

Dated: 18th September, 2023

~~The Board of Directors
Liberty Shoes Limited
Regd. Office: Liberty Puram 13th Milestone
GT Karnal Road Kutail PO Bastara Karnal
Haryana HR 132114~~

CC:

✓ Compliance Officer & Company Secretary
Liberty Shoes Ltd.,
Corp Office: Ground Floor,
Building No 8, Tower A,
DLF Cyber City Phase I,
Gurugram - 122002

Subject: Representation under Section 169 of the Companies Act, 2013

In Ref: Special Notice dated 02.09.2023 served by Mr. Sachin Gupta, shareholder (holding 1.47% of the total paid up share capital) of the Liberty Shoes Limited.

Sir,

I refer to the special notice ("**Special Notice**") moved by Mr. Sachin Gupta, Shareholder holding 1.47% of the total paid up share capital of the Company seeking to remove me from the office of Director/Executive Director of the Company, on the sole premise that he LOST CONFIDENCE IN ME and on the pretext that the company has not grown compared to its peers.

Pursuant to Section 169(4) of the Companies Act, 2013, I am entitled to make a representation in writing to the shareholders of the Company. This letter in its entirety, together with the enclosed document ("**Annexure Statement**") is my representation ("**Representation**").

Please have this circulated to all shareholders.

You have adequate time to circulate this to shareholders both in physical as well as electronic form. I have taken the effort of providing the Representation well in time. It is important for you to disseminate this Representation so that shareholders are able to take a well-informed decision.

Yours sincerely,



Adesh Kumar Gupta (DIN: 00143192)
Director, Liberty Shoes Limited

INDEX: Annexure Statement

REPRESENTATION UNDER SECTION 169 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL NOTICE U/S 115 FOR REMOVAL OF MR. ADESH KUMAR GUPTA

S. No.	Content	Page Nos.
1.	Foreword	3 - 4
2.	My Appointment as Director and KMP in the Company	4
3.	Management of the Company and its Promoter Group	5
4.	The Structure of Promoter Shareholding	6
5.	Strategic Move/Plotting of Conspiracy/ Power Game	7-13
6.	Governance Breakdown	14-15
7.	Way Forward	15-16

FOREWORD

1. It is not often that you as shareholders would have received either a special notice for removal of a director or a representation from the director concerned. This representation may appear as a procedural formality, but it bears immense weight in upholding the principles of fairness and transparency. The Companies Act, 2013 mandates that every director, regardless of their tenure or standing, be granted an impartial hearing when faced with the prospect of removal at the behest of a controlling shareholder. As responsible stewards of this organization, it is my imperative duty to place before you a full perspective of facts and factors that are in play.
2. I am not addressing this letter to you as shareholders alone, but as **key stakeholders** in an institution that has been 'an integral part of the industrial and socio-economic development of India. At this outset, please note that this is a critical juncture in the history of the Liberty Group, a group founded by our fathers with noble intention, nurtured it every day and given as a legacy with great vision, setting up institutions along the way that have come to define India and her development.
3. Our two esteemed founders, Late Shri D haram Pal Gupta, and Late Shri Purshotam Das Gupta, after 10 years in 1954 Late Shri Raj Kumar Bansal joined hands with two founders, harmoniously established a legacy of unparalleled standards. They meticulously deliberated on every pivotal decision, proceeding with the utmost prudence. Their unified vision, subject to thorough debate and pursuit, became the cornerstone for advancing the interests of our stakeholders, with value creation as their guiding principle. Integrity and honesty were the bedrock of their ethos. Their actions were steeped in a profound love for our nation, evident in every stride they took. Their hearts beat for the upliftment of the marginalized, driven by an unwavering commitment to elevate lives and foster respectability. Their legacy continues to inspire us, urging us to uphold these enduring values and propel our organization to even greater heights.

4. The Liberty Group proudly boasts a workforce of nearly 5,000 dedicated employees and a robust shareholder base exceeding 26457 Shareholders as on 31st March, 2023 strong supporters. Every member of our stakeholder community is bound together by a shared belief in the institution and the enduring values set forth by our visionary Founders.

Today, I urge you to look to the future of the Liberty Shoes Limited, beyond just our immediate financial concerns. I ask you to use your sense of right and wrong, your personal strength, and support positive changes. Together, let's promote openness in how we run the company, protecting an institution that means a lot to all of us and to our nation as a whole.

MY APPOINTMENT AS DIRECTOR AND KMP IN THE COMPANY

On **July 16, 2001**, I began my journey as a Director of the Liberty Shoes Limited. After the consolidation of business of other 3 partnership firms who were also Promoter of the Company, I was elevated to the position of CEO on 8th January 2004 to become face of the Company after the Chairman & Managing Director and my father Sh P D Gupta passed away in September 2003. Through the years, my competence and diligence were unwavering; earning me repeated re-appointments as Chief Executive Officer (CEO) of the Company, yet my authorities, duties and responsibilities were no different than other Whole Time Directors in the Company and I enjoy same salary and perks as other Whole Time Directors of the Company. Over the span of two decades, I have steered the company through myriad challenges, resulting in remarkable growth. My track record, marked by a consistent delivery of results, stands as a testament to my leadership. During my 20-year tenure, first as Director and subsequently as Chief Executive Officer, I consistently showcased my ability to navigate hurdles and foster the company's expansion. This is evidenced by our sustained financial performance and successful entry into new markets. My steadfast commitment to the company's prosperity has been a pivotal factor in its enduring growth and profitability. Looking ahead, I remain dedicated to driving the company's success well into the future.

MANAGEMENT OF THE COMPANY AND ITS PROMOTER GROUP

The following are the group of promoters:

S.No.	Name	Relation with the Founders	Designation at MCA Portal	Internal Designation
1.	Mr. Adesh Gupta	Son of Late Shri P D Gupta	Whole Time Director	CEO
2.	Mr. Sunil Bansal	Son of Late Shri R K Bansal	Whole Time Director	Director-Exports
3.	Mr. Shammi Bansal	Son Late Shri R K Bansal	Whole Time Director	Director-manufacturing
4	Mr. Adish Kumar Gupta	Son of Late Shri D P Gupta	Whole Time Director	Director-Leather
5	Mr. Raman Bansal	Son of Late Shri R K Bansal	Not appointed as Director under Companies Act, 2013	Director-Wholesale Market
6	Mr. Vivek Bansal	Son Late Shri R K Bansal	Not appointed as Director under Companies Act, 2013	Director-Purchase
7	Mr. Anupam Bansal	Son Late Shri R K Bansal	Not appointed as Director under Companies Act, 2013	Director-Retail Sales

THE STRUCTURE OF PROMOTER SHAREHOLDING IS AS FOLLOWS:

12(e) Shareholding of Promoters

Sr. No.	Name of Promoter	Shareholding at the beginning of the year 01.04.2022			Shareholding at the end of the year 31.03.2023			% change in the shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Adesh Kumar Gupta (Karta)	680000	3.99	-	680000	3.99	-	
2	Adeesh Kumar Gupta (Karta)	660000	3.87	-	660000	3.87	-	
3	Arpan Gupta Karta of Dinesh Kumar Gupta (HUF)	366012	2.15	-	366012	2.15	-	
4	Sh. Arpan Gupta	509250	2.99	-	509250	2.99	-	
5	Sh. Anupam Bansal	492885	2.89	-	492885	2.89	-	
6	Sh. Ayush Bansal	300000	1.76	-	300000	1.76	-	
7	Sh. Pulkit Bansal	300000	1.76	-	300000	1.76	-	
8	Smt. Ruchir Bansal	300000	1.76	-	300000	1.76	-	
9	Sh. Shammi Bansal	259640	1.52	-	259640	1.52	-	
10	Sh. Pranav Gupta	139564	0.82	-	-	-	(0.82)	
11	Sh. Akshat Gupta	241660	1.42	-	241660	1.42	-	
12	Sh. Vivek Bansal	233640	1.37	-	233640	1.37	-	
13	Sh. Raman Bansal	232640	1.37	-	232640	1.37	-	
14	Sh. Sunil Bansal	232640	1.37	-	232640	1.37	-	
15	Sh. Adish Kumar Gupta	189360	1.11	-	189360	1.11	-	
16	Sh. Manan Bansal	150000	0.88	-	150000	0.88	-	
17	Sh. Vaibhav Bansal	150000	0.88	-	150000	0.88	-	
18	Sh. Adesh Kumar Gupta	95000	0.56	-	95000	0.56	-	
20	Smt. Rehti Devi	83360	0.49	-	83360	0.49	-	
21	Smt. Kamlawati	13600	0.08	-	13600	0.08	-	
22	Sh. Adarsh Gupta	11000	0.06	-	-	-	0.06	
23	Sh. Anmol Gupta	6132	0.04	-	6132	0.04	-	
24	M/s Geofin Investments Private Limited	4472517	26.25	-	4472517	26.25	-	
	Total	10118900	59.38	-	9968336	58.50	(0.88)	

