

WE HAVE JUST BEGUN

Annual Report 20**22-23**



*THE PARTY'S JUST GETTING STARTED. THIS IS
WHERE THE FUN STARTS.*

KOBE BRYANT

IT'S BEEN ONLY THREE YEARS SINCE WE STARTED AFTER TAKEOVER.

WE JUST GOT AFOOT IN THE IMMENSELY COMPETITIVE YET
SIGNIFICANTLY STIMULATING INDIAN MARKET.

WITH ONLY THREE PRODUCT CATEGORIES, WE DELIVERED A FAIR
PERFORMANCE.

120%

GROWTH IN REVENUE

138%

GROWTH IN EBT

AND WE ARE CONVINCED THAT WE HAVE NOT EVEN
SCRATCHED THE SURFACE YET. THE SHEEN IS YET
TO REVEAL.

CONTENTS

We have just begun	1	Management Discussion & Analysis	26
How are we stepping up our game?	4	Directors' Report	46
Statement from the Chairman	6	Corporate Governance Report	64
Statement from the Managing Director	8	Standalone Financial Statements	83
Our Key Initiatives	10	Consolidated Financial Statements	116
Know a little more about us	12	Notice	145
Key Performance Indicators	22		
Board of Directors	24		

TO SAY THAT THE INDIAN OPPORTUNITY SIZE IS LARGE IS AN UNDERSTATEMENT.

IT'S HUMUNGOUS.

THE REASONS ARE PRETTY APPARENT.

#1

India is the most populous nation in the world, with a population exceeding 1.50 billion.

#1

India has its largest ever adolescent and youth population. According to UNFPA projections, India will continue to have one of the youngest populations in the world till 2030.

1.02_{MN}

India's middle-class segment, which is the predominant consumer base, will continue to provide immense opportunities. The strength of the middle class is expected to rise from 432 million people in 2020-21 to 715 million (47%) in 2030-31 to 1.02 billion of India's projected population of 1.66 billion in 2047.

50_{CRORE}

Being the third-largest retail market globally, India has the third-highest number of e-retail shoppers (behind China and the US). The number of online shoppers in India is anticipated to touch about 50 crore in 2030 from 19 crore in 2021

CREDIBLE ESTIMATES IN OUR PRODUCT CATEGORIES, NAMELY MEN'S PERSONAL WEAR, HOME APPLIANCES, AND TRAVEL LUGGAGE, FORECAST APPRECIABLE GROWTH OVER THE MEDIUM TERM.

US\$ 267.6_{MN}

The Indian Night & Underwear (men) eCommerce market is predicted to reach US\$200.9 million by 2023, which accounts for 9.1% of India's Men's Apparel eCommerce market. By 2027, the projected value of the said market is anticipated to grow to US\$267.6 million with a CAGR of 7.4%.

15%

Indian luggage and backpack market is worth ₹.10,000 crore in 2023 and is expected to grow at a CAGR of 15% in the next 3-5 years.

US\$ 21.18_{MN}

As per a Deloitte report, the consumer electronics and appliances market, valued at US\$ 9.84 billion in 2021, is anticipated to grow to US\$ 21.18 billion by 2025.



HOW ARE WE STEPPING UP OUR GAME?

STATEMENT FROM THE CHAIRMAN



THE JOURNEY AHEAD OF US IS INDEED RIVETING. WE SHALL CONTINUE FOCUSING ON TECHNOLOGY, EFFICIENCY IMPROVEMENT, SUSTAINABILITY AND CUSTOMER ENGAGEMENT AS PILLARS FOR OUR GROWTH. OUR PASSION, PROFESSIONALISM AND PERSEVERANCE IN WORKING WITH OUR CUSTOMERS, PARTNERS, AND EACH OTHER GIVE US A COMPELLING FUTURE OUTLOOK.

Dear shareholders,

It's a pleasure to connect with you as we reported a good performance in a year riddled with volatility.

I am happy to report that our team displayed remarkable effort in overcoming prevailing volatility to register more than 100% growth at our topline and bottomline. Our strategy of premium quality at affordable prices with innovative and cutting-edge products served us well.

Our growth has been relatively slow relative to peers in our space, but it was sure-footed. We have been very conscious of establishing a firm presence in the market regarding our product portfolio, market presence, advertising strategies and overall growth. We took time deliberately to correctly assess the Indian market, which is unique in several ways.

Having laid the foundation of a noteworthy presence in channel sales with industry-leading distributors and retailers, we have created a robust platform for exponential growth in the network of retail touchpoints and product offerings nationwide.

The unique Indian market

The consumer landscape is constantly evolving in a country as diverse and vibrant as India. With a burgeoning middle class and increasing purchasing power, India has become a hotbed for premium brands looking to tap into a vast consumer market.

Moreover, according to the World Bank, India, presently the world's fastest-growing major economy, will sustain this position with an average annual economic growth rate of 6-7% until 2047. This progress will significantly increase the disposable income of the Indian masses and soar their aspiration.

However, the Indian market is price sensitive, with consumers seeking value for their money and meticulously comparing

options before the final decision.

Premium brands must understand the altering landscape to cater to India's price-conscious consumers while maintaining product quality and exclusivity. I believe their future relies heavily on their ability to master the often paradoxical and nuanced Indian retail market. By embracing a customer-centric approach, focusing on affordability without compromising quality, and staying attuned to innovative market trends, premium brands can position themselves as frontrunners in meeting the demands of India's price-savvy consumers.

