Accessories	Jute Bags
Sherwani Suits Indo-Western Nehru Jacket Shirts Pants	Sarees Suits Lehenga Gowns Anarkalis	Jewellery Belts Mojaris Cufflinks Safa	Carry Bags Gift Bags

PRODUCTS PORTFOLIO

MEN’S WEAR

Sherwani



Suits



Indo Western



Nehru Jacket



Shirts



WOMEN'S WEAR

Sarees



Suits



Lehenga



Gowns



Anarkalis



ACCESSORIES

Jewellery



Belts



Tie and Cufflinks



Safa



Mojaris



JUTE BAGS

Carry Bags Gifts



BUSINESSES CARRIED ON AT OUR STORES

Store Location	Business Carries on at the Store
Shukh Shanti Shop No. 2, Dr. G Desmukh Marg, Cumballa Hill Pedder Road, Mumbai – 400026	Sale of Apparels, Accessories, Jewellery Counter, Export Order
Shop no. 2 & 1st Floor, B12 & B13, New Sujata Society, Juhu Tara Road Opp. Union Bank of India, Santacruz, Mumbai – 400049	Sales of Garment, Designer Studio
Property No E-14 First Floor, South Extension Part II Market New Delhi -110049	Sale of Apparels
50 Hajrat Ganj. Lucknow -226001	Sale of Apparels
Ethnicity - Viviana Mall, Thane	Sale of Apparels
Ethnicity - Amanora Park, Pune	Sale of Apparels
Ethnicity - Phoenix Market City, Pune (2)	Sale of Apparels
Ethnicity - Phoenix Market City, Chennai	Sale of Apparels
Ethnicity - Treasure Island Mall, Indore	Sale of Apparels
Riyaz Ganji Libas, Al Jumera Beach, Dubai, U.A.E	Sale of Apparels

LOCATIONS

Registered Office and Corporate Office*	401, 4 th Floor, Crescent Royale, Off New Link Road, Lokhandwala Complex, Andheri (West) Mumbai-400053
Fabrication Units	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, Paiki Dapode, Bhiwandi, Maharashtra-421302
Sales Stores	As described in the above table.

*Registered office and Corporate Office of our Company is owned by our Directors and we have obtained NOC from our directors for using the same.

LOCATION FOR MANUFACTURE OF INNERWEAR

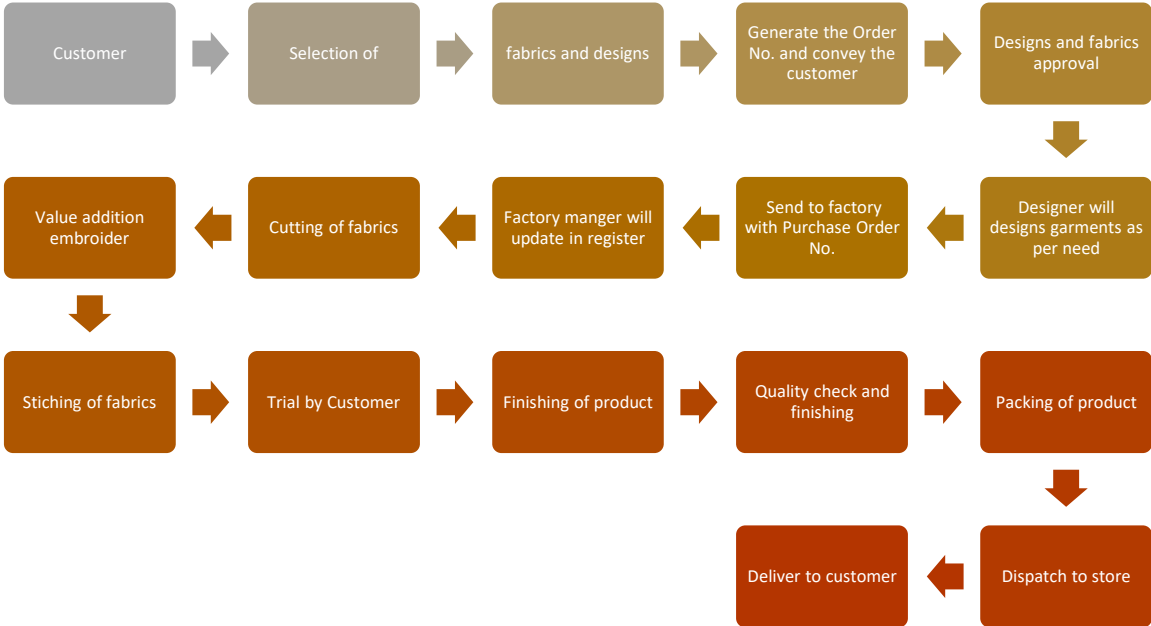
Sampling and Unit	Gala No. 55 Sidhapura Industrial Estate, Masrani Lane, Near Halav Pool, Kurla (W), Mumbai-400070
	Gala No. 62 Sidhapura Industrial Estate, Masrani Lane, Near Halav Pool, Kurla (W), Mumbai-400070
Production (Job Work)	4/445, Venkateshwar Nagar, Palladam Road, Vidhyalayam, Tiruppar-641605, Tamil Nadu

PROCESS FLOW

In-house Production:



Customized Production:



PLANT AND MACHINERIES

Following is the list of Machineries used by the Company:

Sr. No.	Particulars	Quantity
1)	Sewing Machines	35 Pcs
2)	Fusing Machines	3 Pcs
3)	Button Machine	1 Pc
4)	Kach Machine	1 Pc
5)	Cutting Machine	1 Pc
6)	Steam Press	7 Pcs
7)	Interlock Machine	1 Pc
8)	Embroider Machine	1 Pc
9)	Collar Machine	1 Pc

UTILITIES & INFRASTRUCTURE FACILITIES

Our Registered & Corporate Office is located at Mumbai. Presently, the Company is carrying out its fabrication activities from its Registered & Office Corporate Office at 401, 4th Floor, Crescent Royale, Off. New Link Road, Lokhandwala Complex, Andheri (W) Mumbai-400 053 and fabrication Unit at Gala No. 55 Sidhapura Industrial Estate, Masrani lane Near Halav Pool Kurla (W), Mumbai-400 070, Gala No. 62, Sidhapura Industrial Estate, Masrani lane Near Halav Pool Kurla (W), Mumbai- 400070 and A4 Gala No. 103, Harihar Corporation, Survey No. 106 Hissa No. 5 Paiki Dapode, Bhiwandi, Maharashtra 421 302. Our Office is well equipped with computer systems, servers, relevant software, other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

The Company has its showrooms present in prime location spread across Mumbai, Pune, Delhi, Lucknow and Dubai.

Power

The requirement of power for our fabrication units is for lighting, air conditioning and operating the machines. It is met through the local power distribution company where the units are located. Also, the requirement of power in our stores/showrooms is for lighting and air conditioning which is met by the local power distribution company.

Water

Water is required for human consumption and the requirement is fully met at the existing premises by local suppliers.

Material

The basic material required is fabric which is available in the Indian domestic market. Major suppliers are Senso Creation, Mahavir Interlining, Darbar Fineries Private Limited, NS Creation, Tanmay Fashion etc.

Human Resource

We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently we have 36 permanent employees as on the date. We hire labour on contractual basis as and when required. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

BUSINESS STRATEGY



COMPETITION

Much of the market in which we operate is unorganized and fragmented with many small and medium-sized entities. We face substantial competition for our products from other brands in domestic market. Our competition varies for our products and regions. We compete with other brands on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are: Sabyasachi, Manyavar, Ritu kumar, Telon, etc.

HISTORY AND CORPORATE STRUCTURE

Brief Corporate History of our Company

Our Company was incorporated as “Libas Designs Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated November 10, 2004 issued by Registrar of Companies, Mumbai, Maharashtra bearing registration No.149489. Further our Company was converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion was issued on September 20, 2016 by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to “Libas Designs Limited”. The present name was changed on November 06, 2020. The Corporate Identification Number of Our Company is L18101MH2004PLC149489.

Our Company got listed on SME Platform of NSE (NSE EMERGE) on January 09, 2017 and got migrated on the Main Board of NSE on July 23, 2019.

Subsidiaries

As on date of this Draft Letter of Offer, there are no /group/associate companies except one Subsidiary Company viz, Libas Design LLC (Ajman, U.A.E).

Main Objects of our Company

- 1) To carry on the business of manufacture, importers and exporters, wholesalers and retail dealers of and in men’s, women’s and children’s and wearing apparel of every kind, nature and description including shirts, bush -shirts, pyjama, suits, vests, underwear’s, suits, jackets, trousers, sherwanis, kurtas and other Indian as well international ethnic wear garments for men, women and children foundation garments for ladies dresses, brassieres, maternity belts, knee caps, coats, panties, nighties.
- 2) To manufacture and/or deal in all types of furnishing fabrics, upholstery, curtains, and such other products.
- 3) To carry on business of buying, selling, importing, exporting and otherwise dealing in all kinds of tailoring materials like buttons, zip fasteners, lining materials, buckles, cufflinks, stitch buttons and other similar and analogous materials.
- 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.

OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding the Board of Directors as on the date of this Draft Letter of Offer:

Sr. No.	Name, Age, Designation, Address, Occupation, Nationality, Date of Appointment and DIN	Other Directorships
1)	Mr. Nishant Mahimtura Mitrasen Date of Birth: February 14, 1947 Age: 74 years Address: 4-B, Chandan, 62-B, Pedder Road, Near Villa Theresa School, Kemps Corner Mumbai-400026 Designation: Director and Chief Financial Officer Date of Appointment: November 10, 2004 Nationality: Indian Occupation: Business DIN: 02000572	Golden Bricks Infrastructure Private Limited Reserve Wines Private Limited
2)	Mr. Riyaz Eqbal Ahmed Ganji Date of Birth: June 25, 1970 Age: 51 years Address: 1103, A Wing, Tower-5, Duplex Heights Yamuna Nagar, Lokhandwala Complex, Andheri West Mumbai-400053 Designation: Whole-Time Director Date of Appointment: November 10, 2004 Nationality: Indian Occupation: Business DIN: 02236203	Golden Bricks Infrastructure Private Limited Reserve Wines Private Limited
3)	Mr. Vivek Padmanabh Kamath Date of Birth: September 13, 1969 Age: 60 years Address: 201 Shubhkamana, T H Kataria Road, Mahim Mumbai-400016 Designation: Independent Director Date of Appointment: September 21, 2016 Nationality: Indian Occupation: Business DIN: 07239860	Wellcorp Health Services Private Limited
4)	Mrs. Reshma Riyaz Ganji Date of Birth: September 22, 1973 Age: 52 years Address: Duplex Heights C.H.S., Tower 5, A Wing, Flat No. 1103, Yamuna Nagar, Lokhandwala Complex, Mumbai-400053 Designation: Managing Director Date of Appointment: July 26, 2016 Nationality: Indian Occupation: Business DIN: 07576582	Nil
5)	Mr. Ashish Anil Dubey Date of Birth: August 26, 1987 Age: 34 years Address: B/1-403, Sahyadri Apts. CHS., Pimpari, Near Gokuldharm, Malad (East), Mumbai-400067 Designation: Independent Director Date of Appointment: June 18, 2020 Nationality: Indian Occupation: Professional Services DIN: 08766592	Nil
6)	Mr. Rishi Rajnikant Sharma	Nil

Sr. No.	Name, Age, Designation, Address, Occupation, Nationality, Date of Appointment and DIN	Other Directorships
	<p>Date of Birth: December 28, 1969 Age: 52 years Address: B-32, Wild Wood Park, Yari Road, Andheri (West) Mumbai-400067 Designation: Independent Director Date of Appointment: December 31, 2021 Nationality: Indian Occupation: Business DIN: 09453515</p>	

Relationship between Directors

Mr. Riyaz Eqbal Ahmed Ganji is the Husband of Mrs. Reshma Riyaz Ganji.

Apart from the above details, there is no relationship between other Directors of the Company.

Confirmations

None of the Directors is or was a director of any listed company in India during the last five years preceding the date of filing of the Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

Neither our Company, our Promoters nor our Directors' are categorized as wilful defaulters or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrower issued by the Reserve Bank of India.

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

SECTION VII-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Number
1)	Standalone and Consolidated Audited Financial Statements as at and for the year March 31, 2022.	F1-F70

The following tables set forth financial information derived from our Audited Financial Information for the year ended March 31, 2022. We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.



INDEPENDENT AUDITOR'S REPORT

To the members of
LIBAS CONSUMER PRODUCTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Libas Consumer Products Limited** (the "Company"), which comprise the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including other Comprehensive Income), 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, 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 Standard prescribed under section 133 of the Act, and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2022**, its *profit* and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- *We draw your attention that company has not provided Employee Benefits (Defined Benefits) in accordance of Ind AS- 19 during the financial year.*
- *We draw your attention that the company has not made provision for undisputed income tax liability of Rs.2.91 Lakhs for the FY 2017-18 and of Rs 59.26 Lakhs for FY 2018-19 therefore the liability for the F.Y.2017-18 and F.Y.2018-19 is understated by Rs.62.17 lakhs and the reserves are overstated by Rs.62.17 Lakhs.*
- *The company is yet to obtain ODI permission from RBI for investment in foreign subsidiary.*
- *The company has not complied with the Section 138 of Companies Act 2013 for the appointment of Internal Auditor.*

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 thereunder, 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 standalone financial statements.

Emphasis of Matter

The company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors 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 standalone 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 in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the 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 not found any such matters related to the audit of this standalone financial statement which are to be reported here.

Sr. No	Key Audit Matters	How the matter was addressed in our audit
Evaluation of tax positions: -		
1.	The Company as a whole operates in India 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 standalone financial statements.	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of key tax litigations and potential tax exposures • 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; • discussed with appropriate senior management and evaluated



		<p>management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and</p> <ul style="list-style-type: none"> 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.
Revenue Recognition		
2.	Revenue recognition on SOR Sales.	<p>Our Audit procedure on revenue recognition from Sales or returnable sale included</p> <ul style="list-style-type: none"> Obtaining an understanding of the systems, processes and controls implemented by management for recording such transaction Calculating revenue from those transactions. Reviewing the continuity of supply and the associated contract with the vendors.

Responsibilities of Management and Those Charged with Governance 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Ind AS specified under section 133 of the Act. 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 is 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.

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 the Companies (Auditor's Report) Order, 2020 ("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.
2. 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 financial statement dealt with by this report is 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 has the pending litigations which would impact its financial position and same has been disclosed in the Note No 33 of the 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
- iv.
- a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.



v. Dividend declared and paid during the financial year is in compliance with section 123 of the Companies Act, 2013.

h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the company has paid managerial remuneration within the limit prescribed by section 197 for maximum permissible managerial remuneration provided to the directors of the company.