STRATEGIC MOVE/PLOTTING OF CONSPIRACY/ POWER GAME

This segment of the representation serves as a comprehensive compilation of instances indicating collusion amongst like-minded Promoters, revealing a concerted conspiracy aimed at my removal from the present position of Director/Executive Director of the company:

CHRONOLOGY OF EVENTS:

Instance No: 01- Disregard for Director/Executive Director Objections on Agenda Items and Expedited Convening of Management Committee Meeting of Liberty Shoes Limited, with deliberate omission of recording the same in Minutes of the Meeting.

In the shadowed corridors of power, a **MANAGEMENT COMMITTEE** formed, becoming the central hub of these complex power struggles. Here, those engaged in wrongdoing gather on one side to engage in this unethical game, while those with similar interests gain power, as evident in the Management Committee's constitution.

PRESENT COMPOSITION OF MANAGEMENT COMMITTEE

S. NO.	NAME OF THE PERSON	RELATION	POSITION
1.	Sh. Adesh Gupta	(Son of Late Shri P D Gupta)	CEO & Executive Director (Member)
2.	Sh. Shammi Bansal	(Son of Late Shri R K Bansal)	Executive Director (Member)
3.	Sh. Adish Gupta	(Son of Late Shri D P Gupta)	Executive Director (Member)
4.	Sh. Raman Bansal	(Son of Late Shri R K Bansal)	COO (Member)
5.	Sh. Anupam Bansal	(Son of Late Shri R K Bansal)	Head –Retail (Member)

Now, with four on one side including three (3) of them as Bansal Brothers' and just me alone on the other side, who will engage in the power dynamics during the Management Committee meetings and board gatherings? Over the span of 20 years, I consistently held a minor share, and suddenly, the establishment of the Management Committee seems like a calculated move to suppress and exploit the authority entrusted by the majority. This is a deliberate attempt to manipulate the power dynamics for personal gain.

On 11th October 2022 at 7:54 PM (Indian Standard Time), a notice for the convening of a Management Committee meeting of Liberty Shoes Limited was transmitted via electronic mail ("email"), scheduling the meeting for 12th October 2022 at 3:00 PM (Indian Standard Time).

Subsequently, in response to the aforementioned email notice, I raised a substantive objection concerning the prevailing standards of Corporate Governance Practice within the Company. Additionally, I expressed strong disapproval for the hastily convened Management Committee Meeting and the associated Agenda, which had been disseminated without affording me an opportunity for consultation in the capacity of CEO of the Company.

This Four i.e. Sh. Shammi Bansal, Sh. Raman Bansal, Sh. Anupam Bansal, Sh. Adish Gupta of the Management Committee used this back door entry/ conspiracy to form a Management Committee to exercise their own agendas in the name of Performance.

Despite the earnest objection lodged by the CEO, the objection was neither acknowledged nor duly recorded. Consequently, the Management Committee Meeting proceeded without deviation from its intended course, resulting in the unanimous adoption of all listed agenda items.

The foregoing events unambiguously manifest a deliberate course of action undertaken by certain members of the Board, who are affiliated with a single promoter family, pursuing self-serving and covert objectives with the intent of assuming undue influence and 100 % control over the Company's operations, as well as its governing bodies and committees.

Instance No: 02 - Special Notice dated 09th Nov, 2022, purportedly serving notice for my removal under Section 169(2) of the Companies Act. It has come to my attention that this notice is slated for consideration in the Board Meeting scheduled for 10th Nov, 2022.

I wish to bring to your attention a prior attempt made by Mr. Adish Kumar Gupta, Cousin on 09/11/ 2022 to serve a similar special notice for my removal. This prior endeavor, however, lacked compliance with relevant statutory provisions and was consequently not acted upon. Section 169 of the Companies Act expressly mandates the adoption of an ordinary resolution for the removal of a director. Moreover, the director in question shall have the right to be heard, their representation must be presented, and they should be afforded a fair opportunity to address the shareholders.

Regrettably, the special notice issued by Mr. Adish Kumar Gupta, Cousin was never presented to the shareholders. This, coupled with other indications of questionable intent and disregard for corporate governance norms, suggests a hasty and unscrupulous endeavor to effect my removal at all costs.

For your convenience, a copy of the Special Notice dated 09.11.2022 is appended herewith as Annexure-[A].

It's concerning to see that the special notice has conflicting statements. Mr. Adish Kumar Gupta, Cousin, criticizes my performance in the company, but at the same time, he claims I independently handled all daily operations.

I reproduce below pertinent excerpts from Annexure to the Special Notice for ease of reference:

Para 3 of Annexure-X of the Special Notice dated 09.11.2022, reads as follows:

“That Mr. Adesh Gupta was appointed as the CEO/Executive Director of the Company and Working since in the capacity of CEO. During his tenure being CEO of the Company was never satisfactory and had made no contribution in the growth and development of the Company and contributing only to the one vertical without focusing in whole on the Company.”

Para 6 of Annexure-[A] of the Special Notice dated 09.11.2022, states as follows:

“That we are continuing trying to protect the legacy of family & business and to grow the wealth of the family and stakeholders of the Company in the perpetuity through a corporate listed entity and with the united approach of majority family members, we partially succeeded in saving the legacy. But, unfortunately not saved our business during the last 20 years tenure where Mr. Adesh Gupta played a role in the capacity of CEO and strategically/financially wholly solely controlled the day to day affairs single handily by his own without discussing with the others. There are many incidents in support of it but I refrain myself to narrate here. This failure to do so resulted in the declining pace of growth of its performance, business and stakeholders' wealth.

Subsequent to my response to the Special Notice, it is noteworthy that this matter was not raised nor tabled for discussion during the Board Meeting, thereby deviating from the prescribed procedure under the Companies Act, 2013.

The anomalies and procedural detours highlighted above undeniably point to a singular objective: the pursuit of my removal through any available means. It is evident that non-performance is merely proffered as a pretext, and Section 169 is wielded as a convenient mechanism to advance this agenda.

Instance No: 03- Suspension of Executive Powers w.e.f 10th July, 2023

This is in regarding to recent communication, wherein Mr. Adish Gupta, Cousin purported to divest me of my roles as CEO and Executive Director w.e.f 10th July, 2023, which is enclosed as an **Annexure [B]**.

It is pertinent to bring to attention that previous endeavors in the year 2022 aimed at my removal failed to yield the intended outcome. Notwithstanding, the recent attempt by Mr. Adish Gupta lacks legal foundation and does not hold the requisite authority to effectuate my removal. It is indeed disheartening to witness such actions taken against my position within the company.

The accusation of non-performance on my part, coupled with the claim that the company's growth pales in comparison to its peers, can be attributed to the majority shareholders and board of directors engaging in Related Party Transactions through their closely held entities which are **1. Liberty innovative Outfits Limited (LIOL) 2. Liberty Fashion Outfits (LFO)**. These entities, in which they have a direct stake, have been designated as vendors and sellers, gave rise to this situation.