Our plans for tomorrow

To strengthen our position in the large and complex Indian market, we have drawn a comprehensive blueprint to be implemented over the coming years, emphasising critical aspects.

Market penetration through innovative strategies: We will strive to remodel the entire brand communication and Public Relations strategy. We will communicate the dynamic brand ethos effectively to an ever-evolving customer base.

Focus on value proposition: We will emphasise the value and benefits of our lifestyle goods to our esteemed customers by highlighting how our products enhance the quality of life, offer long-term durability & most importantly, provide cost-saving advantages.

Superior operations: We will launch new integrated warehouses to provide logistical support for extensive Pan-India operations. We will focus on cost optimisation for better pricing and eliminate non-essential expenses to reinforce operational efficiencies.

Strengthen financial discipline: We will sharpen our focus on strengthening cash flows and review and course-correct our capital allocation strategy, if required, to

ensure that we continue delivering long-term value to all our stakeholders.

Enhance our online presence: We will optimise our online marketing efforts and leverage social media platforms to engage with a more significant customer base. We are working on extensive social media campaigns for all our product categories.

Building a solid team: To enhance team spirit and synergise our organisational benefits coherently, we are undertaking multiple initiatives to further Team bonding in the organisation.

As these initiatives come together, they will unleash a wave of positive change that will help us solidify our foundation and enable us to encash India's demographic dividend. We will explore new ways to improve our topline growth and profitability further. This will allow us to create superior value for all our stakeholders.

The journey ahead of us is indeed riveting. We shall continue focusing on technology, efficiency improvement, sustainability and customer engagement as pillars for our growth. Our passion, professionalism and perseverance in working with our customers, partners, and each other give us a compelling future outlook.

Before I close, I thank the entire team for their zealous efforts to uplift the organisation; you are an inspiration. I thank our valued customers for their patronage and loyalty towards the Swiss Military brand. I also thank all our stakeholders for your unflinching support throughout our journey.

Undoubtedly, we will continue to work diligently towards building a world-class organisation and achieving sustainable growth in the years to come.

Thank you.

JAI HIND

Ashok Kumar Sawhney

STATEMENT FROM THE MANAGING DIRECTOR

One of our primary goals has been to expand our market presence, and we have made significant strides in this direction. Our efforts to enter new geographic regions have yielded positive results. Innovation remains a cornerstone of our growth strategy, and our R&D teams have been working tirelessly to bring exciting new products to the market. Efficiency in our operations continues to be a focus area, and our efforts in streamlining processes and optimizing resource allocation not only enhances our profitability but also positions us to invest more resources into our growth initiatives.

We aim to expand our retail presence to the entire Indian subcontinent by March 2024. We also aim to expand our retail touch-point total from 3,000 to 10,000 in the coming five years. "By March 2024, we plan to cover the entire Indian subcontinent and in the next five years, we are aiming at 30% CAGR [compound annual growth rate] growth to reach 10,000 retail touch-points,"

We will focus on Mumbai in West India and on South India for its next phase of retail expansion, as well as expanding our presence in the general trade segment of the market. We also plan to open large format stores to showcase its entire product portfolio. We aim to reach more shoppers in Tier 2 and 3 locations to tap into the growing non-metro demand for premium goods.

We also recognize that the business landscape continues to evolve rapidly. We remain committed to our growth-oriented approach and will stay agile in responding to emerging trends and challenges. Our outlook for the upcoming years remains optimistic, and we are confident in our ability to sustain this growth trajectory.

Thank you.

Anuj Sawhney

Managing Director



OUR KEY INITIATIVES IN FY23

1

New products in the Travel Luggage range

We introduced our global best-seller sub-categories of Backpacks, Sling bags, Laptop Strollers, Duffle bags & Travel Accessories to offer a holistic and dynamic range to the Indian market. The Company has put in immense effort to introduce this first-time innovative product range which perfectly complements our existing luggage range.

2

Partnership in the E-commerce space

We decided with a large e-commerce platform to launch a cost-effective mass brand in the Luggage & Travel Gear segment exclusively under the name 'Sky Scape.' We expect to increase our reach to the masses to unleash tremendous growth possibilities. The results of this tie-up will be visible in FY24 and onwards.

3

IT upgradation

In FY23, we implemented an organisation-wide SAP-based Enterprise Resource Planning solution. Further, we installed a new data management system or DMS to help collect, retrieve, and extract value from the data efficiently and cost-effectively, which in turn helps people organise and connect things to facilitate data-backed decisions.



OUR STRATEGIC BLUEPRINT FOR FY24

1

Expanding our reach deeper into the customer base

We are targeting a retail presence of 10,000+ retail shops in the next fiscal as against a footprint of only 3,000+ shops (local stores, chain stores, etc.) in FY 2022-23. We are also actively trying to expand our B2B reach in the market.

2

Launching more SKUs

We will launch more SKUs in all our product segments to offer existing and potential customers quality products at every point. Aligned with that policy, we are planning to launch 20 plus new SKUs across varied product segments in all three categories in the current financial year.