For Jain Jagawat Kamdar & Co
Chartered Accountants
Firm's Registration No: 122530W



CA Chandra Shekhar Jagawat
Partner
Membership No: 116078
UDIN: 22116078AJXUPR8319



Place: Mumbai
Date: May 30, 2022



"Annexure A" to the Independent Auditors' Report

Report as required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022, we report the following:

i.

(a)

(A) The Company has proper records related to full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) the company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.

(b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.

(c) The company does not hold any immovable property which is not held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

ii.

(a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.

(b) The company has sanctioned working capital limits in excess of five crore rupees, the quarterly statement filed by the company with Bank are in agreement with the books of accounts.



- iii. During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.
- iv. The company has not made any loans, investments, guarantees and security on which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.
- vi. As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.
- vii. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Duty of Customs, duty of Excise, Value Added Tax, GST, Cess and other statutory dues with the appropriate authorities to the extent applicable to it. There are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, value added tax, duty of customs, duty of excise or cess which have remained outstanding as at March 31, 2022 for a period of more than 6 months from the date they became payable except mentioned below.

Sr. No.	Name of the Statute	Nature of Dues	Demand Raised by	Period to which the amount Relates	Amount (Rupees in Lakhs)
1.	The Income Tax Act, 1961	Income Tax	CPC	A.Y.2018-19	2.91
2	The Income Tax Act, 1961	Income Tax	CPC	A.Y.2019-20	76.76
3	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax	-	-	2.39



(b) According to the information and explanations given to us, there are not any statutory dues referred in sub-clause (a) which have not been deposited on account of any dispute. Therefore, the provisions of Clause (vii)(b) of paragraph 3 of the order are not applicable to the Company.

viii. In our opinion and according to the information and explanations given to us, there is no any transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been a declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

(a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment or private placement of shares during the year. Therefore, the provisions of Clause (x)(b) of paragraph 3 of the order are not applicable to the Company.



xi.

(a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the year. The management has also not reported any case of fraud during the year. Therefore, the provisions of Clause (xi) (a) of paragraph 3 of the order are not applicable to the Company

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. (c) As auditor, we did not receive any whistle-blower complaint during the year. Therefore, the provisions of Clause (xi) (b) of paragraph 3 of the order are not applicable to the Company

xii. The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

xiii. As per the information and explanations received to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the Standalone financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company. (Refer Note no: 31 of Standalone Financial Statement)

xiv. The company is a listed entity and covered by section 138 of the Companies Act, 2013. The company has not complied the provisions of Clause (xiv) (a) and (b) of paragraph 3 of the order.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company. (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvi.

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations received, the group does not have any CIC as part of the group.



- xvii. The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- xviii. There has been no resignation of the previous statutory auditors during the year. Therefore, the provisions of Clause (xviii) of paragraph 3 of the order are not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. **(Refer Note no: 35 of Standalone Financial Statement)**
- xx. The provisions of Section 135 are not applicable to company during the current financial year therefore, the provisions of Clause (xx) (a) and (b) of paragraph 3 of the order are not applicable to the Company.
- xxi. No any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For Jain Jagawat Kamdar & Co.
Chartered Accountants
FRN: 122530W



CA Chandra Shekhar Jagawat
Partner
Membership No 116078
UDIN: 22116078AJXUPR8319



Place: Mumbai
Date: May 30, 2022



“Annexure B” to the Independent Auditors’ Report on the standalone financial statements of Libas Consumer Products Limited

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 Consumer Products Limited** (“the Company”) as of **31 March 2022** 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 2022**, 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 is 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 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
FRN: 122530W



CA Chandra Shekhar Jagawat
Partner
Membership No 116078
UDIN: 22116078AJXUPR8319



Place: Mumbai
Date: May 30, 2022

LIBAS CONSUMER PRODUCTS LIMITED
CIN : L18101MH2004PLC149489
Standalone Balance Sheet as at March 31, 2022

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
A) Non-current assets			
Property, Plant and Equipment	2	13,879,319	16,781,108
Right-of-use assets	3	986,040	17,885,027
Financial Assets			
Investments	4	6,174,116	6,174,116
Other Financial Assets	5	5,070,219	6,283,540
Other non-current assets	6	73,316,867	72,457,327
Total Non Current assets		99,426,560	119,581,118
B) Current assets			
Inventories	7	290,778,649	209,996,552
Financial Assets			
Trade receivables	8	170,582,757	197,648,524
Cash and cash equivalents	9	7,214,380	55,116,961
Other current assets	10	12,475,734	-
Total Current assets		481,051,521	462,762,037
Total Assets		580,478,082	582,343,156
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	176,400,000	122,500,000
Other Equity	12	149,237,885	179,034,055
Total Equity		325,637,885	301,534,055
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Long term Borrowing	13	-	22,723,479
Other financial liabilities	14	13,383,822	21,599,986
Provisions	15	8,800,010	1,803,393
Deferred Tax Liabilities	16	1,816,771	891,816
Total Non-current liabilities		24,000,603	46,818,674
Current liabilities			
Financial Liabilities			
Borrowings	17	96,828,404	156,360,789
Trade payables	18	126,099,251	59,563,834
Other financial liabilities	19	7,132,224	10,114,446
Provisions	20	779,715	7,951,358
Total Current liabilities		230,839,594	233,990,426
Total Equity and Liabilities		580,478,082	582,343,156

Significant Accounting Policies

1

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

2-36

In terms of our report of even date

For Jain Jagawat Kamdar & Co
Chartered Accountants
FRN No. 122530W

CA Chandra Shekhar Jagawat
Partner
Mem.No. 116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji
Managing Director
DIN 07576582

Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem.No.A39489
Date : 30th May, 2022
Place: Mumbai

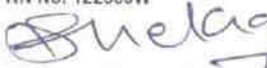
Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
CIN : L18101MH2004PLC149489
Standalone Profit & Loss For the Year Ended March 31, 2021

(Amount in Rs.)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
INCOME			
Revenue From Operations	21	463,243,791	349,971,717
Other Income	22	3,964,951	5,405,492
Total Income		467,208,743	355,377,210
EXPENDITURE			
Cost of Material Consumed	23	427,011,671	262,224,907
Changes in inventories of finished goods, WIP and Stock-in-trade	24	(48,469,258)	14,537,275
Employee benefits expenses	25	5,541,832	6,425,051
Finance costs	26	18,560,770	23,558,607
Depreciation and amortisation expenses	27	8,775,298	13,905,276
Other expenses	28	20,109,178	8,036,510
Total expenses		431,529,491	328,687,625
Profit before Tax and Exceptional and Extra Ordinary Items		35,679,252	26,689,585
Exceptional and Extra Ordinary Items		-	(43,193,172)
Profit Before Tax		35,679,252	(16,503,587)
Tax expense:	29		
(1) Current tax		8,980,468	-
(2) Deferred tax		1,124,955	(222,955)
Total tax expenses		10,105,422	(222,955)
Profit/ (loss) for the year (A)		25,573,829	(16,280,632)
Other Comprehensive Income			
Items not to be reclassified subsequently to profit or loss			
- Re-measurement gains / (Loss) on defined benefits plans		-	-
- income Tax effect on above		-	-
Other Comprehensive Income for the Year (B)		-	-
Total Comprehensive Income for the year (A+B)		25,573,829	(16,280,632)
Earnings per equity share:	30		
Equity shares of Par value of Rs. 10 /-each			
Basic		1.45	(1.33)
Diluted		1.45	(1.33)

In terms of our report of even date
For Jain Jagawat Kamdar & Co
Chartered Accountants
FRN No. 122530W


CA Chandra Shekhar Jagawat
Partner
Mem.No. 116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED


Reshma Ganji
Managing Director
DIN 07576582


Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem.No.A39489

Date : 30th May, 2022
Place: Mumbai

Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
CIN : L18101MH2004PLC149489
Standalone Cash Flow Statement for the Year Ended 31st March, 2022

Particulars	(Amount in Rs.)	
	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Operating activities		
Profit Before Tax	35,679,252	(16,503,587)
Adjustments to reconcile profit before tax to net cash in		
Depreciation and amortisation expenses	8,741,423	13,905,276
Interest Income	(3,208,099)	(5,405,493)
Extra Ordinary Item	-	1,137,521
Interest Paid	18,560,770	23,558,607
	59,773,346	16,692,325
Working capital adjustments :-		
(Increase) / Decrease in Trade and Other Receivables	27,065,767	(72,987,750)
(Increase) / Decrease in Inventories	(80,782,097)	24,228,791
(Increase) / Decrease in Other Non-Current Assets	(859,540)	56,106,501
(Increase) / Decrease in Other Non-Current Financial Assets	1,213,322	3,924
(Increase) / Decrease in Other Current Assets	(12,475,734)	-
(Increase) / Decrease in Provision	(9,155,494)	-
(Increase) / Decrease in Other Current Financial Assets	-	-
Increase / (Decrease) in Trade and Other Payables	66,535,417	23,300,999
Increase / (Decrease) in Other Financial Liabilities	(2,982,222)	(11,220,171)
	48,332,765	36,124,618
Direct taxes paid (Net of Refunds)	-	(10,000,000)
Net cash flow from operating activities	48,332,765	26,124,618
Investing activities		
Dividend Received	-	1,500,000
Proceeds / (Purchase) of Investments	-	3,000,411
(Addition)/Deletion in Right of use Asset	11,124,781	(1,288,114)
Purchase of fixed assets	(65,428)	5,405,493
Interest received	3,208,099	8,617,790
Net cash flow used in investing activities	14,267,452	8,617,790
Financing activities		
Proceeds form issues of Borrowings (Net)	(82,255,864)	17,942,141
Proceeds / Payment of Lease Liability	(8,216,164)	(6,965,692)
Dividend Paid	(1,470,000)	-
Interest paid	(18,560,770)	(23,558,607)
Net cash flow from financing activities	(110,502,798)	(12,582,158)
Increase in cash and cash equivalents	(47,902,581)	22,160,249
Cash and cash equivalents at the beginning of the year	55,116,961	32,956,711
Cash and cash equivalents at the end of the year	7,214,380	55,116,961

Components of Cash and Cash Equivalents at the end of year

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Cash on hand	6,760,646	54,942,787
Balance with banks	453,734	174,174
Cash and Cash Equivalents (closing)	7,214,380	55,116,961

Note : The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

This is the Cash Flow Statement referred to in our audit report of even date

In terms of our report of even date

For Jain Jagawat Kamdar & Co

Chartered Accountants

FRN No. 122530W

Shekhar

CA Chandra Shekhar Jagawat
Partner
Mem.No. 116078



For and on behalf of the Board of Directors

LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji

Reshma Ganji
Managing Director
DIN 07576582

Riyaz Ganji

Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem.No.A39489

Date : 30th May, 2022
Place: Mumbai

Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
Statement of Changes in Equity for the Year ended March 31, 2022

(A) Equity share capital

Particulars	Number	Amount in Rs.
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 01 April 2018	7,500,000	75,000,000
Issue of Bonus equity shares	3,750,000	37,500,000
As at 31 March 2019	11,250,000	112,500,000
Issue of equity shares	1,000,000	10,000,000
As at 31 March 2020	12,250,000	122,500,000
Issue of equity shares	-	-
As at 31 March 2021	12,250,000	122,500,000
Issue of equity shares	5,390,000	53,900,000
As at 31 March 2022	17,640,000	176,400,000




B) Other equity

(Amount in Rs)

Particulars	Reserves and surplus		Other comprehensive	Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	Re-measurement gains / (losses) on defined benefits plans	
As at 01 April 2018	113,340,671	38,424,168	-	151,764,839
Total comprehensive income for the year	-	33,828,789	93,586	33,922,375
Bonus Issue		(37,500,000)	-	(37,500,000)
As at 31 March 2019	113,340,671	34,752,957	93,586	148,187,214
Addition during the year	44,000,000	-	-	44,000,000
Total comprehensive income for the year	-	3,427,443	212,192	3,639,635
As at 31 March 2020	157,340,671	38,180,400	305,777	195,826,849
Addition during the year	-			-
Total comprehensive income for the year	-	(16,280,632)		(16,280,632)
Adjustment of Ind AS		(512,161)		(512,161)
As at 31 March 2021	157,340,671	21,899,768	305,777	179,034,055
Addition during the year	-	-		-
Bonus Issue		(53,900,000)	-	(53,900,000)
Dividend		(1,470,000)	-	(1,470,000)
Total comprehensive income for the year	-	25,573,829		25,573,829
Adjustment of Ind AS		-		-
As at 31 March 2022	157,340,671	(7,896,403)	305,777	149,237,885

This is the Statement of Changes in Equity referred to in our audit report of even date

For Jain Jagawat Kamdar & Co
Chartered Accountants
FRN No. 122530W

CA Chandra Shekhar Jagawat
Partner
Mem.No. 116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji
Managing Director
DIN 07576582

Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem.No.A39489

Date : 30th May, 2022
Place: Mumbai

Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
Notes to standalone financial statements for the Year ended March 31, 2022

Note 1 : Significant Accounting Policies:

A 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. In current Financial year company has changed its name to "LIBAS CONSUMER PRODUCTS LIMITED". 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).

B Basis of Accounting:

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods upto and including year ended 31 March 2019 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2020 are the first financial statements prepared by the Company in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

C Use of Estimates:

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

ii) Defined benefit plans

The cost and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

D Property, Plant and Equipment

i) Tangible Assets

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2018 of its Property, Plant and Equipment and use that carrying value as the deemed cost except for certain class of assets which are measured at fair value as deemed cost on the date of transition i.e. 1 April 2018.

E Depreciation and Amortisation:

i) Depreciation on all fixed assets, except Leasehold Improvements and intangible assets, is provided on Written Down value method over the useful life of Asset and in the manner as prescribed by Schedule II of the Act.

F Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.



LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2018 of its equity investments in subsidiaries, if any, and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2018.

G Impairment of Fixed Assets:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

H De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

I Financial Liabilities

i) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iv) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

J Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

K Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

L Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

M Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

N Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

O Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text 'MUMBAI' and 'CHARTERED ACCOUNTANTS' around the perimeter.

LIBAS CONSUMER PRODUCTS LIMITED
Notes to standalone financial statements for the Year ended March 31, 2022

P Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from sale of products is recognised, in accordance with the sales contract, on delivery of goods to the customer.

Business facility income is recognised on accrual basis as per the terms of contract.

Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

Q Foreign Currency Transactions:

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

R Inventories

- i) Finished Goods are valued at lower of cost or net realisable value.
- ii) Cost is arrived on First in First out basis.

S Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

T Employee Benefits

i) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.



LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

iii) Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

U Accounting for Taxes of Income:-

i) Current Taxes

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii) Minimum Alternative Tax

Minimum Alternative Tax (MAT) credit is recognised as an assets in accordance with the recommendation contained in the Guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

V Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



LIBAS CONSUMER PRODUCTS LIMITED
Notes to standalone financial statements for the Year ended March 31, 2022

(Amount in Rs.)