I firmly believe in upholding the law of the land, as well as abiding by established rules, regulations, and corporate governance principles. These safeguards are in place to protect the rights of all individuals, including myself, in my capacity as EXECUTIVE Director and CEO, and as Key Managerial Personnel.

The recent attempts to tarnish my reputation through this defamatory campaign are both distressing and regrettable. I am fully committed to the best interests of Liberty Shoes Limited, which compels me to continue my work with unwavering determination.

I must admit that the toll on my mental state has been significant due to these actions. In the face of challenges, my focus has always been on finding constructive solutions. The withdrawal of the previous efforts for dialogue when we were so close to a resolution is indeed disappointing.

The unstated implied responsibilities that come with the role of CEO in a company of the stature of Liberty Shoes Limited are substantial. Addressing ongoing market challenges, competition, future growth strategies, technological advancements, brand development, innovation, potential markets, collaborations, logistics, supply chains, and human resources requires continuous dedication.

Throughout my tenure as CEO since 2004, I have always sought consensus and collaboration, never imposing my leadership by force. My contributions to the Liberty Shoes Limited Family have been substantial and far-reaching. You can check about me and my achievements on <https://adeshkumargupta.com>.

It is unfortunate that there has been a sense of unease among certain members of the Liberty Shoes Ltd., Family for some time now. It is imperative for each member to demonstrate that we uphold the values that define our organization. We must distinguish between what is right and what is wrong, what is malicious and what is illegal.

I humbly seek your support in reaffirming these values. Together, we can send a clear message to those attempting to sow discord that we stand united in our commitment to hard work, a prosperous future, and a shared vision for Liberty Shoes Limited.

ACHIEVEMENTS DURING MY TENURE

Enumerating some of the noteworthy achievements that transpired during my tenure, the following list serves as a reminder to those who have levied allegations of non-performance, notwithstanding my dedicated and wholehearted commitment of two decades to this company.

- **Introduction of Innovative PU Soling Technology:** Under the guidance of our founder and Chairman, Sh. P.D. Gupta, I pioneered the introduction of cutting-edge PU Soling technology in India. This visionary move led to the establishment of a PU Plant at our facility in 1983, catapulting Liberty Shoes into a household name.
- **Distinguished Educational Background:** As a Mechanical Engineer, I hold the highest level of education among all family members actively involved in operating Liberty Shoes.
- **Pioneering Institutional Sales through B2B Concept:** In 1999, I spearheaded the revolutionary concept of 'Institutional Sales' through a B2B approach. This initiative established a completely new channel network, resulting in substantial profit margins, minimal HR and marketing costs, and reduced need for extensive publicity.
- **Introduction of European Standards for Safety Shoes:** The introduction of the 'Made In India, Warrior' range set a precedent by adhering to European Standards (EN 345) for Safety Shoes, later becoming the benchmark standard for BIS in Safety Shoes (IS 15298).
- **Establishment of a Strong Channel Partner Network Globally:** Through personal efforts, I developed an exclusive chain of Channel Partners in India and abroad to promote

Warrior industrial safety shoes with PU Sole technology (DIP) & other products of the Company.

- **Inception of SAP-ERP System:** In 2000, an integrated SAP-ERP system became operational and has since facilitated seamless operations for over two decades, interconnecting all plants and channel partners. First of its kind in India.
- **Creation of In-house CAD-CAM and R&D Section:** A dedicated in-house CAD-CAM and R&D section was established to bolster our technological capabilities.
- **Pioneering Quality Control Measures:** In 1983, I took the initiative to set up a comprehensive laboratory, marking a significant milestone in the Indian footwear industry. Quality control systems, ISO 9001, and various other standards were personally crafted to ensure smooth operations.
- **NABL Accreditation for Laboratory:** The first ever in Footwear Sector, internal state-of-the-art Laboratory in Gharaunda Unit is the sole NABL-accredited facility in the Footwear Industry, underscoring our commitment to quality control.
- **Successful Global Expansion through Exports:** Under my guidance, the Exports vertical has flourished, expanding its reach across the globe and establishing a robust channel network. This is exemplified by the appointment of Channel Partners in the Middle East.
- **Flourishing E-Commerce Business:** The E-Commerce business, focused on the Warrior Range, has experienced rapid growth under my leadership, projected to achieve a turnover of approximately 20 CR this fiscal year.
- **Technological Advancements for Sales & Marketing:** The Sales & Marketing Team under my domain is equipped with the latest tools of virtual networking, AI / ML, reducing overhead costs and enhancing efficiency.
- **Demand Generation and Market Expansion Initiatives:** Collaborating closely with the team, I have spearheaded initiatives such as exhibitions, innovative print and digital media campaigns, and road shows, leading to brand growth, expanded channel networks, and increased sales across various verticals. Theory of Constraints, first time in India to focus on retail & wholesale efficiency.
- **Expansion and Diversification:** Through a series of forward-thinking and innovative decisions, I spearheaded a phase of remarkable expansion and diversification. This strategic vision transformed the company into a dynamic industry leader, setting new

standards of excellence. Notably, I also led strategic initiatives to diversify the company's portfolio, venturing into areas such as perfumes, showcasing an unwavering commitment to exploring new markets and opportunities. Pioneer in Setting up a new High Growth Business Segment of LL Perfumes (Luxury) without any investment, Plant, Land, Machinery, Lab etc. Just used Liberty's Reputation and marketing skills to establish a high growth business.

These achievements and many more stand as a testament to my unwavering dedication and contributions during my tenure as CEO at Liberty Shoes Limited.

Instance No: 04: Was the Issuance of Special Notices on 12.08.2023 and 02.09.2023 Done in a Hasty Manner, Disregarding Prior Notice

Subsequently, I also received a Special Notice dated 12.08.2023 from a group of promoters (Mr. Adish Kumar Gupta, Mr. Shammi Bansal, and Mr. Anupam Bansal) collectively holding 9.39% of the Company's shares. This notice alleged non-performance on my part and even went so far as to accuse me of diverting company funds for personal enrichment, which appears to be yet another attempt to seek my removal through any available means.

I request the opportunity to present documented evidence that substantiates and clarifies the allegations made against me. It is crucial for a fair and unbiased assessment of the situation.

Furthermore, I would like to draw attention to the issuance of a second Special Notice by Mr. Sachin Gupta, a shareholder holding only 1.47 % of the Company's shares. While I acknowledge the right of every shareholder to voice their concerns, it is evident that Mr. Sachin Gupta may not be entirely familiar with the concept of "non-performance," a term that seems to have been introduced to him by the individuals behind these allegations.

It is important to note that, as per the provisions of the Companies Act, shareholders or directors with a vested interest in a resolution are expected to abstain from voting on that particular agenda item during a meeting. Considering this, the promoters who issued the initial Special Notice, collectively holding 9.39% of the Company's capital, would likely abstain from voting. This scenario would make the passage of an Ordinary Resolution at the Shareholders' meeting uncertain and challenging.

I urge for a fair and impartial evaluation of these circumstances. It is in the best interest of all stakeholders to have a transparent and unbiased process in place to address these allegations. I am fully prepared to cooperate and provide any necessary documentation to support my case.

I urge all stakeholders to demand concrete documentary evidence and propose a postponement of this agenda until the allegations against me are substantiated with proper supporting documentation.

(Copy of Special Notice dated 12.08.2023 and Special Notice dated 02.09.2023 are attached herewith as Annexure- C and Annexure-D respectively)

GOVERNANCE BREAKDOWN

The prevailing situation highlights a glaring lack of corporate governance within the company. There's a concerning pattern of hastily convened management committee and board meetings, often with inadequate notice, which deviates from established corporate governance norms.