3

New sustainable world-class products

We are all set to launch new technologies and materials, such as Modals / Bamboo, etc., in our men's innerwear segment, which are eco-friendly and offer excellent quality at reasonable prices. This is one of the most unique offerings and promises to strengthen our market position in the men's innerwear segment.

4

New Tie-ups for the Home Appliances Range

We have adopted an aggressive strategy to forge tie-ups with class-leading vendors in the home appliances range to introduce cutting-edge, innovative and affordable products, which shall place us firmly amongst leading brands in the space.

5

More power to outsourcing

With an increasing customer base, we are mindful that we will need to increase our manufacturing partners. We plan to double our manufacturing partners from the existing 10 in the current year.

6

Manufacturing Activities underway

To complement our asset-light operations, we plan to commence manufacturing operations. Towards this end, we are working on expanding collaborative partnerships under a joint venture with industry leaders. By pooling resources for manufacturing Luggage & miscellaneous Travel Gear, we will deploy industry-leading technologies that enhance our product quality cost-effectively. This strategy should help us further our reach and scope.

7

Customer loyalty program and aggressive pricing

To enhance loyalty and nurture long-term relationships with our customers, we are all set to offer new personalised experiences, prompt after-sales service, loyalty programmes, and incentives to increase repeat business from our existing customer base. Further, to become the strongest contender in the lifestyle E-commerce segment, we have adopted an aggressive pricing strategy, which is expected to strengthen our position in the market and likely to impact our topline positively.

KNOW A LITTLE MORE ABOUT US.



COMPANY OVERVIEW

WE ARE THE LICENSEES OF THE GLOBALLY-RECOGNISED SWISS MILITARY BRAND IN INDIA.

Headquartered in New Delhi, India and incorporated in December 2020, 'Swiss Military Consumer Goods Limited' markets diversified lifestyle products.

The Company markets its products through an expansive and entrenched network of 1000+ dealers servicing more than 3000 retail shops (MBOs and Modern Trade Stores).

Along with a vibrant physical presence in the market, we also have a very healthy digital presence in the E-commerce segment marketing our products on leading e-commerce portals. We also have our marketing portal that showcases all our products.

We operate on an asset-light model. Our products are manufactured by white-label manufacturing partners and undergo rigorous quality tests by our team to ensure we deliver value to our customers. Our sales are complemented by robust after-sales service.

The Company's operations are led by Mr. Ashok Kumar Sawhney, Chairman; an enthusiastic and energetic team of professionals manages the day-to-day operations.



OUR VISION

The vision of the Swiss Military is to be the most coveted & loved brand in India for its quality and reliability



OUR MISSION

Swiss Military's mission is to continue its unfailing commitment to offering world-class products at affordable prices.



OUR PHILOSOPHY

Swiss Military believes in Premium, affordable products; the brand firmly believes that more and more people should experience the joy of owning a luxury product. As a brand, Swiss Military offers products that score high on aesthetics and maintains a fine balance between form and functionality. The Swiss Military has believed in and promoted this philosophy for nearly four decades.

OUR BABY STEPS IN AN EXPANSIVE LANDSCAPE

AUGUST 2022

Rights issue of ₹44.23 crore (Issue period)

APRIL 2022

Acquisition of Wholly Owned Subsidiary for RFID Seal Business.

MAY 2021

Launch of Innerwear and Home Appliance segment.

DECEMBER 2020

Change the name of the Company.

SEPTEMBER 2020

Takeover of Network Limited.

JUNE 2022

Arrangement for the exclusive right to use the brand 'Swiss Military' in India for all the product categories.

Appointment of Sonali Bendre as Brand Ambassador for the product range of premium Home Appliances.

FEBRUARY 2022

Appointment of Mr. Randeep Hooda as the brand ambassador of the Innerwear category.

Launch of the Distributor recognition programme.

NOVEMBER-DECEMBER 2021

Rights Issue of ₹9.82 crore (issue period).

NOVEMBER 2020

Agreement for the exclusive right to use the brand 'Swiss Military' in India for Home Appliance and Innerwear category.

OUR BABY STEPS IN AN EXPANSIVE LANDSCAPE

100+	15+	1500+	180+
Team size	Manufacturing partners	SKU's	Cities of presence
3	46	900+	122.21
Warehouses	Distributors	Multi-brand outlets (MBOs)	Revenue from Operations (₹ crore)
5.18	66.06	66.06	300
Net Profit (₹ crore)	Networth (₹ crore)	Capital Employed (₹ crore)	Market Capitalisation (₹ crore)

OUR PRODUCT CATEGORIES

LUGGAGE

TROLLEY BAG
OFFICE BRIEFCASE
LAPTOP / BACKPACK
DUFFLE BAG
OVERNIGHTER
TOILETRY BAG

300+	372+
SKUs	Dealers



HOME APPLIANCES

FANS
MIXER, GRINDER, JUICER
RANGE
FLASKS & MUGS
IRON
INFRARED INDUCTION
COOKTOP
CHOPPER
EGG BOILER
KETTLE RANGE
TOASTER RANGE
ROOM HEATER
RICE COOKER
HAND BLENDER
TV

90+

SKUs

525+

Dealers



MEN'S PERSONAL WEAR

BRIEFS
TRUNKS
T-SHIRTS
POLOS
JOGGERS
SHORTS
TOWELS
WALLETS
POUCH
BELT
PENS
JACKET / HOODIES

1050+

SKUs

100+

Dealers



OUR COMPETITIVE MOAT

Rich experience of our Promoters & Management

Swiss Military is powered by a Talented and Experienced Management Team with decades of experience, in achieving milestones across different geographies. Owing to our rich experience, our Promoters and Management have knowledge of the core aspects of our Business, which gives us an edge over our competitors operating in similar segments.