Note 2 : Property, Plant and Equipment

Particulars	Office Premises	Furniture & Fixtures	Office Equipments	Computers	Plant & Machinery	Motor Vehicle	Total
Gross Carrying Amount (at deemed cost)							
As at April 01, 2018	11,266,500	11,643,962	1,037,132	1,085,396	369,122	-	25,402,112
Additions	-	5,890,816	171,044	138,129	183,800	-	6,383,789
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	11,266,500	17,534,778	1,208,176	1,223,525	552,922	-	31,785,901
Additions	-	-	51,500	119,388	-	1,875,000	2,045,888
Disposals	-	450,000	-	-	-	-	450,000
As at March 31, 2020	11,266,500	17,084,778	1,259,676	1,342,913	552,922	1,875,000	33,381,789
Additions	2,407,000	-	-	-	-	-	2,407,000
Disposals	-	3,985,289	-	-	-	-	3,985,289
As at March 31, 2021	13,673,500	13,099,489	1,259,676	1,342,913	552,922	1,875,000	31,803,500
Additions	-	-	-	-	65,428	-	65,428
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	13,673,500	13,099,489	1,259,676	1,342,913	618,350	1,875,000	31,868,928
Accumulated Depreciation							
As at April 01, 2018	828,552	2,368,839	424,324	586,471	121,529	-	4,329,715
Depreciation charge	991,605	3,634,112	312,419	376,450	54,476	-	5,369,061
Deletions / Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	1,820,157	6,002,951	736,743	962,921	176,005	-	9,698,776
Depreciation for the year	897,403	2,881,499	223,066	190,018	68,222	422,373	4,682,581
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	2,717,560	8,884,450	959,809	1,152,939	244,227	422,373	14,381,357
Depreciation for the year	929,370	1,841,894	111,939	114,704	55,874	453,656	3,507,437
Disposals	-	(2,866,402)	-	-	-	-	(2,866,402)
As at March 31, 2021	3,646,930	7,859,942	1,071,748	1,267,643	300,101	876,029	15,022,392
Depreciation for the year	841,080	1,365,027	78,542	42,257	54,748	585,563	2,967,216
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	4,488,010	9,224,970	1,150,289	1,309,900	354,849	1,461,592	17,989,609
Net carrying value							
Balance as at 01 April 2018	10,437,948	9,275,123	612,808	498,925	247,593	-	21,072,397
Balance as at 31 March 2019	9,446,343	11,531,827	471,433	260,604	376,917	-	22,087,124
Balance as at 31 March 2020	8,548,940	8,200,328	299,867	189,974	308,695	1,452,627	19,000,431
Balance as at 31 March 2021	10,026,570	5,239,547	187,928	75,270	252,821	998,971	16,781,108
Balance as at 31 March 2022	9,185,490	3,874,519	109,387	33,013	263,501	413,409	13,879,319

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of all its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per Previous GAAP and use that as its deemed cost as at the date of transition (i.e. April 1, 2018).



Particulars	Gross Block (As Cost)	Accumulated Depreciation
As at 01-04-2018		
Office Premises	11,266,500	828,552
Furniture & Fixtures	11,643,962	2,368,839
Office Equipments	1,037,132	424,324
Computers	1,085,396	586,471
Plant & Machinery	369,122	121,529
TOTAL	25,402,112	4,329,715

Note 3 : Right-of-use assets

Particulars	Amount (in Rs.)
Gross carrying value	
Balance as at 01 April 2018	35,458,048
Additions	24,231,325
Disposals / Adjustments	-
Balance as at 31 March 2019	59,689,373
Additions	-
Disposals / Adjustments	-
Balance as at 31 March 2020	59,689,373
Additions	-
Disposals / Adjustments	-
Balance as at 31 March 2021	59,689,373
Additions	-
Disposals / Adjustments	(20,915,515)
Balance as at 31 March 2022	38,773,858
Accumulated Amortization	
Balance as at 01 April 2018	9,596,907
Amortisation charge for the year	12,857,870
Deletions / Adjustments	-
Balance as at 31 March 2019	22,454,777
Amortisation charge for the year	12,698,370
Deletions / Adjustments	-
Balance as at 31 March 2020	35,153,147
Amortisation charge for the year	6,651,199
Deletions / Adjustments	-
Balance as at 31 March 2021	41,804,346
Amortisation charge for the year	5,774,207
Deletions / Adjustments	(9,790,734)
Balance as at 31 March 2022	37,787,819
Net carrying value	
Balance as at 01 April 2018	25,861,141
Balance as at 31 March 2019	37,234,596
Balance as at 31 March 2020	24,536,226
Balance as at 31 March 2021	17,885,027
Balance as at 31 March 2022	986,040



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Note 4 : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments		
Trade, Unquoted (At FVTPL, unless stated otherwise)		
Others		
Shares in Shamrao Bank	100,000	100,000
Union Capital Protection Fund	-	-
Investment in Subsidiary		
Trade, Unquoted		
LIBAS DESIGNS FZE LLC	1,888,900	1,888,900
100 Equity share of AED. 1,000 each fully paid up		
Loans & Advances to Subsidiary	4,185,216	4,185,216
	6,174,116	6,174,116

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate of non-current investments:		
Book value of investments	6,174,116	6,174,116
Investments carried at deemed cost	1,888,900	1,888,900
Investments carried at fair value through profit and loss	100,000	100,000

Note 5 : Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	5,070,219	6,283,540
	5,070,219	6,283,540

Note 6 : Other non - current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to creditors	1,389,600	12,969,600
Other Advances	71,885,033	59,411,618
Other Non-Current Assets (Deferred Assets)	42,234	76,109
	73,316,867	72,457,327

Note 7 : Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	116,311,460	83,998,621
Finished Goods	174,467,189	125,997,931
	290,778,649	209,996,552

Note 8 : Trade receivables

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
(Unsecured and considered good, unless otherwise stated)		
Outstanding for more than six months	28,151,846	1,522,714
Other trade receivables	145,246,857	197,675,621
Less : Provision for Expected Credit Loss	(2,815,945)	(1,549,810)
Total Receivables	170,582,757	197,648,524
Current Portion	170,582,757	197,648,524
Non - Current Portion	-	-

Trade Receivables ageing schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1. Undisputed Trade receivables						
- Considered Good	145,246,857	5,200,241	6,601,838	8,973,856	7,375,910	173,398,703
- Considered Doubtful	-	-	-	-	-	-
2. Disputed Trade receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
1. Undisputed Trade receivables						
- Considered Good	163,194,508	10,912,984	16,560,699	7,922,608	607,536	199,198,335
- Considered Doubtful	-	-	-	-	-	-
2. Disputed Trade receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-

Note 9 : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks		
- Current Accounts	453,734	174,174
Cash on Hand	6,760,646	54,942,787
	7,214,380	55,116,961

Note 10 : Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	12,475,734	-
	12,475,734	-

Note 11 : Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
2,80,00,000 (March 2021: 1,50,00,000) equity shares of Rs. 10 each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and Fully Paid Up		
1,76,40,000 ((March 2021: 1,22,50,000) Equity shares of Rs. 10 each fully paid-up	176,400,000	122,500,000
Total	176,400,000	122,500,000

a) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares			
	As at March 31, 2022		As at March 31, 2021	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	12,250,000	122,500,000	11,250,000	112,500,000
Shares Issued during the year	5,390,000	53,900,000	1,000,000	10,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,640,000	176,400,000	12,250,000	122,500,000

c) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholder	Equity Shares			
	As at March 31, 2022		As at March 31, 2021	
Nishant Mahimtura	0	0.00%	3078000	25.13%
Riyaz Ganji	2719459	15.42%	1888494	15.42%
Reshma Ganji	2667817	15.12%	1852651	15.12%

During the year ended March 31, 2022, the Board of Directors have issued and allotted a total 53,90,000 fully paid up bonus equity Shares of Rs. 10/- each out of which 24,50,000 bonus shares were issued on 09th April, 2021 & 29,40,000 bonus shares were issued on 24th September, 2021 after seeking approval of Shareholders on 25th March, 2021 & 14th September, 2021 respectively.

Name of the Promoter	Equity Shares		
	As at March 31, 2022		
	No. of Shares held	% of Holding	% Change in Holding
RIYAZ GANJI	2719459	15.42%	0.00%
RESHMA GANJI	2667817	15.12%	0.00%

Name of the Promoter	Equity Shares		
	As at March 31, 2021		
	No. of Shares held	% of Holding	% Change in Holding
NISHANT MAHIMTURA	3078000	25.13%	0.00%
RIYAZ GANJI	1888494	15.42%	0.00%
RESHMA GANJI	1852651	15.12%	0.00%

Note 12 : Other Equity

Particulars	Reserves and surplus		Other comprehensive income	Total equity attributable to equity holders
	Securities premium	Retained earnings	Re-measurement gains / (losses) on	
As at 01 April 2018	113,340,671	38,424,168	-	151,764,839
Total comprehensive income for the year	-	33,828,789	93,586	33,922,375
Bonus Issue	-	(37,500,000)	-	(37,500,000)
As at 31 March 2019	113,340,671	34,752,957	93,586	148,187,214
Addition during the year	44,000,000	-	-	44,000,000
Total comprehensive income for the year	-	3,427,443	212,192	3,639,635
As at 31 March 2020	157,340,671	38,180,400	305,777	195,826,849
Addition during the year	-	-	-	-
Total comprehensive income for the year	-	(16,280,632)	-	(16,280,632)
Adjustment of Ind AS	-	(512,161)	-	(512,161)
As at 31 March 2021	157,340,671	21,899,768	305,777	179,034,055
Addition during the year	-	25,573,829	-	25,573,829
Bonus Issue	-	(53,900,000)	-	(53,900,000)
Total comprehensive income for the year	-	-	-	-
Adjustment of Ind AS	-	-	-	-
As at 31 March 2022	157,340,671	(6,426,403)	305,777	150,707,885

Nature and Purpose of Reserves :
Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

Note 13 : Long term Borrowing
(Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans	-	22,723,479
	-	22,723,479

Note 14 : Other financial liabilities
(Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan	13,383,822	11,863,345
Lease Liability	-	9,736,641
	13,383,822	21,599,986

Note 15 : Provisions
(Long term Provisions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax (net of Advance tax & TDS)	6,281,837	-
Provision for Gratuity	2,518,173	1,803,393
	8,800,010	1,803,393

Note 16 : Deferred Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,816,771	691,816
	1,816,771	691,816

Note 17 : Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Working Capital Loan from Union Bank of India Cash Credit Hypothecation Accounts *	96,828,404	156,360,789
	96,828,404	156,360,789

*(a) Working Capital Loan from Union Bank of India are secured against hypothecation of stock & book debts and coeteral security by way of Hypothication 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.

Note 18 : Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small & Medium enterprises (refer note below)*	-	-
Others	126,099,251	59,563,834
	126,099,251	59,563,834

Ageing of Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	114,945,763	4,175,840	3,854,882	3,122,765	126,099,251
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	45,963,940	7,396,626	3,125,541	3,077,727	59,563,834
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

*Note : Details of Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006 ("MSMED Act").

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year; **	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-

* The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

Note 19 : Other financial liabilities
(Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Branch Division	-	245,793
Statutory Dues Payable	6,397,648	2,311,190
Lease Liability	734,577	7,557,463
	7,132,224	10,114,446

Note 20 : Provisions
(Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	66,307	66,307
Other Provisions	713,408	7,885,051
	779,715	7,951,358

LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

Note 21 : Revenue From Operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	463,243,791	349,971,717
	463,243,791	349,971,717

Note 22 : Other Income

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount Received	148,563	71,350
Interest Income	3,208,099	5,227,318
Reversal of Lease liability	575,611	-
Interest Income on unwinding of deposits	32,678	106,825
	3,964,951	5,405,492

Note 23 : Cost of Material Consumed

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material consumed:		
Opening Stock - Raw Material	83,998,621	93,690,137
Add : Purchases	456,995,751	276,365,050
Add : Direct Exps	2,328,759	18,223,990
	543,323,131	388,279,177
Less: Decrease in the value of Stock	-	(42,055,650)
Less : Closing Stock - Raw Material	(116,311,460)	(83,998,621)
	427,011,671	262,224,907

Note 24 : Changes in inventories of finished goods, WIP and Stock-in-trade

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening stock		
Finished goods	125,997,931	140,535,206
Total (A)	125,997,931	140,535,206
Closing stock		
Finished goods	174,467,189	125,997,931
Total (B)	174,467,189	125,997,931
Changes in inventories (A-B)	(48,469,258)	14,537,275

Note 25 : Employee benefits expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	3,074,232	3,302,512
Director Remuneration	2,455,000	3,025,000
Welfare and other benefits	12,600	97,539
	5,541,832	6,425,051

Note 26 : Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on Term, Working Capital Loans	16,995,277	20,797,146
Processing fees	572,003	906,517
Bank Charges	224,776	321,562
Interest Expenses on Lease Liability	768,715	1,533,382
	18,560,770	23,558,607

LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

Note 27 : Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant and Equipment	2,967,216	3,507,437
Amortisation on Right of Use assets	5,808,082	10,397,839
	8,775,298	13,905,276

Note 28 : Other expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sales & Distribution expenses		
Sales Promotion	14,863,423	1,058,054
Freight	28,748	40,355
Commission & Discount	1,425,601	1,635,267
Courier charges & Postage	-	47,266
	(A) 16,317,772	2,780,942
Administration & Other Expenses		
Insurance Expense	-	238,443
Sundry Expenses	1,448,384	117,067
Audit Fees	621,350	600,000
Books & Magazines	-	5,880
Provision for Expected Credit Loss	1,266,135	-
Conveyance charges	669,179	18,033
Donation	-	27,000
Dividend Paid	-	2,450,317
Electricity charges	676,602	1,012,978
Hire charges paid	100,000	403,000
Penalty on GST	-	12,000
Legal Exps	-	314,125
Maintenance charges	-	80,941
Written Off	-	(538,571)
ROC & Listing fee	-	525,200
Office Exps	-	821,881
Petrol & Diesel Exps	-	542,000
Printing & Stationery Exps	-	44,391
Profession Fees	1,875,830	705,883
Rent Expenses	(3,067,800)	(2,712,600)
Repair & Maintenance	172,222	395,572
Professional Tax	17,500	-
Software Exps	-	11,200
Telephone & Internet Charges Paid	12,023	49,412
Tours & Travel	-	131,416
	(B) 3,791,425	5,255,568
Total (A+B)	20,109,197	8,036,510

In case of Rent Expenses, figures has been turns out to be negative, as during the year company has ceased to make payment of Delhi Shop Rent and same is under dispute with shop owner, however effect of Ind AS 116 is continue to be given in the financial statement. As per Ind AS 116, rent expenses as per the agreement needs to be reverse and expenses is to be accounted in the form of Amortisation of Right to Use Assets (ROU Assets), and in the books company has not accounted whole actual rent as per the agreement since dispute with owner.