Despite repeated concerns raised by the CEO regarding these practices, there has been a notable lack of action, including the absence of proper documentation and minutes for these crucial discussions. This oversight undermines transparency and accountability, compromising the best interests of all stakeholders involved.

Furthermore, the frequent dispatch of special notices without adhering to due procedure points to a potential misuse of Section 169 of the Companies Act, 2013. This raises serious questions about the integrity of the decision-making process within the company.

Mr. Sachin Gupta, a shareholder with a 1.47% stake in Liberty Shoes Limited, has initiated a proposal for my removal from the company. However, his notice lacks clarity as it does not specify any particular reasons for this action. He merely states that he has lost confidence in me without providing any supporting evidence or citing specific grounds, rendering his claim quite vague and irrelevant. The absence of clear and specific grounds for my proposed removal makes it challenging for me to address any potential concerns or improve any perceived shortcomings. It is crucial in such matters that removal grounds be based on factual evidence rather than assumptions or personal opinions. This requirement ensures fairness and prevents arbitrary removals without valid justifications. Considering Mr. Sachin Gupta's failure to provide specific reasons, it raises doubts about the legitimacy of his request and weakens his argument substantially. This lack of specificity not only renders his claim irrelevant but also undermines the credibility of his request. Consequently, the special notice he has submitted may not hold up legally. Additionally, the explanatory statement accompanying the notice also lacks specific reasons for my removal, which is contrary to established legal principles. In the case of Escorts Limited v/s. UOI, as documented in 57 Comp. Cas 241, the Bombay High Court emphasized that when members serve a notice for the removal of a director, they must clearly specify the grounds for such removal. This legal precedent highlights the necessity of providing specific and valid reasons for such actions, which, in this case, are conspicuously absent.

My abrupt removal as CEO serves as a glaring example of this. It is indicative of a broader issue of mismanagement and a failure to uphold proper corporate governance practices, with potentially far-reaching consequences for the company and its stakeholders.

WAY FORWARD

In this juncture, the decision rests with you, esteemed shareholders, on whether the current state of governance aligns with your vision for the company's operations. It is evident that a prompt overhaul of the governance framework is imperative, extending beyond the confines of your Company. Such reform is indispensable to safeguard the long-term interests of the Liberty Shoes Ltd., and ensure the security of all stakeholders.

Without this essential reform, the absence of checks, balances, and accountability within the majority promoters can only lead to significant value erosion for you, the valued members of this Company. It is crucial that we collectively work towards restoring the Liberty Shoes Ltd., to its former glory.

While respecting the legacy of our founding fathers, it is crucial to acknowledge that times change and decisions that were once appropriate may not hold the same relevance today. Embracing change is integral to effective business leadership in our ever-evolving industry.

In presenting this representation, I do so with a deep sense of pride for the contributions I have made over the past two decades, even as I set aside recent instances of unfairness experienced within the company, where family members and co-workers seemed to prioritize personal motives over collective success.

Let us reflect on the values instilled in us by our Founding Fathers, who envisioned, debated, and implemented strategies for the growth and prosperity of our people. Integrity and honesty were the cornerstones of their approach.

Given the points I have put forth, I implore each of you to look beyond what is presented on the surface under the guise of Governance. Your voice matters greatly. I encourage you to participate actively in shaping the future once more for the Liberty Shoes Ltd., Together, we can ensure a future that honors our shared legacy and propels us toward continued success.

The unjust and unlawful removal from my post is not just about me, but it also pertains to safeguarding your voices as stakeholders on the Board. It serves as a crucial measure to curtail the actions of those engaged in wrongful conduct.

Last but certainly not least, It is imperative that we address the resolution aimed at my removal in the upcoming Annual General Meeting. The power to halt the passage of this resolution lies squarely in your hands. It is you, the true stakeholders, who can prevent this resolution from passing without the essential supporting evidence to substantiate the allegations against me. It is crucial that we consult the genuine stakeholders—you—to unvell the true instigators behind this conspiracy.

Let us demand, together, a postponement of this resolution until concrete evidence is provided to you. By doing so, we can ensure that the actual interested parties are rightfully prevented from voting when this resolution is brought forth again in the future.

Your voice matters, and your vigilance is vital. Let us stand united to uphold transparency, fairness, and justice in the governance of our company.

Yours Sincerely



**Adesh Gupta
Promoter & Shareholder
Liberty Shoes Ltd.,**

Enclosed –

- 1. A copy of the Special Notice dated 09.11.2022, enclosed as Annexure-[A]***
- 2. A copy of Notice of Suspension of Executive Powers w.e.f 10th July, 2023, enclosed as Annexure-[B]***
- 3. A copy of Special Notice dated 12.08.2023, enclosed as Annexure-[C]***
- 4. A copy of Special Notice dated 02.09.2023, enclosed as Annexure-[D]***

From: Adish Gupta [<mailto:adishgupta@libertyshoes.com>]

Sent: Wednesday, November 9, 2022 1:32 PM

To: Munish; 'Tarunjay Bharti'; Rajeev Sharma

Cc: Adesh Gupta; Sunil Bansal; Shammi Bansal; Ashok Rana

Subject: SPECIAL NOTICE FOR REMOVAL OF DIRECTOR/CEO AS PER SECTION 169 (2) OF THE COMPANIES ACT 2013

THIS IS FOR YOUR ACTION AND TO TAKE SAME ON RECORD IN SCHEDULED BOARD MEETING ON 10 NOVEMBER 2022

Dated: 09.11.2022

TO

MR MUNISH KAKRA

CS & COMPLIANCE OFFICER OF COMPANY

LIBERTY SHOES LIMITED

SUB: SPECIAL NOTICE FOR REMOVAL OF DIRECTOR/CEO AS PER SECTION 169 (2) OF THE COMPANIES ACT 2013

Dear Sir

I Adish Kumar Gupta, Member of 1,89,360 Equity Shares of Rs 10/- each fully paid up, in the Company do hereby give Notice under Section 169(2) of the Companies Act, 2013 signifying my intention towards removal of Mr. Adesh Gupta, Director of Company from the directorship / CEO due to the reason specified / defined for the convenience of all in **Annexure A**.

In pursuance to the provisions of the Companies Act, I hereby give you a special Notice in accordance with section 115 of the Companies Act 2013 read with the Rule 23 of the Companies (Management and Administration) Rules 2014 of my intention to move the notice at the ensuing Board Meeting of the Company scheduled for 10th November 2022 subject to the approval of Board in Board Meeting and shareholders in the EOGM (to be convene).

Further please note that I am sending herewith special Notice as required under Companies Act, 2013. So, arrange to take the Proposal for the consideration and approval in the above manner.

Your's Sincerely

For LIBERTY SHOES LTD

ADISH KUMAR GUPTA
MEMBER/PROMOTER

Encls: As above

ANNEXURE A

DISQUALIFICATION/ REMOVAL OF MR ADESH GUPTA FROM THE POSITION OF EXECUTIVE DIRECTOR / CEO OF THE COMPANY WITH IMMEDIATE EFFECT

MORAL: The director of a company is an individual that is under onerous pressure for the smooth functioning and development of the company on behalf of the shareholders of the company.

But some people use their power unfairly and use the company's position and other advantages for their own benefit.

Now let us hold to our subject and discuss important aspects of it:

That Mr. Adesh Gupta was appointed as the CEO / Executive Director of the company and Working since in the capacity of CEO. During his tenure being CEO of the company was never satisfactory and had made no contribution in the growth and development of the company and contributing only to the one vertical without focusing in whole on the Company.

At a meeting of the board of directors, directors must not make any decision that is biased, or with the intention of **harming the co-owners (or any of them) or disregarding their rights** . Besides taken care of the moral being director / CEO, the operation and decision of the company since 2019 has detreated to nil and have challenged each and every decision of the company whatever has facilitating towards the operations/ business / growth of the company by underpin an Independent Directors . It is evident from his performance and action that he has miserably failed to carry out the responsibilities and duties being the CEO of the company.