Qualified professionals

We have an excellent talent pool with years of industry experience which has enabled us to continue pursuing and achieving our targets and help us aim higher.

Global brand

The globally-recognised Swiss Military brand has its own benefits. It is recognised and respected for its quality and comes with a loyal customer base. Being recognised globally, it saves effort and resources in branding and advertisement.

High-growth products with a large number of SKUs

We have created a formidable presence in three fast moving product categories. Moreover, we continue to enhance our product offering by introducing contemporary SKUs in every product segment that perfectly plug into the customer demand-vacuum.



Brick-and-click presence

Our omnichannel or brick-and-click strategy benefits the Company by enabling us to reach new customer segments while providing them a seamless experience regardless of the channels they use. In the process, the Swiss Military products achieve more availability, drive sales, and integrates digital touchpoints with physical stores.

Formidable distribution network

Our focus is on developing a new product range in our existing product portfolio, expanding the markets, expanding the scale of operations and building and nurturing relations with our distributors and retailers who vital for our business.

Asset-light model

Having created a robust asset-light operating model, we are able to modulate our operating in line with market dynamics. It results in sufficient liquidity at all times. Further, as a tech-enabled new-age business it gives us greater flexibility than any traditional asset-heavy industries.

Debt-free company

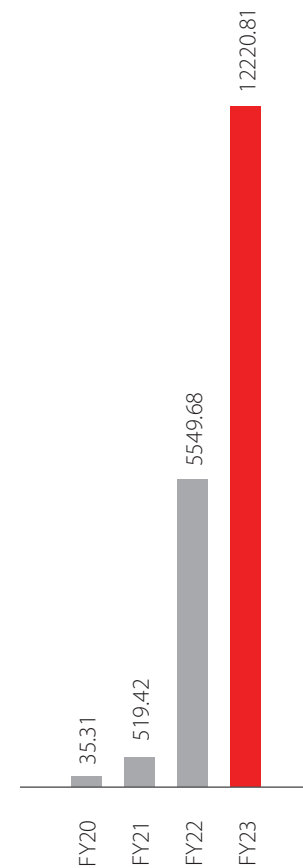
Being at a zero-debt position has numerous advantages. The most prominent being that it gives us adequate mind space to plan our capital allocation more judiciously.

KEY PERFORMANCE INDICATORS

Revenue (₹ lacs)

120%

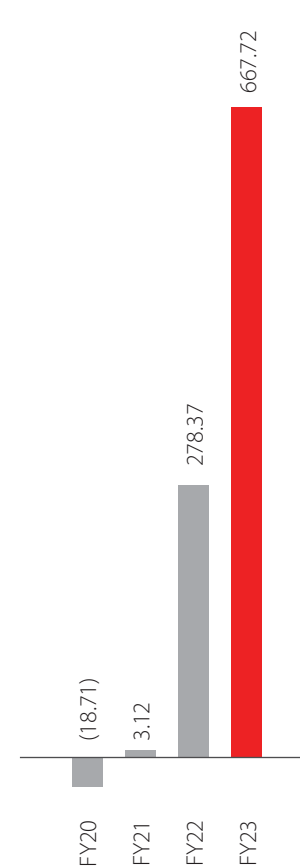
Y-O-Y change



EBITDA (₹ lacs)

140%

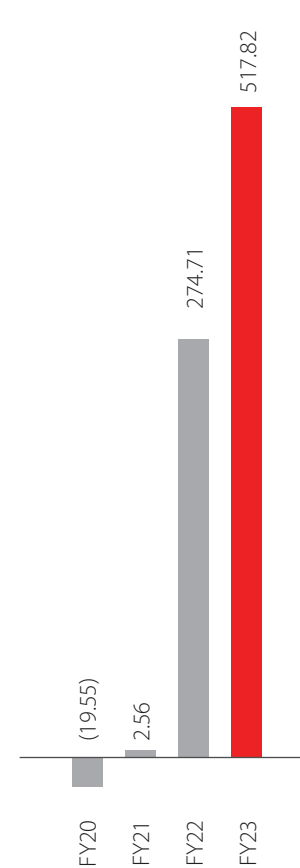
Y-O-Y change



Profit after Tax (₹ lacs)

88%

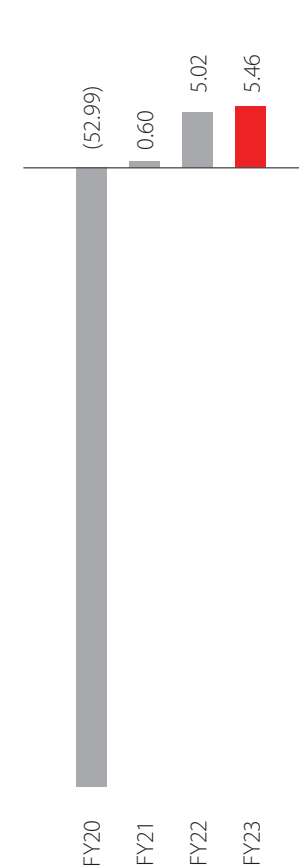
Y-O-Y change



EBITDA margin (%)