Details of Payment to Auditors

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
For Audit Fees	621,350	600,000
	621,350	600,000

LIBAS CONSUMER PRODUCTS LIMITED
Notes to standalone financial statements for the Year ended March 31, 2022

Note 29 : Tax expense:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax expense (A)		
Current tax	8,980,468	-
	8,980,468	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	1,124,955	(222,955)
	1,124,955	(222,955)
Tax expense recognised in the income statement (A+B)	10,105,422	(222,955)

Note 30 : Earnings per equity share:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Weighted average number of shares outstanding during the period	17,640,000	12,250,000
Weighted average number of Potential Equity shares outstanding during the year	17,640,000	12,250,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	17,640,000	12,250,000
Net Profit \ (Loss) after tax available for equity shareholders	25,573,829	(16,280,632)
Basic Earning per share (in Rs.)	1.45	(1.33)
Diluted Earning per share (in Rs.)	1.45	(1.33)



LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

(Amount in Rs.)

Note 31: Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

i) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

a) Subsidiary Company

Libas Design LLC (Ajman, U.A.E)

b) Directors, Key Management Personnel & Relatives of KMF

Name	Relationship
Nishant Mitrasen Mahimtura	Founder & CEO
Riyaz Eqbal Ganji	Whole Time Director
Reshma Riyaz Ganji	Managing Director
Basant Agarwal	CFO
Nita Prabhat Kumar Mishra	Company Secretary

c) Enterprises owned or significantly influenced by Key Managerial Personnel and or their relatives

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.

ii) Transactions with Related Parties during the year

Name of Party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Riyaz Eqbal Ganji	Remuneration Paid	1,200,000	1,200,000
Reshma Riyaz Ganji	Remuneration Paid	1,200,000	1,200,000
Nita Prabhat Kumar Mishra (CS)	Remuneration Paid	248,200	175,000
Suchitra Mahimtura	Salary Paid	50,000	600,000
Smriti Industries	Commision Expense	1,380,000	1,380,000
Pawan Mahimtura	Hire Charges	100,000	403,000
See My Brand Private Limited	Purchase	-	12,467,250
See My Brand Private Limited	Loan Taken	52,635,000	-
See My Brand Private Limited	Loan Repaid	50,000,000	-
Golden Bricks Infrastructure Private Limited	Purchase	-	6,119,822
Golden Bricks Infrastructure Private Limited	Sales	19,545,690	-
Riyaz Gangji	Advance for Expenses	291,655	-
Riyaz Gangji	Loan Repaid	2,580,000	1,494,754
Reshma Gangji	Loan Given	-	28,840

iii) Balance Outstanding of Related Parties :

Name of Party	Receivable / (Payable)	As At March 31, 2022	As At March 31, 2021
RIYAZ EQBAL GANJI	Receivable	25,106	2,313,450
RESHMA RIYAZ GANJI	Receivable	3,786,487	5,064,737
Golden Bricks Infrastructure Pvt. Ltd.	Receivable	3,178,864	-
Smriti Industries	Payable	905,922	125,078
LIBAS DESIGN LLC (Ajman, U.A.E)	Receivable	600,000	600,000
See My Brand Private Limited.	Payable	2,635,000	16,401,265

Note : Related Parties as disclosed by Management and relied upon by auditors

LIBAS CONSUMER PRODUCTS LIMITED

Notes to standalone financial statements for the Year ended March 31, 2022

Note 34 : Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

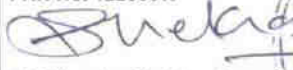
Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	96,828,404	179,084,268
Cash and cash equivalents	(7,214,380)	(55,116,961)
Net Debt	89,614,024	123,967,308
Equity	325,637,885	301,534,055
Total Capital	325,637,885	301,534,055
Capital and Net Debt	415,251,909	425,501,363
Gearing ratio (Net Debt/Capital and Net Debt)	22%	29%

Note 35 : Summary of Significant Ratios

Sr.No.	Particulars	As on 31/03/2022	As on 31/03/2021
1	Current Ratio	2.08	1.98
2	Debt Equity Ratio	0.30	0.59
3	Debt Service Coverage Ratio	3.27	0.67
4	Return on Equity Ratio	0.11	0.09
5	Inventory Turnover Ratio	1.51	1.25
6	Trade Receivables Turnover Ratio	2.52	2.17
7	Trade Payables Turnover Ratio	4.92	5.77
8	Net Capital Turnover Ratio	1.85	1.53
9	Net Profit Ratio	5.52%	-4.65%
10	Return on Capital employed	0.13	0.10

Note 36 : Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report of even date
For Jain Jagawat Kamdar & Co
Chartered Accountants
FRN No. 122530W


CA Chandra Shekhar Jagawat
Partner
Mem.No. 116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED


Reshma Ganji
Managing Director
DIN 07576582



Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem.No.A39489

Date : 30th May, 2022
Place: Mumbai

Date : 30th May, 2022
Place: Mumbai





INDEPENDENT AUDITOR'S REPORT

To the members of LIBAS CONSUMER PRODUCTS LIMITED

Report on the Audit of the Consolidated Financial Statement

Opinion

We have audited the accompanying consolidated financial statement of **LIBAS CONSUMER PRODUCTS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information. The Consolidated Financials statement includes financial statements of Libas Consumer Products Limited and its subsidiary Libas Consumer Products Limited FZE LLC. The financials statement of subsidiary were audited by another auditor of **M/s Husain AI Hashmi**. We have relied on the audit conducted by the auditor of subsidiary company in accordance with Standard on Auditing 600- Using the work of another auditor.

In our opinion and to the best of our information and according to the explanations given to us, **except for the matters stated or mentioned in the "Basis for Qualified Opinion"**, the aforesaid consolidated financial statement 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 Indian Accounting Standard prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its *profit*, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- *The company has not provided Employee Benefits (Defined Benefits) in accordance of Ind AS- 19 during the financial year.*
- *The company has not made provision for undisputed income tax liability of Rs.2.91 Lakhs for the FY 2017-18 and of Rs 59.26 Lakhs for FY 2018-19 therefore the liability for the F.Y.2017-18 and F.Y.2018-19 is understated by Rs.62.17 lakhs and the reserves are overstated by Rs.62.17 Lakhs.*
- *The company has not obtained ODI permission from RBI for investment in foreign subsidiary.*
- *The company has not complied with the Section 138 of Companies Act 2013 for the appointment of Internal Auditor.*
- *The company has not disclosed the aging of Trade Receivable & Trade Payable in the consolidated financial statements as per applicable financial reporting framework i.e. Schedule III of Companies Act, 2013 (Division II).*



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Branches : Mumbai, Pune, Surat, Bhopal, New Delhi

We conducted our audit of the 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 thereunder, 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 Consolidated financial statements.

Emphasis of Matter

The company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Consolidated financial statements and our auditors 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 Consolidated 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 in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the 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
	Evaluation of tax positions: -	
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	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of key tax litigations and potential tax exposures • We along with our internal tax experts - read and analyzed select



	judgment to determine the possible outcome of the tax litigations, consequently having an impact on related accounting and disclosures in the consolidated financial statements.	<p>key correspondences and consultations carried out by management with external tax experts for key tax litigations and potential tax exposures;</p> <ul style="list-style-type: none"> discussed with appropriate senior management and evaluated management's underlying key assumptions and grounds of appeal in estimating the tax provisions; and 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.
Revenue Recognition		
2.	Revenue recognition on SOR Sales.	<p>Our Audit procedure on revenue recognition from Sales or returnable sale included</p> <ul style="list-style-type: none"> Obtaining an understanding of the systems, processes and controls implemented by management for recording such transaction Calculating revenue from those transactions. Reviewing the continuity of supply and the associated contract with the vendors.

Information Other than the Consolidated financial statement 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 statement and our auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement 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.

Responsibilities of Management and Those Charged with Governance 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Ind AS specified under section 133 of the Act. 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 is 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 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 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 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 financial statements.

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 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.



Other Matters:

We did not audit the financial statements of subsidiary included in the consolidated Financial Results, whose financial statements reflect total Assets of Rs.1441.26 Lakhs as at March 31, 2022 and total Revenues of Rs.718.48 Lakhs and Profit of Rs.42.60 Lakhs for the year ended March 31, 2022 respectively. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversions adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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 /the other auditors whose report we have relied upon 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 of the aforesaid Consolidated Financial Statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d) In our opinion, the aforesaid consolidated financial statement comply with the Indian 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 A". 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 has the pending litigations which would impact its financial position and same has been disclosed in the Note No. 33 of the 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
 - iv.
 - The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.



v. Dividend declared and paid during the financial year is in compliance with section 123 of the Companies Act, 2013.

h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the company has paid managerial remuneration within the limit prescribed by section 197 for maximum permissible managerial remuneration provided to the directors of the company.

For Jain Jagawat Kamdar & Co
Chartered Accountants
Firm Registration No. - 122530W



CA Chandra Shekhar Jagawat
Partner
Membership No: 116078
UDIN: 22116078AJXVDC9021



Date: May 30, 2022
Place: Mumbai



“Annexure A” to the Independent Auditors’ Report on the Consolidated financial statements of Libas Consumer Products Limited

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 Consumer Products Limited** (“the Company”) as of **31 March 2022** 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 2022**, 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 is 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 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 Registration No. - 122530W



CA Chandra Shekhar Jagawat
Partner
Membership No: 116078
UDIN: 22116078AJXVDC9021

Date: May 30, 2022
Place: Mumbai



LIBAS CONSUMER PRODUCTS LIMITED
CIN:L18101MH2004PLC149489
Consolidated Balance Sheet as at March 31, 2022

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
A) Non-current assets			
Property, Plant and Equipment	2	1,38,79,319	1,67,81,108
Right-of-use assets	3	9,86,040	1,78,85,028
Financial Assets			
Investments	4	34,52,602	34,52,602
Other Financial Assets	5	50,70,219	62,83,540
Other non-current assets	6	7,33,16,867	7,24,57,327
Total Non Current assets		9,67,05,047	11,68,59,604
B) Current assets			
Inventories	7	31,24,07,283	22,60,67,328
Financial Assets			
Trade receivables	8	23,45,38,682	23,72,90,377
Cash and cash equivalents	9	3,24,21,980	6,30,74,757
Other Financial Assets	10	3,33,33,483	1,23,96,393
Other Current Assets	11	1,24,75,734	-
Total Current assets		62,51,77,162	53,88,28,855
Total Assets		72,18,82,210	65,56,88,460
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	17,64,00,000	12,25,00,000
Other Equity	12	28,76,41,877	25,15,96,814
Total Equity		46,40,41,877	37,40,96,814
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Long term Borrowing	13	-	2,27,23,479
Other financial liabilities	14	1,33,83,822	2,15,99,986
Provisions	15	88,00,010	18,03,393
Deferred Tax Liabilities	16	18,16,771	6,91,816
Total Non-current liabilities		2,40,00,603	4,68,18,674
Current liabilities			
Financial Liabilities			
Borrowings	17	9,68,28,404	15,63,60,789
Trade payables	18	12,90,50,594	6,02,97,170
Other financial liabilities	19	71,81,017	1,01,63,654
Provisions	20	7,79,715	79,51,358
Total Current liabilities		23,38,39,729	23,47,72,971
Total Equity and Liabilities		72,18,82,210	65,56,88,460

Significant Accounting Policies

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

In terms of our report of even date

For JAIN JAGAWAT KAMDAR & CO

Chartered Accountants

Firm Regn No. 122530W

CA Chandra Shekhar Jagawat
Partner

Mem No:116078



Date : 30th May, 2022

Place: Mumbai

For and on behalf of the Board of Directors

LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji
Managing Director

DIN:07576582

Neeta Mishra

Company Secretary

Mem No: A39489

Date : 30th May, 2022

Place: Mumbai



Riyaz Ganji

Whole Time Director

DIN 02236203

LIBAS CONSUMER PRODUCTS LIMITED
CIN:L18101MH2004PLC149489
Consolidated Profit & Loss For the Year Ended March 31, 2022

(Amount in Rs.)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
INCOME			
Revenue From Operations	21	851,896,200	540,807,636
Other Income	22	3,964,951	5,405,492
Total Income		855,861,151	546,213,129
EXPENDITURE			
Cost of Material Consumed	23	724,051,010	421,643,423
Changes in inventories of finished goods, WIP and Stock-in-trade	24	(48,469,258)	14,537,275
Employee benefits expenses	25	17,552,292	12,199,866
Finance costs	26	24,723,509	23,765,265
Depreciation and amortisation expenses	27	8,775,298	13,905,276
Other expenses	28	31,690,914	28,856,723
Total expenses		758,323,765	514,907,827
Profit before Tax and Exceptional and Extra Ordinary Items		97,537,386	31,305,301
Exceptional and Extra Ordinary Items		-	(43,193,172)
Profit Before Tax		97,537,386	(11,887,871)
Tax expense:	29		
(1) Current tax		8,980,468	-
(2) Deferred tax		1,124,955	(222,955)
Total tax expenses		10,105,422	(222,955)
Profit/ (loss) for the year (A)		87,431,964	(11,664,916)
Other Comprehensive Income			
Items to be reclassified subsequently to profit or loss			
- Re-measurement gains / (Loss) on defined benefits plans		-	-
- income Tax effect on above		-	-
- Foreign Currency exchange translation reserve		3,983,099	-
Other Comprehensive Income for the Year (B)		3,983,099	-
Total Comprehensive Income for the year (A+B)		91,415,063	(11,664,916)
Earnings per equity share:			
Equity shares of Par value of Rs. 10 /-each			
Basic	30	5.18	(0.95)
Diluted		5.18	(0.95)

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

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In terms of our report of even date
For JAIN JAGAWAT KAMDAR & CO
Chartered Accountants
Firm Regn No. 122530W

CA Chandra Shekhar Jagawat
Partner
Mem No:116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji
Managing Director
DIN:07576582

Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem No: A39489

Date : 30th May, 2022
Place: Mumbai

Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
CIN:L18101MH2004PLC149489
Consolidated Cash Flow Statement for the Year Ended 31st March, 2022

(Amount in Rs.)