I re-iterate that there is no wrong doings and Board/Company wishes to take only collective decisions . Always propose Mr Adesh Gupta to participate in joint efforts and appreciate each other's working for larger interest. Despite this, far from giving contribution, he considered it necessary to not become a part of the

meetings and unfortunately his command / focus is to lead only other members and how to act at is behest.

That we are continuing trying to protect the legacy of family & business and to grow the wealth of the family and stakeholders of the Company in the perpetuity through a corporate listed entity and with the united approach of majority family members, we partially succeeded in saving the legacy. But unfortunately not saved our business during the last 20 years tenure where Mr Adesh Gupta played a role in the capacity of CEO and strategically / financially wholly solely controlled the day to day affairs single handily by his own without discussing with the others. There are many incident in support of it but I refrain myself to narrate here. This failure to do so resulted in the declining pace of growth of its performance, business and stakeholders' wealth.

Additionally, his performance is detrimental to the business because he constantly puts obstacles in the way of the company's expansion and prosperity and the communication vide email dated 12.10.2022 is core evidence of the same and seeing this, understood that the CEO of the Company is not getting digested at all profitability and increasing revenue trends.

Despite taking continuous initiatives towards collective decisions for Company he is ready to work under isolation only and this is beyond the control of others and Company's policy / code of conduct as well and we hereby in the larger interest of the company it is proposed that Sh. Adesh Gupta shall be removed from the position of the CEO / director of the company.

LIBERTY

Date: 10th July, 2023

Name: Sh. Adesh Gupta

Designation: CEO & Executive Director of Liberty Shoes Limited

Ground Floor, Building No. 8 A,

DLF Cyber City, Phase-II,

Gurugram, Haryana-122002

Residence Address:

3, Purnima Farm, Chandan HOLA, Bandh Road,

Chhattarpur, South Delhi

Delhi-110074

Subject: Show Cause Notice for:-

1. Acted in deviation of Board decision and and perk policy for Directors of the Company
2. Misusing of delegated powers and authorities
3. Acted in contradiction of Corporate Governance guidelines
4. Various Instances of Misconduct and Mis-Management
5. Working in an unethical, unprofessional manner & Causing disharmony within the Company
6. Involved in the actions which are not in the interest of the Company

Dear Mr. Gupta,

You have been appointed as CEO & Executive Director of the Company by the Board and the Shareholders of the Company vide their respective meeting resolutions dated 12th Feb, 2021 & 28th September, 2021. The appointment was made under terms that you shall exercise the powers and discharge the duties and functions subject to the superintendence control and direction of the Board of Directors of the Company or any Committee thereof and you shall also observe and duly comply with all the directions,

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Registered Office:
Liberty Shoes Limited
Libertypuram (Kutali) 13th KM Stone, G.T. Road,
P.O. Bastana, Distt. Karnal-132 114 Haryana (India)
Tel.: +91-1748-251101-103 Fax: +91-1748-251100
M. : +91-98120-02266 E-mail: lpn@libertyshoes.com
CIN No. L19201HR1986PLC033185

Head Office :
Liberty House, Liberty Road,
P.O. Box No. 103, Karnal - 132 001 Haryana (India)
Tel.: +91-184-2252533, 2255620 Fax: +91-184-2266400
E-mail: knl@libertyshoes.com

instructions or guidelines given and orders made by the Board of Directors of the Company or any Committee thereof.

The present communication is with regard to show cause notice to you for the acts/action which you have been resorting to for last couple of years which are not in the interest of the Company causing financial and reputational damages to the Company. You are well aware that Management Committee has been reconstituted w.e.f Feb 2022 with combination of Executive Directors, other KMPs from Promoter and Non promoter Group including professionals for strategizing and controlling the affairs of the Company from time to time in the large interest of the stakeholders and taking decision subject to consent of the Board wherever required before implementation. During the last Management Committee meeting held on 16th June, 2023, the matter relating to you, being CEO & Executive Director of the Company, has been discussed with regard to your conduct towards Board, Committee thereof, non conclusive or dissatisfactory response on various issues of the Company, non cooperation with other working directors, taking decision against the interest of the Company without seeking consent from other Directors/Management person.

The recent indiscipline and taking Board's decision on thumb by you has forced the Management to initiate proceedings against you after serving this Show Cause Notice. You are hereby advised to reply the below queries and suggest why disciplinary action should not be initiated against you:

1. Acted in deviation of Board decision and perk policy for Directors of the Company

- (i) This is to inform you that the Board of Directors of the Company had accorded their consent initially by passing of resolution through circulation on 4th February, 2022 and thereafter also confirmed on 31st March, 2022 for modification in the authority of signatories of the Company for

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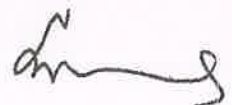
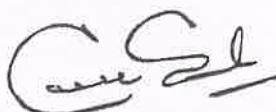


operating the various Bank accounts of the Company wherein the mode of operation was modified from single signatory to Joint signatory for the amount of cheque above Rs. 5 Lakh to have governance and improved internal control system for high value cheque. The basic intent of implementation of this resolution was to make joint signatories accountable for high value transaction and instead of power in single hand for unlimited amount, it was made jointly for high value cheque.

However, it has been observed from the Bank Statement of Company's Account No. 01950330000353, maintained with HDFC Bank (Bank Statement attached as Annexure-I) that you have circumvented the decision of the Board by issuing 16 Cheques of Rs. 5 Lakh each and 1 Cheque for Rs. 4.71 Lakh aggregating to Rs. 84.71 Lakh in favour of M/s T&T Motors, New Delhi for single transaction for acquiring of Mercedes CAR in the name of the Company under your possession. This is clear cut breach of trust and fiduciary duties you have been assigned by virtue of holding position of CEO & Executive Director. From the internal enquiry it was brought to the notice of the Company that for purchase of above Mercedes Car, you had approached to accounts Department including CFO of the Company and also with other signatory but since the purchase of CAR was not in the interest of the Company or as per Company's perk policy, the same was denied for the time being but bypassing the decision of other signatory, you preferred to use of your power for personal benefits and issued the above cheques.

- (ii) From the records, it has been observed that you already possessed Car(s) of the Company with all its related expenses on account of repair & maintenance along with recent one purchased BMW CAR of having value of Rs.175 Lakh in the year 2019. Its beyond imagination that what for you have purchased CAR of Rs 85 Lakh again in the name of replacement of old Car despite non approval from other signatory and against the perk

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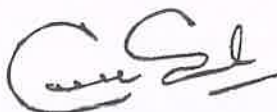


policy made by management of the Company for Directors/KMPs. Kindly explain why the above said purchase of CAR should not be considered as mis-use of power and against the interest of the Company and why the value of which should not be debited to you being the said expenses are personal in nature besides other action as may be required subject to decision of the Board?

2. Misusing of delegated powers and authorities

It has been noticed that by using your power of being signatory to bank accounts, you have issued Cheque from the Cheque book of HDFC Bank of the Company having account Number 01950330000014 in the month of April/May/June 2023 for the expenses of Liberty Footwear Co. and Liberty Group Marketing Division, partnership firm (FIRMS) wherein Directors/their relatives are partners, on the direction of Sh. Adarsh Gupta, Partner of the said firm who is acting against the interest of the Company who has issued termination notice of the ongoing arrangements between the said firm and the Company and also filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996. It is further requested to note that the payments of Royalty/Franchise fees including expenses on behalf of the Firms were being made by the Company when the FIRMS had requested by majority to do so due to unavailability of their Bank account which was made operational in last year itself and the Board had decided to make payment to FIRMS only towards its liability and not to any other account or any expenses of which liability is of the FIRMS and not of the Company as the same has already been objected earlier by other partners to the Company. It has been also noticed that you have not complied with the decision of the Board regarding payment to FIRMS and used excessive powers and authorities against the interest of the Company and the Board's decision. The list of Cheques Issued with nature of payment as per details received from the

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concerned accountant of Sh. Adarsh Gupta is enclosed as Annexure-II for your reference.