44BPS

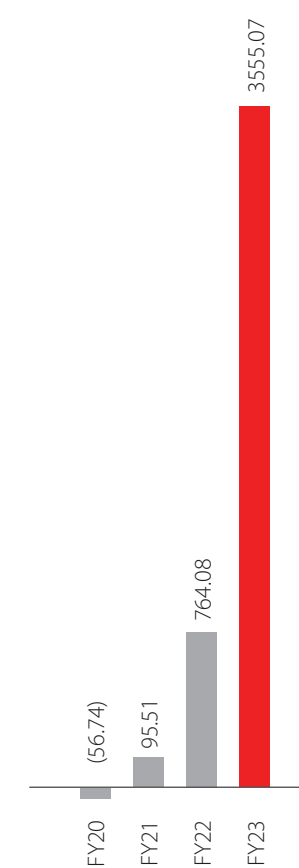
Y-O-Y change



Net Cash from Operations
(₹ lacs)

365%

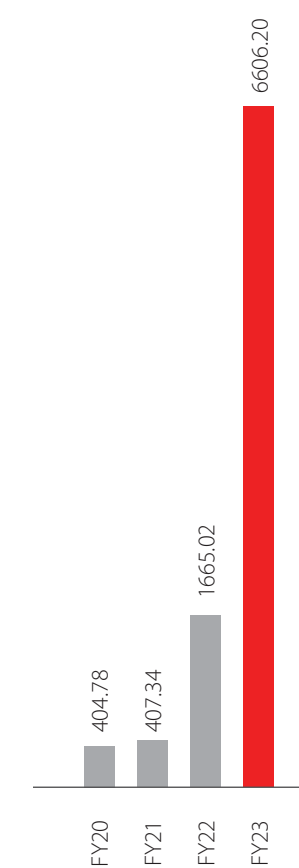
Y-O-Y change



Networth (₹ lacs)

297%

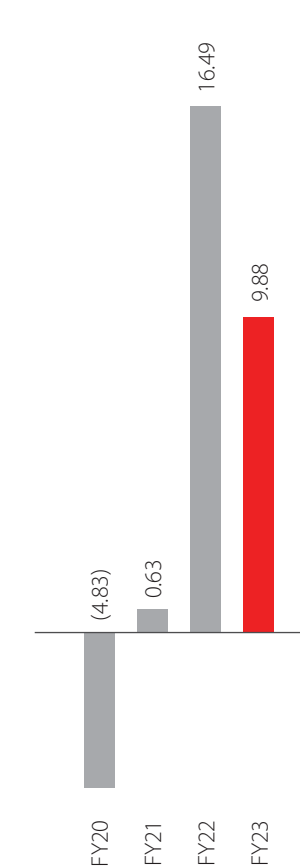
Y-O-Y change



Return on Capital Employed
(%)

(661)BPS

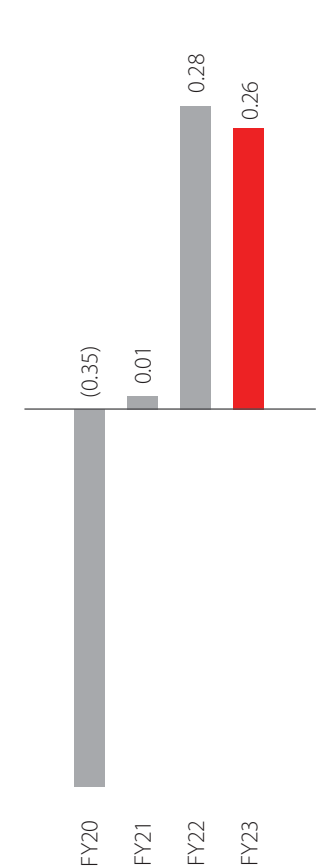
Y-O-Y change



Earnings per share (₹)

(7)%

Y-O-Y change



BOARD OF DIRECTORS



Ashok Kumar Sawhney

Chairman, Non-Executive Director in the category of Promoter

Mr. Ashok Kumar Sawhney, aged about 84 years, is a Director of the Company. He is instrumental in making 'Swiss Military' a globally recognised, renowned and celebrated brand. He is a visionary, eminent author, poet and entrepreneur. He has been felicitated with innumerable accolades for his unique sense of entrepreneurship. The 'Udyog Patra' Award by the Institute of Trade and Industrial Development in 2003. In 2012, the 'Lifetime Achievement Award' was by Samaya Bharati, Asia's leading monthly watch trade magazine. The 'Samay Ratna' award for his services as the president of the All-India Watch Association. India CSR, the world's most popular CSR Network, has honoured him with Lifetime Achievement Award for his excellent service to the society and people of India.



Anuj Sawhney

Managing Director

Mr. Anuj Sawhney, aged about 49 years, is a Promoter Director of the Company. He is a Graduate of B.Com (Honours) from Sri Ram College of Commerce, Delhi and has completed his Masters of Business Administration from Owen Graduate School of Commerce, Vanderbilt University at Nashville, Tennessee. He has extensive experience of around 22 years in all spheres of running a global brand "Swiss Military" worldwide.