Particulars	Year Ended	Year Ended
	31-Mar-22	31-Mar-21
Operating activities		
Profit Before Tax	9,75,37,386	(1,18,87,871)
Adjustments to reconcile profit before tax to net cash inflow		
Depreciation and amortisation expenses	87,41,423	1,39,05,276
Exchange Difference in translating the financial statement of foreign operations	39,83,099	-
Interest Income	(32,08,099)	(54,05,493)
Interest Paid	2,47,23,509	2,35,58,607
	13,17,77,319	2,01,70,519
Working capital adjustments :-		
(Increase) / Decrease in Trade and Other Receivables	27,51,895	(7,25,53,002)
(Increase) / Decrease in Inventories	(8,63,39,955)	2,71,27,596
(Increase) / Decrease in Other Non-Current Assets	(8,59,540)	5,61,06,501
(Increase) / Decrease in Other Non-Current Financial Assets	12,13,322	3,924
(Increase) / Decrease in Other Current Financial Assets	(2,09,37,090)	(42,50,747)
(Increase) / Decrease in Other Current Assets	(1,24,75,734)	-
Increase / (Decrease) in Trade and Other Payables	6,87,53,423	2,22,02,467
Increase / (Decrease) in Provision	(91,55,494)	-
Increase / (Decrease) in Non-current Financial Liabilities	(82,16,164)	-
Increase / (Decrease) in Other Financial Liabilities	(29,82,638)	(1,14,17,118)
	6,35,29,145	3,73,90,140
Direct taxes paid (Net of Refunds)	-	(1,00,00,000)
Net cash flow from operating activities	6,35,29,145	2,73,90,140
Investing activities		
Proceeds / (Purchase) of Investments	-	(18,52,602)
Sale/(Purchase) of Right of use Asset	1,11,24,781	30,00,411
Purchase of fixed assets	(65,428)	(12,88,114)
Interest received	32,08,099	54,05,493
Net cash flow used in investing activities	1,42,67,452	52,65,188
Financing activities		
Proceeds from issues of Borrowings (Net)	(8,22,55,864)	1,79,42,141
Proceeds / Payment of Lease Liability	-	(69,65,693)
Dividend paid	(14,70,000)	-
Interest paid	(2,47,23,509)	(2,35,58,607)
Net cash flow from financing activities	(10,84,49,373)	(1,25,82,159)
Increase in cash and cash equivalents	(3,06,52,776)	2,00,73,169
Cash and cash equivalents at the beginning of the year	6,30,74,757	4,30,01,588
Cash and cash equivalents at the end of the year	3,24,21,980	6,30,74,757
Components of Cash and Cash Equivalents at the end of year		
	As at	As at
	31-Mar-2022	31-Mar-2021
Cash on hand	67,60,646	6,29,00,583
Balance with banks	2,56,61,334	1,74,174
Cash and Cash Equivalents (closing)	3,24,21,980	6,30,74,757

Note : The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

This is the Cash Flow Statement referred to in our audit report of even date

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

CA Chandra Shekhar Jagawat
Partner
Mem No: 116078



For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED

Reshma Ganji
Managing Director
DIN:07576582

Riyaz Ganji
Whole Time Director
DIN 02236203



Neeta Mishra
Company Secretary
Mem No:

Date : 30th May, 2022
Place: Mumbai

LIBAS CONSUMER PRODUCTS LIMITED
Statement of Changes in Equity for the Year ended March 31, 2022

(A) Equity share capital		
Particulars	Number	Amount in Rs.
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 31 March 2019	1,22,50,000	11,25,00,000
Issue of equity shares	-	-
As at 31 March 2020	1,22,50,000	11,25,00,000
Issue of equity shares	-	-
As at 31 March 2021	1,22,50,000	11,25,00,000
Issue of equity shares	53,90,000	5,39,00,000
As at 31 March 2022	1,76,40,000	16,64,00,000

(B) Changes in Equity	
Particulars	Amount
As at 31 March 2020	26,47,55,333
Add: Profit/(Loss) for the year	(1,16,64,916)
Add: Foreign Currency Translation Reserve	(14,93,603)
As at 31 March 2021	25,15,96,814
Add: Profit/(Loss) for the year	8,74,31,964
Bonus Issue	(5,39,00,000)
Less: Dividend	(14,70,000)
Add: Foreign Currency Translation Reserve	39,83,099
As at 31 March 2022	28,76,41,877

This is the Statement of Changes in Equity referred to in our audit report of even date.

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



CA Chandra Shekhar Jagawad
Partner
Mem No: 116078

Date : 30th May, 2022
Place: Mumbai

For and on behalf of the Board of Directors
LIBAS CONSUMER PRODUCTS LIMITED



Riyaz Ganji
Riyaz Ganji
Whole Time Director
DIN:02236203

Reshma Ganji
Reshma Ganji
Managing Director
DIN:07576582

Neeta Mishra
Company Secretary
Mem No: A39489

Date : 30th May, 2022
Place: Mumbai

Note 1 : Significant Accounting Policies:

A 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. In current Financial year company has changed its name to "LIBAS CONSUMER PRODUCTS LIMITED". 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).

B Basis of Accounting:

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods upto and including year ended 31 March 2019 were prepared in accordance with the Companies (Accounting Standards) Rules, 2005 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2020 are the first financial statements prepared by the Company in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

C Use of Estimates:

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

ii) Defined benefit plans

The cost and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

D Property, Plant and Equipment

i) Tangible Assets

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2018 of its Property, Plant and Equipment and use that carrying value as the deemed cost except for certain class of assets which are measured at fair value as deemed cost on the date of transition i.e. 1 April 2018.

E Depreciation and Amortisation:

i) Depreciation on all fixed assets, except Leasehold Improvements and intangible assets, is provided on Written Down value method over the useful life of Asset and in the manner as prescribed by Schedule II of the Act.

F Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2018 of its equity investments in subsidiaries, if any, and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2018.



G Impairment of Fixed Assets:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

H De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.



I Financial Liabilities**i) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iv) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

J Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.



K Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

L Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

M Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

N Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

O Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

P Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from sale of products is recognised, in accordance with the sales contract, on delivery of goods to the customer.

Business facility income is recognised on accrual basis as per the terms of contract.

Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text 'LIBAS CONSUMER PRODUCTS LIMITED' around the top edge and 'MUMBAI' at the bottom. There is a small star symbol on the right side of the stamp.

Q Foreign Currency Transactions:**a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

R Inventories

- i) Finished Goods are valued at lower of cost or net realisable value.
- ii) Cost is arrived on First in First out basis.

S Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

T Employee Benefits**i) Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.



iii) Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

U Accounting for Taxes of Income:-**i) Current Taxes**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii) Minimum Alternative Tax

Minimum Alternative Tax (MAT) credit is recognised as an assets in accordance with the recommendation contained in the Guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by way of credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

V Leases**Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

(Amount in Rs.)

Note 2 : Property, Plant and Equipment

Particulars	Office Premises	Furniture & Fixtures	Office Equipments	Computers	Plant & Machinery	Motor Vehicle	Total
Gross Carrying Amount (at deemed cost)							
As at April 01, 2018	1,12,66,500	1,16,43,962	10,37,132	10,85,396	3,69,122	-	2,54,02,112
Additions	-	58,90,816	1,71,044	1,38,129	1,83,800	-	63,83,789
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	1,12,66,500	1,75,34,778	12,08,176	12,23,525	5,52,922	-	3,17,85,901
Additions	-	-	51,500	1,19,388	-	18,75,000	20,45,888
Disposals	-	4,50,000	-	-	-	-	4,50,000
As at March 31, 2020	1,12,66,500	1,70,84,778	12,59,676	13,42,913	5,52,922	18,75,000	3,33,81,789
Additions	24,07,000	-	-	-	-	-	24,07,000
Disposals	-	39,85,289	-	-	-	-	39,85,289
As at March 31, 2021	1,36,73,500	1,30,99,489	12,59,676	13,42,913	5,52,922	18,75,000	3,18,03,500
Additions	-	-	-	-	65,428	-	65,428
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	1,36,73,500	1,30,99,489	12,59,676	13,42,913	6,18,350	18,75,000	3,18,68,928
Accumulated Depreciation							
As at April 01, 2018	8,28,552	23,68,839	4,24,324	5,86,471	1,21,529	-	43,29,715
Depreciation charge	9,91,605	36,34,112	3,12,419	3,76,450	54,476	-	53,69,061
Deletions / Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	18,20,157	60,02,951	7,36,743	9,62,921	1,76,005	-	96,98,776
Depreciation for the year	8,97,403	28,81,499	2,23,066	1,90,018	66,222	4,22,373	46,82,581
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	27,17,560	88,84,450	9,59,809	11,52,939	2,44,227	4,22,373	1,43,81,357
Depreciation for the year	9,29,370	18,41,894	1,11,939	1,14,704	55,874	4,53,656	35,07,437
Disposals	-	(28,66,402)	-	-	-	-	(28,66,402)
As at March 31, 2021	36,46,930	78,59,942	10,71,748	12,67,643	3,00,101	8,76,029	1,50,22,392
Depreciation for the year	8,41,080	13,65,027	78,542	42,257	54,748	5,85,563	29,67,216
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	44,88,010	92,24,970	11,50,290	13,09,900	3,54,849	14,61,592	1,79,89,609
Net carrying value							
Balance as at 01 April 2018	1,04,37,948	92,75,123	6,12,808	4,98,925	2,47,593	-	2,10,72,397
Balance as at 31 March 2019	94,46,343	1,15,31,827	4,71,433	2,60,604	3,76,917	-	2,20,87,124
Balance as at 31 March 2020	85,48,940	82,00,328	2,99,867	1,89,974	3,08,695	14,52,627	1,90,00,431
Balance as at 31 March 2021	1,00,26,570	52,39,547	1,87,928	75,270	2,52,821	9,98,971	1,67,81,108
Balance as at 31 March 2022	91,85,490	38,74,519	1,09,387	33,013	2,63,501	4,13,409	1,38,79,319

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of all its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per Previous GAAP and use that as its deemed cost as at the date of transition (i.e. April 1, 2018).

Particulars	Gross Block	Accumulated
	(As Cost)	Depreciation
	As at 01-04-2018	
Office Premises	1,12,66,500	8,28,552
Furniture & Fixtures	1,16,43,962	23,68,839
Office Equipments	10,37,132	4,24,324
Computers	10,85,396	5,86,471
Plant & Machinery	3,69,122	1,21,528
TOTAL	2,54,02,112	43,29,715

Note 3 : Right-of-use assets

Particulars	Amount (in Rs.)
Gross carrying value:	
Balance as at 01 April 2018	3,54,58,048
Additions	2,42,31,325
Disposals / Adjustments	-
Balance as at 31 March 2019	5,96,89,373
Additions	-
Disposals / Adjustments	-
Balance as at 31 March 2020	5,96,89,373
Additions	-
Disposals / Adjustments	-
Balance as at 31 March 2021	5,96,89,373
Additions	-
Disposals / Adjustments	(2,09,15,515)
Balance as at 31 March 2022	3,87,73,858
Accumulated Amortization	
Balance as at 01 April 2018	95,96,907
Amortisation charge for the year	1,28,57,870
Deletions / Adjustments	-
Balance as at 31 March 2019	2,24,54,777
Amortisation charge for the year	1,26,98,370
Deletions / Adjustments	-
Balance as at 31 March 2020	3,51,53,147
Amortisation charge for the year	66,51,199
Deletions / Adjustments	-
Balance as at 31 March 2021	4,18,04,345
Amortisation charge for the year	57,74,207
Deletions / Adjustments	(97,90,734)
Balance as at 31 March 2022	3,77,87,818
Net carrying value	
Balance as at 01 April 2018	2,58,61,141
Balance as at 31 March 2019	3,72,34,596
Balance as at 31 March 2020	2,45,36,226
Balance as at 31 March 2021	1,78,85,028
Balance as at 31 March 2022	9,86,040





Note 4 : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments		
Trade, Unquoted (At FVTPL, unless stated otherwise)		
Others		
Shares in Shamrao Bank	100,000	100,000
Union Capital Protection Fund	-	-
Investment in Subsidiary		
Trade, Unquoted		
LIBAS DESIGNS FZE LLC	1,888,900	1,888,900
100 Equity share of AED. 1,000 each fully paid up		
Loans & Advances to Subsidiary	4,185,216	4,185,216
Less: Inter Company Adjustment	(2,721,514)	(2,721,514)
	3,452,602	3,452,602

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate of non-current investments:		
Book value of investments	3,452,602	3,452,602
Investments carried at deemed cost	1,888,900	1,888,900
Investments carried at fair value through profit and loss	100,000	100,000

Note 5 : Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	5,070,219	6,283,540
	5,070,219	6,283,540

Note 6 : Other non - current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to creditors	1,389,600	12,969,600
Other Advances	71,885,033	59,411,618
Other Non-Current Assets (Deferred Assets)	42,234	76,109
	73,316,867	72,457,327

Note 7 : Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	137,940,094	100,069,397
Finished Goods	174,467,189	125,997,931
	312,407,283	226,067,328

Note 8 : Trade receivables

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
(Unsecured and considered good, unless otherwise stated)		
Outstanding for more than six months	-	1,522,714
Other trade receivables	237,354,628	237,317,473
Less : Provision for Expected Credit Loss	(2,815,945)	(1,549,810)
Total Receivables	234,538,682	237,290,377
Current Portion	234,538,682	237,290,377
Non - Current Portion	-	-

Note 9 : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks - Current Accounts	25,661,334 6,760,646	174,174 62,900,583
Cash on Hand		
	32,421,980	63,074,757

Note 10 : Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other Receivables	33,333,483	12,396,393
	33,333,483	12,396,393

Note 11 : Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	12,475,734	-
	12,475,734	-

Note 11 : Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
2,80,00,000 (March 2021 : 1,50,00,000) equity shares of Rs. 10 each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and Fully Paid Up		
1,76,40,000 (March 2021 : 1,22,50,000) Equity shares of Rs. 10 each fully paid-up	176,400,000	122,500,000
Total	176,400,000	122,500,000

a) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares			
	As at March 31, 2022		As at March 31, 2021	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	12,250,000	122,500,000	12,250,000	122,500,000
Shares Issued during the year	5,390,000	53,900,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,640,000	176,400,000	12,250,000	122,500,000

c) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholder	Equity Shares			
	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nishant Mahimtura	-	0.00%	3,078,000	25.13%
Riyaz Ganji	2,719,459	15.42%	1,888,494	15.42%
Reshma Ganji	2,667,817	15.12%	1,852,651	15.12%

During the year ended March 31, 2022, the Board of Directors have issued and allotted a total 53,90,000 fully paid up bonus equity Shares of Rs. 10/- each out of which 24,50,000 bonus shares were issued on 09th April, 2021 & 29,40,000 bonus shares were issued on 24th September, 2021 after seeking approval of Shareholders on 25th March, 2021 & 14th September, 2021 respectively.