Therefore, kindly explain why the above said issuance of Cheques not meant for the Company's expenses should not be considered as misuse of powers & authority on the direction of Sh. Adarsh Gupta and why the value of those cheques should not be debited to you being the said expenses are personal in nature besides other action as may be required subject to decision of the Board?

3. Acted in contradiction of Corporate Governance guidelines

With regard to your various mails in past to the Board of Directors and CFO/CS of the Company stating that there is violation of Corporate Governance by other officials/Directors of the Company, we wish to draw your attention to the literal meaning of Corporate Governance which refers to a code of conduct to which the Board of Directors must abide by while running the corporate enterprise. Corporate governance refers to a set of systems, procedures and practices which ensure that the company is managed in the best interest of all corporate stakeholders.

From the above, you being part of Board of Directors have not intended to follow rules, system and procedure for the stakeholders at large and always claim to be sole decision maker wherever its beneficial to you not to the Company. Please refer above point no. 1 & 2, does it mean the Corporate Governance which you did or this meaning is for others only and not applicable on CEO of the Company? In your earlier mail to Sh. Adarsh Gupta, being Promoter of the Company, and CS of the Company, you advised Sh. Adarsh Gupta for sale of his shares held by him as Promoters of LSL during trading window closure period in complete violation of Code of conduct/Insider regulations by overriding the wisdom of Compliance Officer. Meaning thereby you put your personal and family's interest above the Company's interest and did not bother for non

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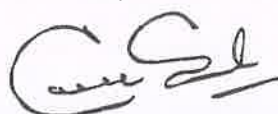


compliance or real meaning of Corporate Governance as this is not meant for you and its for others only. Please explain why you should not be made responsible for violation of rules and code of conduct of the Company.

4. Various Instances of Misconduct and Mis-Management

- (i) It has been observed from the records that there are 6 number of employees at payroll of Gharounda Unit having monthly payout of approx Rs 2 Lakh are working at the place of M/s S.S. Industries, Panipat in the name of Quality Inspection while this kind of facility or process has not been adopted by the Company for any other vendor. Do we get benefits of reduced pricing in purchasing of materials from this party. Please explain the reason.
- (ii) It has also been noticed from the books of account that there is advance of Rs. 185 Lakh paid to M/s S.S. Industries, Panipat in during April to July 2021 for the supply of materials/goods but the same was not received by the Company till date and the vendor has raised bills/invoices on the Company to be entered against those advance payments. The details of advances paid as per SAP/Books is enclosed herewith as per **Annexure-III** which is pending for knocking off due to non receipt of materials. Despite this fact and settling the advances, we have been doing business of approx Rs 5 Cr every year with this party. You are therefore requested to explain why above staffs are working at Vendor's site and also settle the above advance either by taking back the amount from M/s S.S. Industries or by receipt of genuine materials/goods failing which the legal notice will be sent to M/s S.S. Industries and since its completely malpractices used by you in backdrop of being authorized signatory, why this amount should not be recovered from you and disciplinary action is taken against you for vitiating the fiduciary duties assigned to you by the Board/Shareholders.
- (iii) It has been observed that you have given some preferences in terms of

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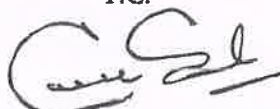
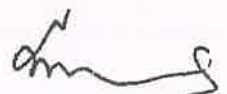
offerings to few channel partners of the Institutional segment which have been holding and you have been indirectly benefitted out of that transactions/relations with those partners.

- (iv) Above all, its very surprising for us as per communication received from ECOM Department of the Company that you are trying to grab login credentials of AMAZON for your segment only leaving other team/segment inferior and not allowing them to use their rights on behalf of the Company so that they can run their operations smoothly. This is hampering the business of the Company to your egoistic approach as if AMAZON (ECOM Partner) is for Institutional Segment only and no other segments have right to do its business with this party. Please explain the reason else the Management reserves its right to stop this unethical use by respective teams.

5. Working in an unethical, unprofessional manner & Causing disharmony within the Company

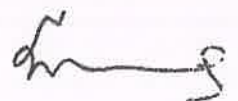
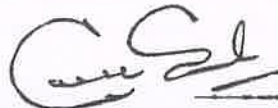
- (I) Your act is of recent past of 1-2 years wherein you have started ignoring the decision of Board/Management Committee with following acts just to take yourself out from the operations and responsibility of the Company. It is on record that you are acting as CEO & Executive Director and when you enjoy authority and power assigned by Board, you have also some responsibilities but you always fall to own responsibilities by blaming on others. You denied to sign the Financial Statements of last two years as CEO & Executive Director, did not sign Stock Statement and other important banking documents being submitted with bank and also trying to ignore voice of other Director whether in a meeting or otherwise.
- (II) You set up a venture of perfume Division in Liberty Shoes Ltd and invested around Rs.10 Cr of Company's funds till date with minimal profits from this

T.C.

- year only and while starting this venture, you did not present its business plan and even sought approval of the Board as if you are sole owner of the Company.
- (iii) You had appointed E&Y, corporate consultant in 2021 for restructuring of business of the Company without prior approval of the Board and paid to them more than Rs 60-70 Lakh without any outcome and wasted money of the Company just to score your personal interest and ego.
- (iv) You have become habitual in spreading negativity amongst Finance and Secretarial Staff by sending mails without any fact and substance with generic words of losses, bad debts, advertising, etc. which is part and parcel of any business and being approved by the Board in every Board meeting but you wish to highlight this topic just to hide your malpractices and threaten to Management Committee and Board of Directors that you will go to Banks, SEBI, ROC and other authorities with a complain as if you are not a CEO & Executive Director and Promoter of the Company but merely an employee/shareholder leaving all your responsibilities to correct inefficiencies for whole Company as expected from CEO. This is causing disharmony amongst other members/directors/staff as you are making only complaints.
- (v) You have started ignoring the decision of the Board who has constituted Management Committee for reviewing the affairs and making strategy and then recommending to the Board for resolution if any required. In every mails and correspondence, you called MC as illegal and though you are a member therein which other Directors/Members respectfully considered you as part of MC, you always ignored to attend the meeting and put your concern/suggestion in a meeting instead of through mails. You are trying to vitiate the democratic decisions of the Board/Committee and you want that all Board and MC members should obey your instructions only as if other members are incapable to think and do anything good for the Company and its Stakeholders. This is completely unethical and causing

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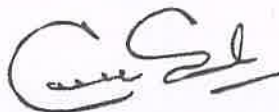
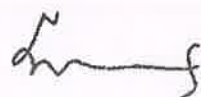
disharmony in the Company.

- (vi) You have become habitual in giving dissent on every resolution of the board/Committee if not related to you. You have full right to give your remarks including dissent if you don't agree but if decisions are taken with requisite majority by Board/Committee, you should respect the decisions which are being taken with almost all consent's except yours and you should not threaten the Company to drag unnecessarily in litigation, SEBI, ROC, Banks etc. saying that if you don't agree to the decisions, other should also accept ignoring their self decision for any matter. You may be right in few decisions but it does not mean that all others are wrong and you are only right. This is completely unethical and causing disharmony in the Company.
- (vii) You are aware that you are not cooperating to other working Directors, not attending the Management Committee meeting, never come up with proper solution, never discusses the Company's issue with Management /Other Directors to rectify and take corrective measures and when the Board created a platform of MC to have collective decisions/action with other professionals in the interest of the Company, you kept yourself out from all discussions and decisions and opted to work in isolation and put your concerns through mail only. This is completely unethical and causing disharmony in the Company.