Ashita Sawhney

Non-Executive Director in the category of Promoter

Mrs. Ashita Sawhney, aged about 50 years, is a Promoter Director of the Company. She graduated with BA (Honours) from Jesus & Mary College, Delhi. She has experience of around 13 years in business development, lifestyle branding and related business.



Rajesh Tuteja

Non-Executive Director in the category of Independent Director

Mr. Rajesh Tuteja, aged about 61 years, is Non-Executive Director appointed in the capacity of an Independent Director of the Company. He is a qualified Chartered Accountant and Company Secretary with a Law degree. He was an IRS officer who retired as Director General of Income Tax in 2020. He has over 30 years of experience in different capacities in an administrative capacity for managing Income Tax taxation as well as Investigation and Intelligence.



Surendra Kumar Bhagat

Non-Executive Director in the category of Independent Director

Mr. Surendra Kumar Bhagat, aged about 65 years, is Non-Executive Director appointed in the capacity of an Independent Director of the Company. He holds a degree in Masters in Political Science from Hindu College, Delhi. He was an IPS officer. He served as SP/SSP of several UP districts: SP ad DG CRPF J&K Zone before taking over as Director General of the Railway Protection Force. He has received several awards, including Kathin Sewa Padak and the President's Police Medal for Distinguished Service.



Chirag Gupta

Non-Executive Director in the category of Independent Director

Mr. Chirag Gupta, aged about 36, is a Non-Executive Independent Director of the Company. He is a qualified Chartered Accountant. He has over ten years of diversified experience in Financial Planning and Analysis, Budgeting, Financial Controlling, etc., in various brands across Indian Corporates and MNCs.



MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC REVIEW

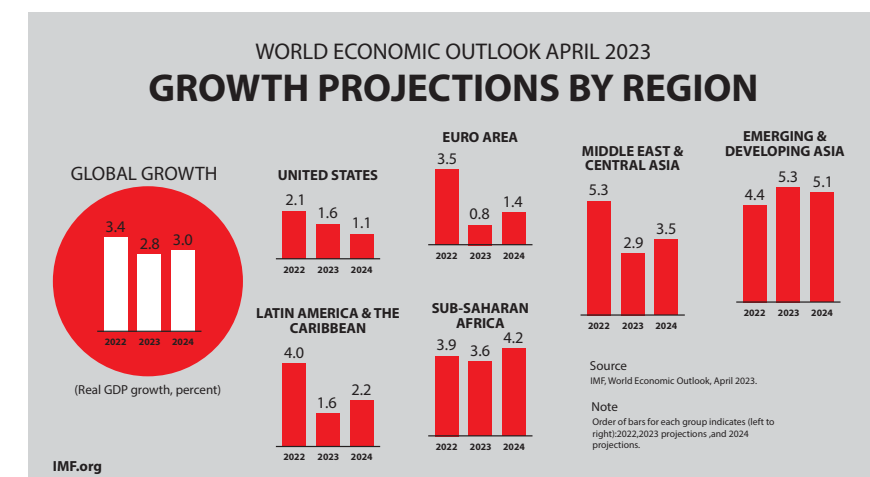
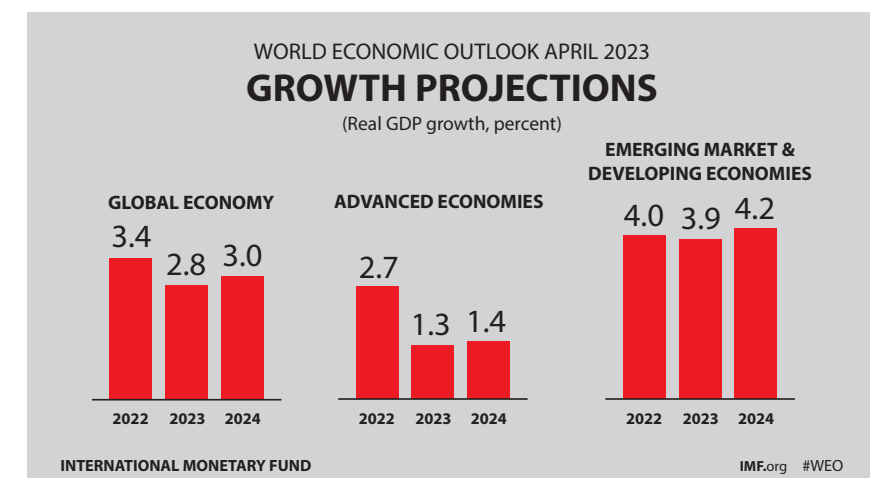
After a spectacular bounce back in 2021 from a low base, the world economy returned to the growth trajectory (3.4%) by the end of 2022 notwithstanding setbacks that pushed the global financial and economic system into instability. However, this renewed growth is not yet boisterous. The Russia-Ukraine war still is a major concern for the global economy but despite that, consumer demand seems to be picking up, and major economies are getting adjusted to high energy prices. Furthermore, retail inflation has subsided substantially even though core inflation remains sticky.

Easing price rise is most likely to be the direct result of the policy rate tightening all over the globe by the central banks.

But commodity prices remain volatile throughout the year. In terms of growth emerging economies surprisingly fared better than most developed nations. Global trade hit a record high of US\$ 32 trillion in 2022 amidst adverse geopolitical conditions and tight financial conditions in advanced economies.