Name of the Promoter	Equity Shares		
	As at March 31, 2022		
	No. of Shares held	% of Holding	% Change in Holding
RIYAZ GANJI	2,719,459	15.42%	0.00%
RESHMA GANJI	2,667,817	15.12%	0.00%

Name of the Promoter	Equity Shares		
	As at March 31, 2022		
	No. of Shares held	% of Holding	% Change in Holding
NISHANT MAHIMTURA	3078000	25.13%	0.00%
RIYAZ GANJI	1888494	15.42%	0.00%
RESHMA GANJI	1852651	15.12%	0.00%

Note 12 : Other Equity

Particulars	Amount
As at 31 March 2020	264,755,333
Add: Profit/(Loss) for the year	(11,664,916)
Add: Foreign Currency Translation Reserve	(1,493,604)
As at 31 March 2021	251,596,813
Add: Profit/(Loss) for the year	87,431,964
Add: Bonus Shares Issued	(53,900,000)
Less: Dividend	(1,470,000)
Add: Foreign Currency Translation Reserve	3,983,099
As at 31 March 2022	287,641,876

Nature and Purpose of Reserves :**Securities Premium Reserve**

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Note 13 : Long term Borrowing**(Non Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans	-	22,723,479
	-	22,723,479

Note 14 : Other financial liabilities**(Non Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Loan	13,383,822	11,863,345
Lease Liability	-	9,736,641
	13,383,822	21,599,986



**Note 15 : Provisions
(Long term Provisions)**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax (net of Advance tax & TDS)	6,281,837	-
Provision for Gratuity	2,518,173	1,803,393
	8,800,010	1,803,393

Note 16 : Deferred Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,816,771	691,816
	1,816,771	691,816

Note 17 : Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Working Capital Loan from Union Bank of India		
Cash Credit Hypothecation Accounts *	96,828,404	156,360,789
	96,828,404	156,360,789

* (a) Working Capital Loan from Union Bank of India are secured against hypothecation of stock & book debts and co-terral 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.

Note 18 : Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small & Medium enterprises (refer note below)*	-	-
Others	129,050,594	60,297,170
	129,050,594	60,297,170

***Note** : 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.

**Note 19 : Other financial liabilities
(Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Branch Division	-	245,793
Statutory Dues Payable	6,397,648	2,311,190
Lease Liability	734,577	7,557,463
Other Payable	48,793	49,208
	7,181,017	10,163,654

**Note 20 : Provisions
(Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	66,307	66,307
Other Provisions	713,408	7,885,051
	779,715	7,951,358



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

(Amount in Rs.)

Note 21 : Revenue From Operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	851,896,200	540,807,636
	851,896,200	540,807,636

Note 22 : Other Income

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount Received	148,563	71,350
Interest Income	3,208,099	5,227,318
Reversal of Lease Liability	575,611	-
Interest Income on unwinding of deposits	32,678	106,825
	3,964,951	5,405,492

Note 23 : Cost of Material Consumed

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material consumed:		
Opening Stock - Raw Material	83,998,621	112,659,718
Add : Purchases	754,035,090	435,783,567
Add : Direct Exps	2,328,759	18,223,990
	840,362,470	566,667,276
Less: Decrease in the value of Stock	-	(42,055,650)
Less : Closing Stock - Raw Material	(116,311,460)	(102,968,203)
	724,051,010	421,643,423

Note 24 : Changes in inventories of finished goods, WIP and Stock-in-trade

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening stock		
Finished goods	125,997,931	140,535,206
Total (A)	125,997,931	140,535,206
Closing stock		
Finished goods	174,467,189	125,997,931
Total (B)	174,467,189	125,997,931
Changes in inventories (A-B)	(48,469,258)	14,537,275

Note 25 : Employee benefits expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	15,084,692	9,077,327
Director Remuneration	2,455,000	3,025,000
Welfare and other benefits	12,600	97,539
	17,552,292	12,199,866

Note 26 : Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on Term, Working Capital Loans	16,995,277	20,797,146
Processing fees	572,003	906,517
Bank Charges	6,387,514	528,220
Interest Expenses on Lease Liability	768,715	1,533,382
	24,723,509	23,765,265



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

Note 27 : Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant and Equipment	2,967,216	3,507,437
Amortisation on Right of Use assets	5,808,081	10,397,839
	8,775,298	13,905,276

Note 28 : Other expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sales & Distribution expenses		
Sales Promotion	14,863,423	1,058,054
Freight	28,748	40,355
Commission & Discount	1,425,601	1,635,267
Courier charges & Postage	-	47,266
	(A) 16,317,772	2,780,942
Administration & Other Expenses		
Insurance Expense	-	238,443
Sundry Expenses	1,652,585	663,763
Audit Fees	621,350	600,000
Books & Magazines	-	5,880
Provision for Expected Credit Loss	1,266,135	-
Communication & Utilities	669,179	1,160,571
Conveyance charges	-	18,033
Donation	-	27,000
Dividend Paid	-	2,450,317
Electricity charges	676,602	1,012,978
Hire charges paid	100,000	403,000
Penalty on GST	-	12,000
Legal Exps	-	1,057,240
Maintenance charges	-	80,941
Written Off	-	7,942,026
Inventory Written off	484,090	-
ROC & Listing fee	-	525,200
Office Exps	-	821,881
Petrol & Diesel Exps	-	542,000
Printing & Stationery Exps	1,925,052	427,079
Profession Fees	6,356,557	8,766,009
Rent Expenses	(74,741)	(1,266,180)
Repair & Maintenance	172,222	395,572
Professional Tax	17,500	-
Software Exps	-	11,200
Telephone & Internet Charges Paid	1,506,612	49,412
Tours & Travel	-	131,416
	(B) 15,373,142	26,075,781
Total (A+B)	31,690,914	28,856,723

In case of Rent Expenses, figures has been turns out to be negative, as during the year company has ceased to make payment of Delhi Shop Rent and same is under dispute with shop owner, however effect of Ind AS 116 is continue to be given in the financial statement. As per Ind AS 116, rent expenses as per the agreement needs to be reverse and expenses is to be accounted in the form of Amortisation of Right to Use Assets (ROU Assets), and in the books company has not accounted whole actual rent as per the agreement since dispute with owner.

Details of Payment to Auditors

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
For Audit Fees	621,350	600,000
	621,350	600,000



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

Note 29 : Tax expense:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax expense (A)		
Current tax	8,980,468	-
	8,980,468	-
Deferred tax expense (B)		
Origination and reversal of temporary differences	1,124,955	(222,955)
	1,124,955	(222,955)
Tax expense recognised in the income statement (A+B)	10,105,422	(222,955)

Note 30 : Earnings per equity share:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Weighted average number of shares outstanding during the period	17,640,000	12,250,000
Weighted average number of Potential Equity shares outstanding during the year	17,640,000	12,250,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	17,640,000	12,250,000
Net Profit \ (Loss) after tax available for equity shareholders	91,415,063	(11,664,916)
Basic Earning per share (in Rs.)	5.18	(0.95)
Diluted Earning per share (in Rs.)	5.18	(0.95)



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

(Amount in Rs.)

Note 31: Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

i) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

a) Subsidiary Company

Libas Design LLC (Ajman, U.A.E)

b) Directors, Key Management Personnel & Relatives of KMP

Name	Relationship
Nishant Mitrasen Mahimtura	Founder & CEO
Riyaz Eqbal Ganji	Whole Time Director
Reshma Riyaz Ganji	Managing Director
Basant Agarwal	CFO
Nita Prabhat Kumar Mishra	Company Secretary

c) Enterprises owned or significantly influenced by Key Managerial Personnel and or their relatives

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.

ii) Transactions with Related Parties during the year

Name of Party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Riyaz Eqbal Ganji	Remuneration Paid	1,200,000	1,200,000
Reshma Riyaz Ganji	Remuneration Paid	1,200,000	1,200,000
Nita Prabhat Kumar Mishra (CS)	Remuneration Paid	248,200	175,000
Suchitra Mahimtura	Salary Paid	50,000	600,000
Smriti Industries	Commision Expense	1,380,000	13,800,000
Pawan Mahimtura	Hire Charges	100,000	403,000
See My Brand Private Limited	Purchase	-	12,467,250
See My Brand Private Limited	Loan Taken	52,635,000	-
See My Brand Private Limited	Loan Repaid	50,000,000	-
Golden Bricks Infrastructure Private Limited	Purchase	-	6,119,822
Golden Bricks Infrastructure Private Limited	Sales	19,545,690	-
Riyaz Eqbal Ganji	Advance for Expenses	291,655	-
Riyaz Eqbal Ganji	Loan Repaid	2,580,000	1,494,754
Reshma Gangji	Loan Given	-	28,640

iii) Balance Outstanding of Related Parties :

Name of Party	Receivable / (Payable)	As At March 31, 2022	As At March 31, 2021
Riyaz Eqbal Ganji	Receivable	25,106	2,313,450
Reshma Riyaz Ganji	Receivable	3,786,487	5,064,737
Golden Bricks Infrastructure Private Limited	Receivable	3,178,864	-
Smriti Industries	Payable	905,922	125,078
LIBAS DESIGN LLC (Ajman, U.A.E)	Receivable	600,000	600,000
See My Brand Private Limited	Payable	2,635,000	16,401,265

Note : Related Parties as disclosed by Management and relied upon by auditors



LIBAS CONSUMER PRODUCTS LIMITED

Notes to consolidated financial statements for the Year ended March 31, 2022

Note 34 : Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	96,828,404	156,360,769
Cash and Cash equivalents	(32,421,980)	(63,074,757)
Net Debt	64,406,424	93,286,032
Equity	464,041,877	374,096,814
Total Capital	464,041,877	374,096,814
Capital and Net Debt	528,448,301	467,382,847
Gearing ratio (Net Debt/Capital and Net Debt)	12%	20%

Note 35 : Summary of Significant Ratios

Sr.No.	Particulars	As on 31/03/2022	As on 31/03/2021
1	Current Ratio	2.67	2.30
2	Debt Equity Ratio	0.34	0.62
3	Debt Service Coverage Ratio	5.15	0.82
4	Return on Equity Ratio	0.05	-0.01
5	Inventory Turnover Ratio	0.78	0.43
6	Trade Receivables Turnover Ratio	0.90	0.67
7	Trade Payables Turnover Ratio	1.99	2.21
8	Net Capital Turnover Ratio	1.09	0.89
9	Net Profit Ratio	10.26%	-2.16%
10	Return on Capital employed	0.22	0.10

Note 36 : Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification

<p>In terms of our report of even date For JAIN JAGAWAT KAMDAR & CO Chartered Accountants Firm Regn No. 122530W</p>  <p>CA Chandra Shekhar Jagawat Partner Mem No:116078</p> 	<p>For and on behalf of the Board of Directors LIBAS CONSUMER PRODUCTS LIMITED</p>  <p>Reshma Ganji Managing Director DIN:07576582</p> 	 <p>Riyaz Ganji Managing Director DIN - 00002098</p>
<p>Date : 30th May, 2022 Place: Mumbai</p>	<p>Neeta Mishra Company Secretary Mem No: A39489</p> <p>Date : 30th May, 2022 Place: Mumbai</p>	

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

ACCOUNTING RATIOS

Following are the Key Accounting Ratios based on Standalone & Consolidated Financial Statements for the year ended March 31, 2022:

Particulars	Standalone	Consolidated
Earnings Per Share (EPS) (Basic and Diluted) (₹)	1.45	5.18
Return on Net Worth (%)	7.85%	18.84%
Net Asset Value per Share (₹)	18.46	26.31
EBITDA (₹ in Lakhs)	630.15	1,310.36
EBITDA (%)	13.49%	15.31%

Formula:

- 1) **Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- 2) **Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- 3) **Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- 4) **EBITDA (₹ in lakhs):** Profit before tax plus finance costs plus depreciation and amortization expense.
- 5) **EBITDA (%):** [EBITDA/ (Total Revenue)] * 100

CAPITALISATION STATEMENT

The capitalization statement of the Company as at March 31, 2022 and as adjusted for the Issue as per consolidated financials is as follows:

Particulars	Pre-Issue as at March 31, 2022	Adjusted for the Issue
Total Borrowings		
Current Borrowings (A)	968.28	968.28
Non-current Borrowings (including current maturity) (B)	-	-
Total Borrowings (C) = (A) + (B)	968.28	968.28
Total Equity		
Equity Share Capital (D)	1,764.00	2,646.00
Other Equity (E)	1,492.38	[•]
Total Equity (F) = (D) + (E)	3,256.38	[•]

Note: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2022

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on National Stock Exchange of India Limited

- 1) Year is a Financial Year
- 2) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- 3) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- 4) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the NSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	Date of High	High (₹)	Volume on date of High (No. of Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Shares)	Average Price for the Year
FY 2021-22	July 14, 2021	76.40	7,88,591	March 29, 2022	23.25	2,64,298	45.91
FY 2020-21	July 20, 2020	54.80	26,718	December 01, 2020	27.25	1,13,918	38.10
FY 2019-20	October 29, 2019	66.00	3,992	August 21, 2019	40.10	1,605	52.46

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

Month	Date of High	High (₹)	Volume on date of High (No. of Shares)	Date of Low	Low (₹)	Volume on date of Low (No. of Shares)	Total No. of shares traded in the month
July 2022	July 15, 2022	29.20	4,36,128	July 21, 2022	24.35	5,37,885	77,50,658
June 2022	June 03, 2022	28.00	1,16,159	June 21, 2022	21.05	2,03,459	20,78,166
May 2022	May 30, 2022	29.15	9,82,275	May 11, 2022	21.15	99,578	50,40,232
April 2022	April 11, 2022	27.80	86,422	April 29, 2022	23.80	46,271	12,78,793
March 2022	March 02, 2022	33.45	12,70,677	March 29, 2022	23.25	2,64,298	65,21,811
February 2022	February 17, 2022	31.80	8,54,127	February 14, 2022	26.00	3,00,151	63,61,246

Week end closing prices of the Equity Shares for the last four weeks:

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
July 29, 2022	24.95	25.65	July 25, 2022	25.10	July 29, 2022
August 05, 2022	26.50	27.15	August 02, 2022	25.70	August 01, 2022
August 12, 2022	28.15	28.25	August 12, 2022	26.10	August 08, 2022
August 19, 2022	26.00	30.25	August 16, 2022	22.55	August 16, 2022

Source: www.nseindia.com

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

We discuss below our historical results of operations and financial condition as of and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and our assessment of the factors that may affect our prospects and performance in future periods.

You should read the following discussion in conjunction with audited financial statements for our Company for Fiscal 2022, Fiscal 2021 and Fiscal 2021, including annexures, schedules, and notes thereto and the report thereon appearing in this Draft Letter of Offer which are prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month’s period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. See “Risk Factors” and “Forward-Looking Statements”. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in this section and in the sections “Risk Factors” and “Forward-Looking Statements” on pages 14 and 10.

COMPANY OVERVIEW

Our Company was incorporated as “Libas Designs Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated November 10, 2004 issued by Registrar of Companies, Mumbai, Maharashtra bearing registration No.149489. Further our Company was converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion was issued on September 20, 2016 by the Registrar of Companies, Mumbai, Maharashtra and consequently the name of our Company was changed to “Libas Designs Limited”. The present name was changed on November 06, 2020. The Corporate Identification Number of Our Company is L18101MH2004PLC149489.