6. Actions done by you which are not in the interest of the Company

- (i) As per point number 2 above wherein you have provided support by issuing cheques from Company's funds to Sh. Adarsh Gupta/FIRM against the decision of the Board and specially when you, knowing the truth the use of funds by FIRM, against the Company as Court case has been filed by Sh. Adarsh Gupta against the Company and you became party to this plot of diverting funds from the Company for the action against the

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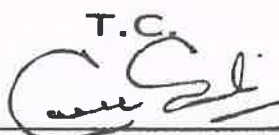




interest of the Company. This is completely against the interest of the Company. Another point is sharing of the internal confidential mails with Sh. Adarsh Gupta who has filed imaginary & concocted complaints and court case against the company and despite that you are sharing the vital information including board meeting agenda etc. with him is absolutely against the responsibilities assigned or expected from you as CEO/ ED of the company.

- (ii) You have been sending mails to MC/Board/CFO/CS that you will go to Banks, SEBI etc if your decision is not accepted on any matter. It has come to our notice from HDFC Bank that you have written a letter/mail to them asking for reduction of Bank limits so that the Company should face challenges in managing its day to day affairs including payment to vendors, payment of Salaries etc and operations should get stopped/hampers due to shortage of working capital. The avallment of banking limits are decision of the Board duly discussed In a meeting but you tried to become yourself as Board and passed on instruction to bank by your own without taking this matter to the Board which is violation of Code of Conduct and Board's decision. Is it not against the Interest of the Company? Is it not mis use of powers and authorities of being CEO and Executive Director who is supposed to protect the interest of the Company and not to become destroyer of the Company. Please explain why did you supersede your personal interest and grudge over the interest of the Company and why suitable action should not be taken against you if the above information is true.

The above sought explanation is exhaustive and there are many thing/matter which can be brought to your notice seeking your explanation as and when required.

In view of the above, you are hereby asked to submit your written explanation and justify as to why disciplinary action should not be taken against you. Your explanation

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should reach the undersigned within 7 days of upon receipt of this letter. We will appreciate if your reply is submitted point wise with facts and proof instead of alleging the inefficiencies on the part of other Directors/Officials without any facts and substance to hide your malpractices and wrongdoings.

Please note that your executive powers and authorities in Liberty Shoes Limited have also been suspended with Immediate effect for a period of 3 months from the date of this notice i.e. till 10th October, 2023.

In case you do not submit your explanation /justification or your explanation/ justification if any, is found unsatisfactory, the Management will be forced to take action against you as per the decision of the Board of Directors

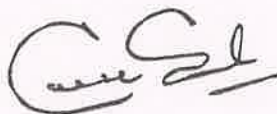
For and on behalf of
Liberty Shoes Ltd.


Sunil Bansal

Executive Director

Encl: As above

T.C.



Subject:

FW: Subject: Office Circular- All HODs and KMP of Liberty Shoes Ltd

14

From: Adish Gupta [mailto:adishgupta@libertyshoes.com]

Sent: Tuesday, July 25, 2023 5:45 PM

To: headlr@libertyshoes.com; hrd_adm@libertyshoes.com; hrd_lpr@libertyshoes.com; hrd_lgs@libertyshoes.com; hrd_ghd@libertyshoes.com; hrd_kni@libertyshoes.com; inst_ghd@libertyshoes.com; Memant Mohan; namita@libertyshoes.com; namita_anand2008@yahoo.com; sslahri@libertyshoes.com; inst_accounts@libertyshoes.com; export_mktg@libertyshoes.com; export@libertyshoes.com; export@libertylifestyle.co.in; scmsupport@libertylifestyle.co.in; ecomm@libertylifestyle.co.in; accounts@libertylifestyle.co.in; Ajay Dhinra; fi_corp@libertyshoes.com; Munish; Tarunjay Bharti; Rajeev Sharma
Cc: Sunil Bansal; Shammi Bansal; 'Raman Bansal'; Anupam; Ashok Kumar; Adesh Gupta
Subject: Subject: Office Circular- All HODs and KMP of Liberty Shoes Ltd

Dear All,

This is to inform you that the Company's management has taken an administrative action against Sh. Adesh Gupta, CEO and Executive Director of the Company by suspending all his executive powers and authorities in Liberty Shoes Ltd. with effect from 10th July 23. Therefore, Sh. Adesh Gupta is not supposed to act or perform as CEO/ ED of the company and in terms of suspension he will not be able to direct/ instruct employees, staff, communicate with third parties, approve any payments and take any decision on behalf of the Company till the time this suspension is in force .

Therefore, all concerned are hereby directed, not to share the company's confidential and/or substantive information with him, either directly or indirectly. All the team members are advised to report/update their day to day activities to respective HOD of the department and HOD is advised to seek guidance/suggestion and report to Management Committee of the Company on fortnightly basis or as and when required.

You all are strictly advised to follow the same failing which disciplinary action could be taken against the defaulter(s) in the interest of the Company.

HODs are requested to apprise their team members for the above instruction/direction if any one is left out here.

The above is for your necessary information and implementation.

For Liberty Shoes Ltd.

Adish Kumar Gupta
Executive Director

1

T.C.



FOR IMMEDIATE ACTION

August 12, 2023

The Board of Directors
LIBERTY SHOES LTD
Corporate Office :Ground Floor
Tower A, Buiding No. 8
DLF Cyber City, Phase II
Gurugram, Haryana- 122002

Registered Office:
13th Milestone, G.T. Karnal Road,
P.O. Bastara, Distt. Karnal, Haryana- 132114

Sirs,

Re: Issue of Special Notice for Removal of Director under the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder

We, Adish Kumar Gupta (Individual) & Adeesh Kumar Gupta Karta, Shammi Bansal and Anupam Bansal, are shareholders of Liberty Shoes Limited ("LSL") and as on the date of this letter we hold the following shareholding of Liberty Shoes Ltd:

- (i) Adish Kumar Gupta & Adeesh Kumar Gupta Karta– 1,89,360 & 6,60,000 Ordinary Shares representing 1.11% & 3.87% of the Voting Capital of Liberty Shoes Ltd in Individual capacity and as Karta of Adeesh Kumar Gupta HUF respectively.
- (ii) Shammi Bansal- 2,59,640 Ordinary Shares representing 1.52% of the Voting Capital of Liberty Shoes Ltd,
- (iii) Anupam Bansal- 4,92,885 Ordinary Shares representing 2.89 % of the Voting Capital of Liberty Shoes Ltd.

We would like to exercise our right of serving special notice for removal of Director of the Company in the forthcoming Annual General Meeting to be held in the month of September, 2023.

Pursuant to the provisions set forth in Section 169(2) of the Companies Act, 2013, we hereby give a formal special notice in accordance with Section 115 of the Companies Act, 2013, read in conjunction with Rule 23 of the Companies (Management and Administration) Rules, 2014. We declare our unequivocal intention to move, at the Annual General Meeting of the Company, the ensuing resolution. The resolution, to be categorized as an Ordinary resolution, seeks the removal of Mr. Adesh Kumar Gupta from his Directorship position within the Company.

We therefore propose to pass the following resolution as an Ordinary Resolution at the forthcoming Annual General Meeting of the Company.