Global economic growth forecasts in 2023 are being revised downwards (2.8%) due to high energy prices, rising interest rates, sustained inflation in many economies, and negative global spillover

from Russia-Ukraine war. Yet, rising global trade volumes indicate resilient global demand. Global inflation is still moderating and is likely to mellow down to a much lower level by the end of 2023. However, advanced economies are likely to face a prolonged downturn in CY23. But with investment in digital tools, better integration with suppliers, improving productivity, and easing supply-chain constraints, the global economy may think of a better future ahead



<https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>



INDIAN ECONOMIC REVIEW

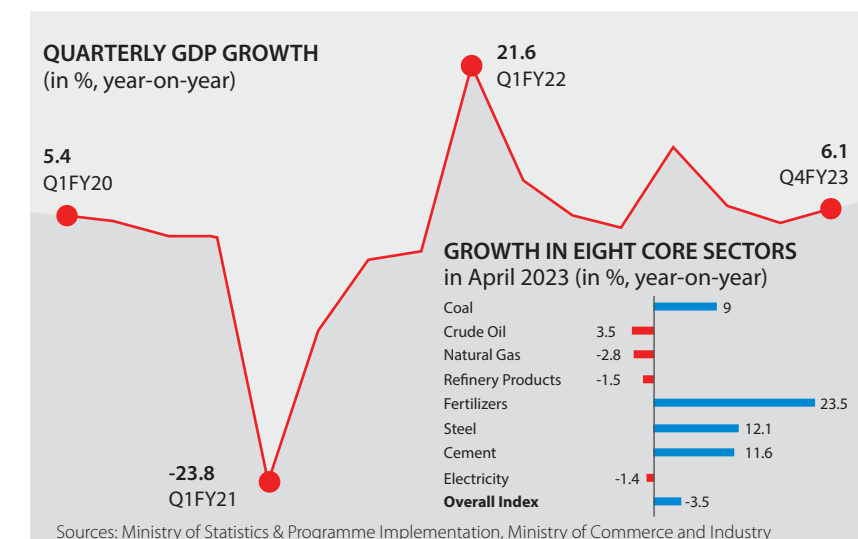
Indian economy continues to be resilient and growing faster than many developed and emerging countries despite severe global uncertainties since 2022. In the last fiscal, growth was expected to be constrained by several macroeconomic factors such as high inflation, monetary tightening, and global slowdown. But despite all the challenges Indian economy registered a growth of 7.2% on a y-o-y basis.

Expansion in agriculture, construction, and service sectors and a rebound in manufacturing in the March quarter (4.5% in FY23) are reasons for this growth. Apart from that, the government's capex push and buoyant private consumption also paved the way. But reports further suggest, a large portion of consumers are staying away from non-essential spending, as inflation was high throughout the year. But by the end of the fiscal, monetary

tightening by the RBI caused a dip in the inflation level that provided some relief to the consumers.

The total GST collection in FY23 exceeded ₹18 lakh crore with over 22% growth on a y-o-y basis indicating resilience in the Indian economy. India's per capita net national income (at current prices) for 2022-23 stands at ₹172,000, according to estimates from the National Statistical Office (NSO). This marks an almost 100% increase from the per capita income in 2014-15 – ₹86,647, before dipping significantly during the Covid pandemic.

Going forward, India's growth prospects seem to be bright. According to the experts, the recent trend suggests that private final consumption expenditure is likely to reach the pre-pandemic level in the near future. A sharp increase in public sector capex is also likely to contribute to gross capital formation in the coming years. But India's GDP growth could moderate to 6.1% in FY24 because of subdued external demand and financial uncertainties owing to global geopolitical tensions that are likely to affect overall optimism.



<https://www.hindustantimes.com/india-news/gst-revenue-in-march-2023-hits-1-6-lakh-crore-fy23-collections-surpass-18-lakh-crore-with-22-yoy-growth-finance-ministry-101680348518273.html>

[https://pib.gov.in/PressReleasePage.aspx?PRID=1916220#:~:text=The%20estimated%20value%20of%20services%20export%20for%20FY%202022%2D23,22%20\(April%2DMarch\).](https://pib.gov.in/PressReleasePage.aspx?PRID=1916220#:~:text=The%20estimated%20value%20of%20services%20export%20for%20FY%202022%2D23,22%20(April%2DMarch).)

<https://pib.gov.in/PressReleasePage.aspx?PRID=1913325>

https://www.mospi.gov.in/sites/default/files/press_release/IIP_PR_12may23.pdf



LUGGAGE AND TRAVEL GEAR MARKET

Like many other industries, the pandemic impacted the global travel industry adversely. But the effects of Covid-19 restrictions on travelling were harder than in any other industry because of mobility restrictions. But now that the restrictions have been lifted and the daily lives of people are being normalized all over the world, travelling is on resumption.

Naturally, travel bags seem like a kind of travel gear that is useful for all travellers

alike. They may be hobby tourists, they may be busy office executives or they may very well be explorers or trekkers. Types of bags also change with the kind of travelling someone is engaged in. Duffel bags, wheeled backpacks, rolling luggage, weekenders, totes and travel packs are some of the most common types of travel bags available in the market.