BUSINESS OVERVIEW

Libas Consumer Products Limited (“**Libas**”) is engaged in the Business of designing, marketing and retail of ethnic wear through ready wear and through customization, where customers can choose the colors, fabrics and designs and make changes as per their need. We 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 the client. Apart from retail sales, we also undertake wholesale business where we provide the designs to other labels. We also give complete solutions to corporates regarding their dressing needs and designing.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer i.e. March 31, 2022, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 14 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Failure, defects, delays and other problems involving the technology systems and infrastructure on which we rely for providing our services and solutions to our clients;
- Our dependence on our key personnel, including our Directors and senior management;

- Our ability to successfully implement our business strategy and plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the financial results of our Company for years ended March 31, 2022 and 2021.

OVERVIEW OF REVENUE & EXPENDITURE

All figures are in lakhs except stated otherwise

Revenues

Our Company's revenue is primarily generated from Sale of products: -

Particulars	FY 2021-22	FY 2020-21
Income		
Revenue from Operations	4,632.44	3,499.72
Increase/Decrease in %	32.37%	5.36%
Other Income	39.65	54.05
Increase/Decrease in %	-26.65%	-61.97%
Total Revenue	4,672.09	3,553.77

The following is the Income mix in terms of value of total income of our Company from Sale of products:

Particulars	FY 2021-22	FY 2020-21
Revenue from Operation		
Sale of Products	4,632.44	3,499.72
Total Revenue from Operation	4,632.44	3,499.72

The following is the Income mix in terms of percentage of total income of our Company from Sale of Products:

Particulars	FY 2021-22	FY 2020-21
Revenue from Operation		
Sale of Products	100.00%	100.00%
Total Revenue from Operation	100.00%	100.00%

Other Income

Other income consists of Interest Income earned on financial assets.

Particulars	FY 2021-22	FY 2020-21
Other Income:		
Reversal of Lease Liability	5.76	-
Consultancy Charges	-	-
Discount Received	1.49	0.71
Subsidy Received		
Interest Income	32.41	53.34
-on Bank deposits		
-Interest on Income	32.08	52.27
-Others	0.33	1.07
Dividend income - Current Investment	-	-
Provision for doubtful debt written back	-	-
Misc. Income	-	-
Net Gain on Sale of Current Investment	-	-
Diminution in value of current Investment-Reversal	-	-
Total Other Income	39.65	54.05

The following is the other income mix in terms of percentage of other income of our Company:

Particulars	FY 2021-22	FY 2020-21
Other Income:		
Reversal of Lease Liability	14.52%	0.00%
Consultancy Charges	0.00%	0.00%
Discount Received	3.75%	1.32%
Subsidy Received	-	-
Interest Income	81.74%	98.68%
-on Bank deposits	-	-
-Interest on Income	98.99%	98.00%
-Others	0.82%	1.98%
Dividend income - Current Investment	-	-
Provision for doubtful debt written back	-	-
Misc. Income	-	-
Net Gain on Sale of Current Investment	-	-
Diminution in value of current Investment-Reversal	-	-
Total Other Income	100.00%	100.00%

Main Components of our Revenues

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Revenue from Operations includes income from sales of products. Our revenue from operations as a percentage of total income was 99.15% and 98.48% of the Total Income for the year ended 31 March 2022 and 2021.

Other Income

Other income, as a percentage of total income was 0.85% and 1.52% of the Total Income for the year ended 31 March 2022 and 2021.

Expenditure

Our total expenditure primarily consists of Cost of Raw Material, Changes in Inventories, Employee Benefit expenses, Finance cost, Depreciation and Amortization and Other Expenses.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

Particulars	FY 2021-22	FY 2020-21
EXPENDITURE		
Cost of Raw Material Consumed	4,270.12	2,622.25
As a % of Total Revenue	91.40%	73.79%
Changes in Inventories	-484.69	145.37
As a % of Total Revenue	-10.37%	4.09%
Purchase of Stock in Trade	-	-
As a % of Total Revenue	0.00%	0.00%
Employee benefit expenses	55.42	64.25
As a % of Total Revenue	1.19%	1.81%
Finance costs	185.61	235.59
As a % of Total Revenue	3.97%	6.63%
Depreciation and Amortization	87.75	139.05
As a % of Total Revenue	1.88%	3.91%
Other expenses	201.09	80.37
As a % of Total Revenue	4.30%	2.26%
Total Expenditure	4315.29	3286.88
As a % of Total Revenue	92.36%	92.49%

Main Components of our Expenditure

Cost of Raw Material Consumed

Cost of Raw Material Consumed accounted for 91.40% and 73.79% of our total revenue for the financial year ended on March 31, 2022 and 2021.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary and wages, contribution to Provident and other funds and staff welfare expenses. Employee benefit expenses accounted for 1.19% and 1.81% of our total revenue for the financial year ended as on March 31 2022 and 2021.

Finance Cost

Finance Cost primarily consists of interest expenses on borrowings and other borrowing cost. Our finance costs accounted for 3.97% and 6.63% of our total revenue for the financial year ended as on March 31, 2022 and 2021.

Depreciation & Amortization

Depreciation primarily consists of depreciation on the tangible assets of our Company which primarily includes Factory shed & Building, Plant and Equipment and Amortization is on intangible assets of our company. It is provided using the straight-line method as per the useful lives of assets estimated by the management or at the rates as per the

useful life prescribed under Schedule II of the Companies Act, 2013. Our depreciation and amortization expense accounted for 1.88% and 3.91% of our total revenue for the financial year ended as on March 31, 2022 and 2021.

Other Expenses

Other expenses primarily include Sales Promotion Expenses, Freight, Commission and Discount, Insurance Expenses, Dividend Paid and Administration & Other Expenses. Total Other Expenses accounted for 4.30% and 2.26% for the year ended 31 March, 2022 and 2021.

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated summary financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

Particulars	FY 2021-22	FY 2020-21
INCOME		
Revenue from Operations		
Revenue	4632.44	3499.72
As a % of Total Revenue	99.15%	98.48%
Increase/Decrease in %	32.37%	5.36%
Other Income	39.65	54.05
As a % of Total Revenue	0.85%	1.52%
Increase/Decrease in %	-26.65%	-61.97%
Total Revenue	4672.09	3553.77
EXPENDITURE		
Cost of Raw Material Consumed	4,270.12	2,622.25
As a % of Total Revenue	91.40%	73.79%
Changes in Inventories	-484.69	145.37
As a % of Total Revenue	-10.37%	4.09%
Purchase of Stock in Trade	-	-
As a % of Total Revenue	0.00%	0.00%
Employee benefit expenses	55.42	64.25
As a % of Total Revenue	1.19%	1.81%
Finance costs	185.61	235.59
As a % of Total Revenue	3.97%	6.63%
Depreciation and Amortization	87.75	139.05
As a % of Total Revenue	1.88%	3.91%
Other expenses	201.09	80.37
As a % of Total Revenue	4.30%	2.26%
Total Expenditure	4315.29	3286.88
As a % of Total Revenue	92.36%	92.49%
Profit Before Exceptional & Extraordinary items and tax	356.79	266.90
As a % of Total Revenue	7.64%	7.51%
Exceptional Items		432
As a % of Total Revenue	0.00%	12.15%
Extraordinary Items	-	-
As a % of Total Revenue	0.00%	0.00%
Profit before tax	356.79	(165.04)
PBT Margin (%)	7.64%	-4.64%
Tax expense :		
(i) Current tax	89.80	-
(ii) Prior Period Taxes	-	-
(iii) Deferred Tax	11.25	(22.30)

Particulars	FY 2021-22	FY 2020-21
Total	101.05	2.23
As a % of Total Revenue	2.16%	0.06%
Profit for the year	255.74	-162.81
PAT Margin (%)	5.47%	-4.58%
Cash Profit	343.49	-23.75
Cash Profit Margin (%)	7.35%	-0.67%

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the Income Tax Act, 1961.

The following table presents the details of our Company’s trade receivables:

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Unsecured and Considered Good			
Outstanding for a period not exceeding 6 months	1,452.47	1,631.95	1,049.40
As a % of total Trade receivables	85.15%	82.57%	84.18%
Outstanding for a period exceeding 6 months	281.52	360.04	212.70
As a % of total Trade receivables	16.50%	18.22%	17.06%
Less: Provision for doubtful debts	-28.16	-15.50	-15.50
Total Trade receivables	1705.83	1976.49	1246.61
Avg. Trade receivables	1862.99	1627.04	0.00
Trade receivables Turnover Ratio	2.49	2.15	2.66
Average Collection Period (in days)	146.79	169.69	136.98

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021

Income

Total revenue increased by Rs. 1,118.32 Lakhs and 31.47% from Rs. 3,553.77 Lakhs in the fiscal year ended March 31, 2021 to Rs. 4,672.09 Lakhs in the fiscal year ended March 31, 2022. The revenue has increased due to increase sale of products.

Expenditure

Total Expenditure increased by Rs. 1,028.42 Lakhs and 31.29%, from Rs. 3,286.88 Lakhs in the fiscal year ended March 31, 2021 to Rs. 4,315.29 Lakhs in the fiscal year ended March 31, 2022. Overall expenditure has increased due to higher raw material consumption which surged by 62.84% compared to previous year and also Other expenses rose sharply by Rs 120.73 lakh and by 150.22% from Rs 80.37 Lakhs in the fiscal year ended March 31, 2021 to Rs. 201.09 Lakhs in the fiscal year ended March 31, 2022.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage decreased by Rs. 8.83 Lakhs and 13.75% from Rs. 64.25 Lakhs in the fiscal year ended March 31, 2021 to Rs. 55.42 Lakhs in the fiscal year ended March 31, 2022.

Finance Costs

Finance Costs decreased by Rs. 49.98 Lakhs and 36.89% from Rs. 235.59 Lakhs in the fiscal year ended March 31, 2021 to Rs. 185.61 Lakhs in the fiscal year ended March 31, 2022.

Depreciation and Amortization

Depreciation and Amortization in terms of value and percentage, decreased by Rs. 51.30 Lakhs and 36.89% from Rs. 139.05 Lakhs in the fiscal year ended March 31, 2021 to Rs. 87.85 Lakhs in the fiscal year ended March 31, 2022.

Other Expenses

Other Expenses in terms of value and percentage, increased sharply by Rs 120.73 lakh and by 150.22% from Rs 80.37 Lakhs in the fiscal year ended March 31, 2021 to Rs. 201.09 Lakhs in the fiscal year ended March 31, 2022. Other Expenses rose as a result of increase in Sales & Distribution Expenses, Professional Fees and sundry Expenses.

Profit/Loss before exceptional & extraordinary items and Tax

Profit before exceptional & extraordinary items and Tax has increased by Rs. 89.90 Lakhs and 33.68% from Rs. 224.81 Lakhs in the fiscal year ended March 31, 2021 to Rs. 356.79 Lakhs in the fiscal year ended March 31, 2022. Profit before exceptional & extraordinary items and Tax has increased due 31.47% jump in revenue by marinating total expenditure at 92% of the total revenue as it was in previous year.

Net Profit/Loss after Tax and Extraordinary items

Our company has reported the Profit after Tax and Extraordinary items of Rs 255.74 Lakhs in the fiscal year ended 31 March 2022 from Loss after Tax and Extraordinary items of Rs -162.81 Lakhs in the fiscal year ended 31 March 2021. Profit after Tax and Extraordinary items for the said period is contributed by increase in inventor, capping over all expenditure despite of increase in revenue.

CASH FLOWS

Particulars	FY 2021-22	FY 2020-21
Net Cash from Operating Activities	483.33	261.25
Net Cash from Investing Activities	142.67	86.18
Net Cash from Financial Activities	(1,105.03)	(125.82)

Cash Flows from Operating Activities

Net Cash Generated from Operating Activities in financial year 2022 was Rs. 483.33 lakhs as compared to cash flows in financial year 2021 of Rs 261.25 lakhs. Positive cash flow in financial year 2021 primarily came as result of realization on account of receivables of Rs 270.66 lakhs and increase in Trade and Other Payable by Rs 665.35 lakhs. In the financial year 2020, Net Cash Generated from Operating Activities in financial year 2021 was Rs. 261.25 lakhs. Higher Cash flow was reported due to primarily increase in Other Non-Current Assets by Rs 561.07 Lakhs and release of inventory of Rs 242.29 Lakh.

Cash Flows from Investment Activities

In financial year 2022, the Net Cash Invested in Investing Activities was Rs. 142.67 lakhs. This was mainly on account of Deletion of Right to Use Asset of Rs 111.25 lakhs, and Interest Received of Rs 32.08 Lakhs.

In financial year 2021, the Net Cash Invested in Investing Activities was Rs 86.18 lakhs. This was mainly on account of sale of investments of Rs 150 Lakh.

Cash Flows from Financing Activities

In financial year 2022, the Net Cash from Financing Activities was Rs -1,105.03 Lakhs. This was mainly on account of Net of payments of borrowing of Rs 822.56 Lakhs.

In financial year 2021, the Net Cash from Financing Activities was Rs. -125.82 lakhs. This was mainly on account of increase in borrowings worth Rs 15.00 lakhs.

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company is impleaded as a defendant in litigation proceedings before any judicial forum.

A. TAX MATTERS

Outstanding Demand

Sr. No.	Assessment Year	Section	Amount involved (₹ in lakhs)
1)	2009	143(1)	Negligible
2)	2012	143(1)	6.93
3)	2017	143(1)	Negligible
4)	2018	154	53.75
5)	2019	143(1)	95.95
6)	2020	143(1)	54.99

B. LITIGATIONS FILED AGAINST OUR COMPANY – NIL

C. LITIGATIONS FILED BY OUR COMPANY

Sr. No.	Parties	Court /Case No./ Judge/Section	Case Details	Approx. Amount involved (₹ in lakhs)	Current Status
1)	Libas Designs Private Limited Versus Employees State Insurance Corporation, The Recovery officer and The Branch Manager, Axis Bank	Employees State Insurance Court At Mumbai	Application (ESI) No. 25 of 2012	11.59	Pending
2)	Libas Designs Limited Versus G.S. Majestic Developers Private Limited	Bombay High Court	Appeal for Arbitration Award	150.00	Pending
3)	Libas Designs Private Limited Versus LFE World Private Limited & Others	Legal Notice Us 138 r.w. 141 of Negotiable Instrument Act, 1881 dated 13.09.2012	Demanding Payment in lieu of Cheque Dishonored	2.50	Matter Pending with Metropolitan Magistrate

D. LITIGATIONS INVOLVING OUR PROMOTERS

Sr. No.	Parties	Court /Case No./ Judge/Section	Case Details	Approx. Amount involved (₹ in lakhs)	Current Status
1)	State Vs Riyaz Ganji	Bandra Court	Charges booked against Riyaz Ganji for Assault and Criminal intimidation	-	Charge sheet is filed at matter is pending for further proceeding
2)	Riyaz Ganji Versus Employees State Insurance Corporation, The Recovery officer and The Branch Manager, Axis Bank	Employees State Insurance Court At Mumbai Application (ESI) No. 23 of 2012	Recovery Notice claiming contribution for the period April 2006 to December 2011 and Interest there on	11.59	Pending
3)	Nishant M. Mahimtura & Anr. Versus Rekha Vipin Khakhar	High Court Suit No. 1948 of 2006 Bombay City Civil Court No. 6651 of 2006	Suit initially filed before the Hon'ble High Court which suit was numbered as 1948 of 2006. plaintiff being aggrieved and dissatisfied by the impugned judgement. Then appellant file the present appeal	Not Quantifiable	Pending at Bombay High Court
4)	Purshottam Keshwani & Others V/s Nishant M. Mahimtura & ORS.	Delhi High Court CS(COMM) 825/2018	Case is filed before Delhi High Court	Not Quantifiable	Pending (Next hearing on August 26, 2022)

E. LITIGATIONS INVOLVING OUR SUBSIDIARIES

NIL

Disclosures pertaining to wilful defaulters or fraudulent borrower

Neither our Company, our Directors nor our Promoters are or have been declared as wilful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters and fraudulent borrower issued by RBI.