ORDINARY RESOLUTION

REMOVAL OF MR. ADESH KUMAR GUPTA AS A DIRECTOR/EXECUTIVE DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 115 read with Section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Mr. Adesh Kumar Gupta (Director Identification Number 00143192) be and is hereby removed from the office of Director/Executive Director of Liberty Shoes Ltd (“the Company”) with effect from the date of this Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to settle any question, difficulty, doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Notwithstanding any legal or other mandatory stipulation, it is pertinent to bring the following to the attention of the shareholders for their consideration and taking prudent decision on voting for the proposed removal of Director of the Company:

1. We, Adish Kumar Gupta (Individual) & Adeesh Kumar Gupta Karta, Shammi Bansal and Anupam Bansal, are shareholders of Liberty Shoes Limited (“LSL”) and as on the date of this letter we hold the following shareholding of Liberty Shoes Ltd:
 - (i) Adish Kumar Gupta & Adeesh Kumar Gupta Karta– 1,89,360 & 6,60,000 Ordinary Shares representing 1.11% & 3.87% of the Voting Capital of Liberty Shoes Ltd in Individual capacity and as Karta of Adeesh Kumar Gupta HUF respectively.
 - (ii) Shammi Bansal- 2,59,640 Ordinary Shares representing 1.52% of the Voting Capital of Liberty Shoes Ltd.
 - (iii) Anupam Bansal- 4,92,885 Ordinary Shares representing 2.89 % of the Voting Capital of Liberty Shoes Ltd.
2. Mr. Adesh Kumar Gupta (Director proposed to be removed) is under the Promoter Group of Liberty Shoes Limited and holds 95000 Ordinary shares representing 0.56% of the voting capital of Liberty Shoes Limited in individual Capacity.
3. Mr. Adesh Kumar Gupta has been acting as Director on the Board of the Company since 1990 and later on he was appointed as Executive Director in the year 2001 by the Board of Directors of the Company duly approved by the shareholders as per requirement of law.
4. Mr. Adesh Kumar Gupta has been acting as CEO & Executive Director of the Company since 2004 with re-appointment from time to time with last re-appointment made as CEO & Executive Director for a period of 3 years w.e.f 1st April, 2021 by Board of Directors in its Meeting held on 12th February, 2021 and then further approved by shareholders in its Annual General Meeting held on 28th September, 2021.

5. We have lost confidence in Mr. Adesh Kumar Gupta for a combination of several factors including but not limited to performance not as per expectation of the Board and the Company and when we look behind as shareholder of the Company, our Company has not grown at all as compared to its peers and Mr. Adesh Kumar Gupta has always escaped himself in Board meeting blaming on other Directors. Being Board/Committee member also, we are aware that for last couple of years he has disowned the results/periodic financial statements of Company including the segment he was managing and not approving & signing the Financial Statements despite holding the position of Executive Director & CEO of the Company.
6. Mr. Adesh Kumar Gupta has become habitual in creating nuisance in governing procedure and affairs of the Company and do not respect the decision of the Board of Directors, do not attend Management Committee Meetings deliberately to escape himself and has finally now started resorting to malpractices for his personal benefits, collusive acts with others to put the Company at risk.
7. Considering his acts against the interest of the Company, the Management Committee of the Company reviewed his acts and deeds and to protect further losses to the Company, a detailed Show Cause Notice (SCN) dated 10th July 2023 was issued under signature of Mr. Sunil Bansal, Executive Director of the Company to Mr. Adesh Kumar Gupta asking explanation to his misdeeds. Through this SCN, all his executive powers were suspended for 3 months, pending satisfactory reply to be received from him. However, Mr. Adesh Kumar Gupta did not reply satisfactorily to the said SCN rather he has challenged the authority of sender of this SCN and made allegations in terms of defamation against those Executive Directors.
8. Mr. Adesh Kumar Gupta has been misusing of his authority and the diverting the Company's funds for his personal enrichment. This persistent misconduct has significantly impeded the company's ability to sustain its business operations, as he habitually dissents against virtually every resolution proposed during meetings. Moreover, on multiple occasions, he has levied unwarranted accusations against the Board, Legal Development, Secretarial Department, and Accounts Department. It is evident that his actions are deliberately aimed at disrupting the company's functioning, solely to engender turmoil and discord.
9. Mr. Adesh Kumar Gupta's conduct has been deficient in independence, and instead, he has been found to be engaging in activities that include exerting undue influence on independent directors and exhibiting prejudicial behaviour. These actions of Mr. Adesh Kumar Gupta pose a severe risk to the company and its future, while also adversely impacting the morale of its workforce, employees, and management who are invested in the Company. Moreover, considering Mr. Adesh Kumar Gupta's prolonged tenure as a director, and taking into account all the aforementioned factors, his continued presence on the Board is no longer tenable. Consequently, we, as a shareholder and also Director/Official of the Company have expressed a loss of confidence in the independence, suitability, or good faith of Mr. Adesh Kumar Gupta and have resolved to seek his removal from the Board.

10. We feel that the removal of Mr. Adesh Kumar Gupta as Director/Executive Director before the expiry of his term is absolutely necessary for the future success of our Company and therefore we are proposing the above resolution for approval of the shareholders at this Annual General Meeting.

Kind request to take further necessary action in this regard.

Yours faithfully,


ADESH KUMAR GUPTA
PROMOTER/MEMBER /EXECUTIVE DIRECTOR


ADESH KUMAR GUPTA KARTA
PROMOTER/MEMBER


SHAMMI BANSAL
PROMOTER/ MEMBER /EXECUTIVE DIRECTOR


ANUPAM BANSAL
PROMOTER/ MEMBER

2nd September, 2023

**The Board of Directors
LIBERTY SHOES LTD**

Corporate Office and Communication Address:

Ground Floor
Building No. 8, Tower A,
DLF Cyber City, Phase II
Gurugram, Haryana- 122002

Registered Office: 13th Milestone, G.T. Karnal Road,
P.O. Bastara, Kutail,
Distt. Karnal, Haryana- 132114

Sub: Special Notice under Section 169 and other applicable provisions of Companies Act, 2013 for Removal of Director

Dear Sirs/Madam,

I am presently an Equity shareholder of Liberty Shoes Limited (herein after "Company"). I am holding 2,49,900 Equity Shares constitute 1.47 % of the total paid up Share Capital of the Company.

In pursuance to the provisions of Section 169(2) of the Companies Act, 2013, I hereby give you a notice, in accordance with Section 115 of the Companies Act, 2013 read with rule 23 of the Companies (Management and Administration) Rule, 2014, of my intention to move at the ensuing Annual General Meeting of the Company the following resolution to be an Ordinary Resolution for removal of Mr. Adesh Kumar Gupta (Director Identification Number 00143192), Director from the post of Directorship in the Company.

I therefore propose to pass the following resolution as an Ordinary Resolution at the forthcoming Annual General Meeting of the Company.



ORDINARY RESOLUTION

Removal of Mr. Adesh Kumar Gupta as a Director/ Executive Director of the Company

"RESOLVED THAT pursuant to the provisions of Section 115 read with Section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Mr. Adesh Kumar Gupta (Director Identification Number 00143192) be and is hereby removed from the office of Director/Executive Director of Liberty Shoes Ltd ("the Company") with effect from the date of this Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to settle any question, difficulty, doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

It is pertinent to bring the following to the attention of the shareholders for their consideration and taking prudent decision on voting for the proposed removal of Director of the Company:

1. I, Sachin Gupta, am a shareholder of Liberty Shoes Limited ("LSL") and I hold 2,49,900 Ordinary Shares representing 1.47% of the total share Capital of Liberty Shoes Ltd.
2. Mr. Adesh Kumar Gupta (Director proposed to be removed) is under the Promoter Group of Liberty Shoes Limited and holds 95,000 Ordinary shares representing 0.56% of the voting capital of Liberty Shoes Limited in individual Capacity.
3. Mr. Adesh Kumar Gupta has been acting as CEO & Executive Director of the Company since 2004 with re-appointment from time to time with last re-appointment made as CEO & Executive Director for a period of 3 years w.e.f 1st April, 2021 by Board of Directors in its Meeting held on 12th February, 2021 and then further approved by shareholders in its Annual General Meeting held on 28th September, 2021.
4. I have lost confidence in Mr. Adesh Kumar Gupta for a combination of several factors when I look behind as shareholder of the Company, our Company has not grown at all as compared to its peers.
5. I feel that the removal of Mr. Adesh Kumar Gupta as Director/Executive Director before the expiry of his term is absolutely necessary for the future success of our Company and therefore I am proposing the above resolution for approval of the shareholders at this Annual General Meeting.



Kind request to take further necessary action in this regard.

Yours faithfully,



SACHIN GUPTA

Equity Shareholder

Demat Account no. IN30021417572358

PAN: AKCPG6293R