Material development since the date of the last audited accounts

To our knowledge no circumstances have arisen since the date of the latest audited financial statements i.e. March 31, 2021, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

GOVERNMENT AND OTHER APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company, to conduct our existing business and operations.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the following:

- 1) Resolution passed by our Board of Directors under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on February 12, 2022.
- 2) In-principle approval from NSE pursuant to the letter dated [•].

The Board of Directors in their meeting held on February 12, 2022 have determined the Issue Price as ₹[•] per Equity Share and the Rights Entitlement as 1 (One) Rights Equity Share for every 2 (Two) Equity Share held on the Record Date.

Prohibition by SEBI and various agencies/ other Regulatory Bodies

Our Company, Promoters, members of Promoter Group and directors, have not been or are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the companies with which our Promoter or our directors are associated as promoter or directors have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, Promoter or director have been identified as willful Defaulters or fraudulent borrower by the RBI. None of our Directors are associated with the securities market in any manner. Neither our Promoter nor our directors are declared as Fugitive Economic Offenders.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchange or ROC, etc. on our Company/Promoters/Directors/Group Companies.

Eligibility for the Issue

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the National Stock Exchange of India Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with requirements of Regulation 61 and 62 of the SEBI ICDR Regulations to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to stock exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations:

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- 1) Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date.
- 2) The reports, statements and information referred to above are available on the websites of stock exchanges.
- 3) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below ₹5,000 Lakhs.

Disclaimer clauses from our Company

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be National Stock Exchange of India Limited ("NSE").

Disclaimer Clause of NSE

As required, a copy of the Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Draft Letter of Offer, will be included in the Letter of Offer prior to filing with the Stock Exchange.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is below ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. Issuer has filed Draft Letter of Offer with NSE for obtaining in-principle approval.

Investor Grievances and Redressal System

We have adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI LODR Regulations as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by the Registrar and Share Transfer Agent, Bigshare Services Private Limited. The Redressal norm for response time for all correspondence including shareholders' complaints is within 7 (seven) to 10 (ten) days.

The Stakeholders' Relationship Committee consists of Mr. Ashish Dubey Chairperson and Mr. Rishi Sharma and Mr. Nishant Mahimtura as members of the said committee. All Investor Grievances received by our Company have been handled by the Registrar and Share Transfer agent in consultation with the Compliance Officer.

Investor grievances arising out of this Issue

Our Company's Investor Grievances arising out of the Issue will be handled by Bigshare Services Private Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as Folio No, name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7-10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the compliance officer and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Additionally, we have been registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), email address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "Terms of the Issue" on page 81. The contact details of the Registrar to the Issue and Company Secretary & Compliance Officer are as follows:

COMPANY SECRETARY & COMPLIANCE OFFICER	REGISTRAR TO THE ISSUE
<p>Ms. Nita Sunil Mishra Libas Consumer Products Limited 401, 4th Floor, Crecent Royale, Off. New Link Road, Lokhandwala Complex, Andheri (West) Mumbai-400 058 Tel No.: +91 22 4976 7404/4976 7396 E-mail: cs@libas.co.in Website: www.libasdesignsltd.com</p>	<p>Bigshare Services Private Limited 1stFloor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol Naka, Andheri (E), Mumbai-400 059 Contact Person: Mr. Ashish Bhope Tel No.: +91 22 6263 8200 E-Mail Id: rightsissue@bigshareonline.com Investor Grievance E-Mail Id: investor@bigshareonline.com Website: www.bigshareonline.com</p>

SECTION IX – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section. Depending on the Issue opening date and applicability of the Circular and any further amendments or clarifications thereto, suitable modifications will be made in the Draft Letter of Offer in this regard.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will send through email or registered post or speed post, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses or registered address of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who makes a request in this regard.

Investors can access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of our Company at www.libasdesignsltd.com; the Registrar to the Issue at www.bigshareonline.com; the Stock Exchange at www.nseindia.com and to update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar i.e. www.bigshareonline.com by entering their DP ID and Client ID or Folio Number and PAN (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company i.e. www.libasdesignsltd.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer,

the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2) Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process or the (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "Procedure for Application through the ASBA Process" on Page 92.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholder" on Page 83".

In accordance with the SEBI Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the

demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may apply for the Equity Shares by:

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein, that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

ASBA facility: Investors shall submit the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “Procedure for Application through the ASBA Process” on page 92.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

3) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholder

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. by [•], to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such

Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4) **Application by Eligible Equity Shareholders holding Equity Shares in physical form.**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 97 and 106, respectively.

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for This Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e. www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company i.e. www.libasdesignsltd.com

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If Eligible Equity Shareholders holding Equity Shares in physical form as

on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar i.e. www.bigshareonline.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer and the Application Form and other applicable Issue materials only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar at www.bigshareonline.com, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.00.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[•] per Rights Equity Share (including a premium of ₹[•] per Rights Equity Share).

The Issue Price has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Securities are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 2 (Two) Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat accounts either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see “Procedure for Renunciation of Rights Entitlements” on page 93.

The Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in Dematerialized Account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date i.e., by [•], to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after entering in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [•]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On-Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e. from [•] to [•] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “Procedure for Renunciation of Rights Entitlements – On Market Renunciation” and “Procedure for Renunciation of Rights Entitlements – Off Market Renunciation” on page 94.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Fractional Entitlements

The Rights Securities are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in the multiple of Two Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Securities over and above their Rights Entitlements, if any, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [•] Equity Shares, such Equity Shareholder will be entitled to [•] Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 2 (Two) Equity Shares shall have ‘zero’ entitlement for the Rights Securities. Such Eligible Equity Shareholders are entitled to apply for additional Rights Securities and will be given preference in the Allotment of one Rights Security, if such Eligible Equity Shareholders apply for additional Rights Securities, subject to availability of Rights Securities in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favor of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank *pari-passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and Trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the NSE through letter dated [•]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The procedures for listing and trading of Rights Securities shall be completed within seven Working Days from the date of finalization of the Basis of Allotment.

The existing Equity Shares are listed and traded on NSE (SYMBOL: LIBAS). The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by Our Promoter and Our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “Capital Structure- Subscription to this Issue by our Promoter and Promoter Group” on page 34.

Rights of Holders of Rights Equity Shares of Our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;

- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non- receipt of demat account details in a timely manner”; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialized mode is 1 (one) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular and MCA General Circular No. 21/2020, our Company will send through email or registered post or speed post or courier, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 read with Foreign Exchange (Non-Debt Instruments) Regulations, 2019, issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above

their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue@bigshareonline.com.

The Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.bigshareonline.com.

PROCEDURE FOR APPLICATION

How to Apply?

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 97.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company. The Application Form along with the Abridged Letter of Offer and other applicable Issue material shall be sent through email and/or speed post/registered post/courier at least three days before the Issue Opening Date. In case of non-resident Eligible Equity

Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through to email address if they have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of our Company at www.libasdesignsltd.com; the Registrar at www.bigshareonline.com; and the Stock Exchanges at www.nseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar i.e. www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company i.e. www.libasdesignsltd.com.

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 101. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 94. Options available to the Eligible Equity Shareholders.

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder are entitled.

a) If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- b) Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- c) Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- d) Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- e) Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- f) Renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circular, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 97 and 106 respectively.

Procedure for Application through the ASBA Process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “Application on Plain Paper under ASBA process” on page 94.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “Basis of Allotment” on page 105.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges or (b) through an off- market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [•] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market Renunciation, i.e. from [•] to [•] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [•] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On-Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis' where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA Process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being **Libas Consumer Products Limited**;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialized form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹[•] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from the RBI, where a successful Application will result in the aggregate shareholding or total voting rights of the Eligible Equity Shareholder (along with persons acting in concert) in our Company, to be 26.00% or more of the post-issue paid-up equity share capital of our Company. Eligible Equity Shareholders must send a copy of the approval from any regulatory authority, as may be required, or obtained from the RBI to the Registrar at rightsissue@bigshareonline.com.
17. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and (ii) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act) (“U.S. QIBs”) pursuant to Section 4(a)(2) of the US Securities Act and other exemptions from the registration requirements of the US Securities Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S. QIBs. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares

under applicable securities laws or (ii) a U.S. QIB in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs) or is outside of India and the United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of Payment

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Application by Eligible Equity Shareholders holding Equity Shares in Physical Form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 97 and 106, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in Physical Form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from the website of the Registrar www.bigshareonline.com; Company www.libasdesignsltd.com; and the Stock Exchange at www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at www.libasdesignsltd.com;

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH COMPANY'S EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 105.

General Instructions for Investors

1. Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
2. In accordance with the SEBI Rights Issue Circular, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of Rights Equity Shares for non-receipt of demat account details in a timely manner" on pages 97 and 106, respectively.
3. Please read the instructions on the Application Form sent to you.
4. The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
5. Application should be made only through the ASBA facility.
6. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
7. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 94.
8. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
9. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
10. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
11. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
12. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equivalent to the Application Money in the ASBA Account mentioned in the Application Form.

13. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
14. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
15. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
17. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
18. Only persons in the United States to U.S. Persons, who are U.S. QIBs and are also Qualified Purchasers and outside the United States to non-U.S. Persons in offshore transactions in compliance with Regulation S to existing shareholders located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.
19. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
20. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
21. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
22. Applicants must submit a copy of the approval obtained from any regulatory authority, as may be required, or obtained from the RBI with the Application and send a copy of such approval to the Registrar at www.bigshareonline.com, in case the Application and the resultant Rights Equity Shares will result in the aggregate shareholding or total voting rights of the Applicant (along with persons acting in concert) in our Company, to be in excess of 26.00% of the post-issue paid-up equity share capital of our Company.

23. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

1. Ensure that the Application Form and necessary details are filled in.
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income- tax Act.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
4. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected.

Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
3. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

1. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
2. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB) and branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
3. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
5. Account holder not signing the Application or declaration mentioned therein.
6. Submission of more than one application Form for Rights Entitlements available in a particular demat account.
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
12. Physical Application Forms not duly signed by the sole or joint Investors.
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB who is also a Qualified Purchaser in the United States) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (b) a U.S. QIB who is also a Qualified Purchaser in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer and the Application Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- tax Act.
2. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made

against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “Procedure for Applications by Mutual Funds” on page 110.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure - Intention and extent of participation by our Promoter” mentioned above

Last Date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [•], i.e. Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “Basis of Allotment” on page 105.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange,

Withdrawal of Application

Shareholders who have applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Issue Opening Date	[•]
Last Date for On Market Renunciation [#]	[•]
Issue Closing Date*	[•]
Finalization of Basis of Allotment (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. [•], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. For details, see “General Information - Issue Schedule” on page 30.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee (s) who has or have applied for Rights Equity Shares renounced in their favor, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favor, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- 1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- 2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 3) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15.00% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository. In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a) The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- b) Within 6 Months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;
- e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and

- f) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- g) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

- 1) Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
- 2) The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
- 3) There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
- 4) Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
- 5) Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

Payment of Refund**Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.:

- a) Unblocking amounts blocked using ASBA facility.
- b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) National Electronic Fund Transfer (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped

with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund Payment to Non-Residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated October 21, 2016 with NSDL and an agreement dated October 14, 2016 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

- 1) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the

case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- 2) It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- 3) The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- 4) If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- 5) The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- 6) Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
- 7) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form" on pages 97 & 106, respectively.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50.00% of common control)) shall be below 10.00% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10.00% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10.00% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such

offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a) Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5.00% of the total paid up equity capital on a fully diluted basis or should not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10.00% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10.00% may be raised to 24.00%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI").

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any

independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1.00 million or 1.00% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹1.00 million or 1.00% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹5.00 million or with both.

Payment by StockInvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the StockInvest scheme has been withdrawn. Hence, payment through StockInvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Utilizations of Issue Proceeds

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertaking by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**LIBAS CONSUMER PRODUCTS LIMITED– RIGHTS ISSUE**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:



Bigshare Services Private Limited

CIN: U99999MH1994PTC076534

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

Tel. No.: +91 22 6263 8200

Investor Grievance E-Mail: investor@bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No.: INR000001385

This Issue will remain open for at least minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 05, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10.00% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION X– OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of our Company between 11.00 a.m. to 5.00 p.m. on any Working Day from the date of the Draft Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

- 1) Agreement dated [•] between our Company and Bigshare Services Private Limited, Registrar to the Issue.
- 2) Banker(s) to the Issue Agreement dated [•] amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
- 3) Tripartite Agreement dated October 21, 2016 between our Company, National Securities Depository Ltd. (NSDL) and Bigshare Services Private Limited
- 4) Tripartite Agreement dated October 14, 2016 between our Company, Central Depository Services (India) Limited (CDSL) and Bigshare Services Private Limited.

B. DOCUMENTS FOR INSPECTION

- 1) Memorandum & Articles of Association of our Company
- 2) Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated February 12, 2022 authorizing the Issue;
- 3) Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager to The Issue, Banker to the Issue and Registrar to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities;
- 4) Financial Statements of our Company for the financial years ended March 31, 2022, 2021 and 2020.
- 5) A statement of tax benefits dated June 14, 2022 received from M/s Jain Jagawat Kamdar & Co., Statutory Auditor regarding tax benefits available to our Company and its shareholders.
- 6) In-principle listing approval dated [•] from National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Riyaz Ganji
(Whole-Time Director)

Sd/-

Reshma Ganji
(Managing Director)

Sd/-

Vivek Kamath
(Independent Director)

Sd/-

Ashish Dubey
(Independent Director)

Sd/-

Rishi Sharma
(Independent Director)

Sd/-

Nishant Mahimtura
(Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY:

Sd/-

Nishant Mahimtura
(Chief Financial Officer)

Sd/-

Nita Sunil Mishra
(Company Secretary & Compliance Officer)

Place: Mumbai
Date: August 25, 2022