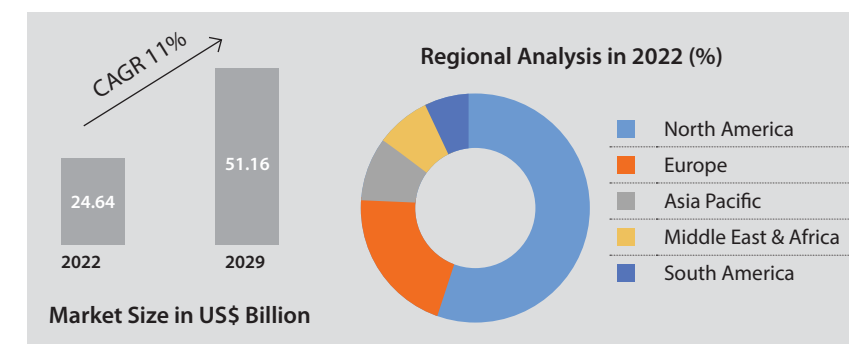
And with the types of bags change the material they are built with. For example, the hard-side models are manufactured using tough materials like polypropylene, polycarbonate and acrylonitrile-butadiene-styrene (ABS) that are appropriate for carrying gadgets and other fragile products. However, the durable and lightweight soft-side variants are manufactured using nylon, polyester,

The number of flights operated globally by the airlines has increased steadily since the early 2000s and reached 38.9 million in 2019. However, due to the coronavirus pandemic, the number of flights dropped to 16.9 million in 2020. But, 2022 saw a significant uptick in the flight volume and is forecast to reach 32.4 million in 2023.

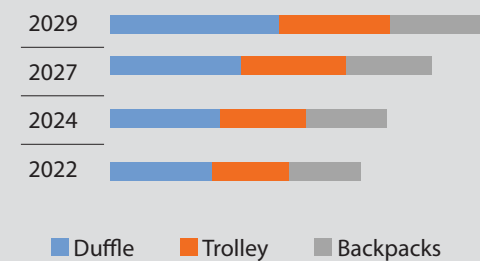
cotton, leather and vinyl. Further, the bags can also vary both in size and colour.

Global market: In the travel bag industry, backpacks dominated the segment with a 46.64% share in 2022 because of their multi-purpose, lightweight, and space-saving features. The trolley bag segment on the other hand is growing very fast because of high consumer preference, mobility, compactness, and ease of rolling the whole bag through different surfaces.

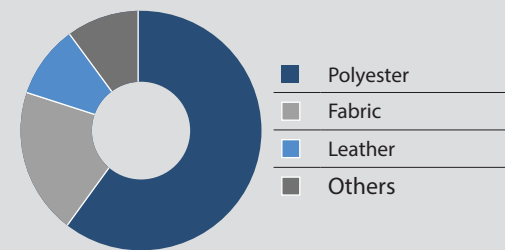
In 2022, most bags were sold via offline routes to the extent of 66.49%. This channel is preferred by consumers because of a wide range of products within different price ranges, materials, luggage types, and designs. However, the E-commerce segment is likely to grow faster in the future because of the ease of payment, eye-catching discounts, and home delivery.



Product Segment Overview



Global Travel Bags Market Share, By Material Type (in %)



Key growth drivers

- The growing tourism industry, rapid urbanization, and shift in recreational patterns across the globe are driving the growth in the travel bag industry.
- Increasing ability of the consumers to invest in premium and luxury travel bags to meet their ever-changing needs. Coupled with that, innovations in visually appealing and creative products are creating an upsurge in demand in the industry.
- The rise of several domestic brands and the availability of local and regional players in emerging economies are expanding the growth in the travel bag industry. The products offered by these local companies are usually of high quality, affordable, and easily available both through online and offline markets.

Key trends

- The rising demand for ultra-lightweight travel bags is one of the most important trends in the market. These bags are easy

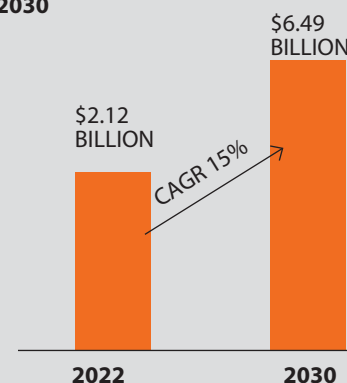
to carry and travel with, with the outer surface being hard and water resistant. Materials like polycarbonate are used to manufacture these bags.

- Luggage companies around the world are unveiling new sustainable bags that are not just durable and stylish but also attempting to be earth-friendly. Many such travel bag companies these days are manufacturing products from recycled and repurposed materials. Some companies are using an innovative eco-

dyeing process that requires less water, energy, and chemicals.

- Smart luggage or smart bags are any type of luggage that contains high-tech capabilities such as Bluetooth connectivity, Wi-Fi connectivity, GPS tracking, electronic locks, and much more. The ongoing demand for travel and proper awareness of smart luggage can create viable growth opportunities in the market.

Global Smart Luggage Market 2024-2030



Indian market:

Indian luggage and backpack market is worth ₹10,000 crores in 2023 and is expected to grow at a CAGR of 15% in the next 3-5 years. According to a local brokerage Anand Rathi report, the industry grew from 45% in FY20 to 56% in FY23. In pre-pandemic years (FY15-FY19) the growth was 14.2%.

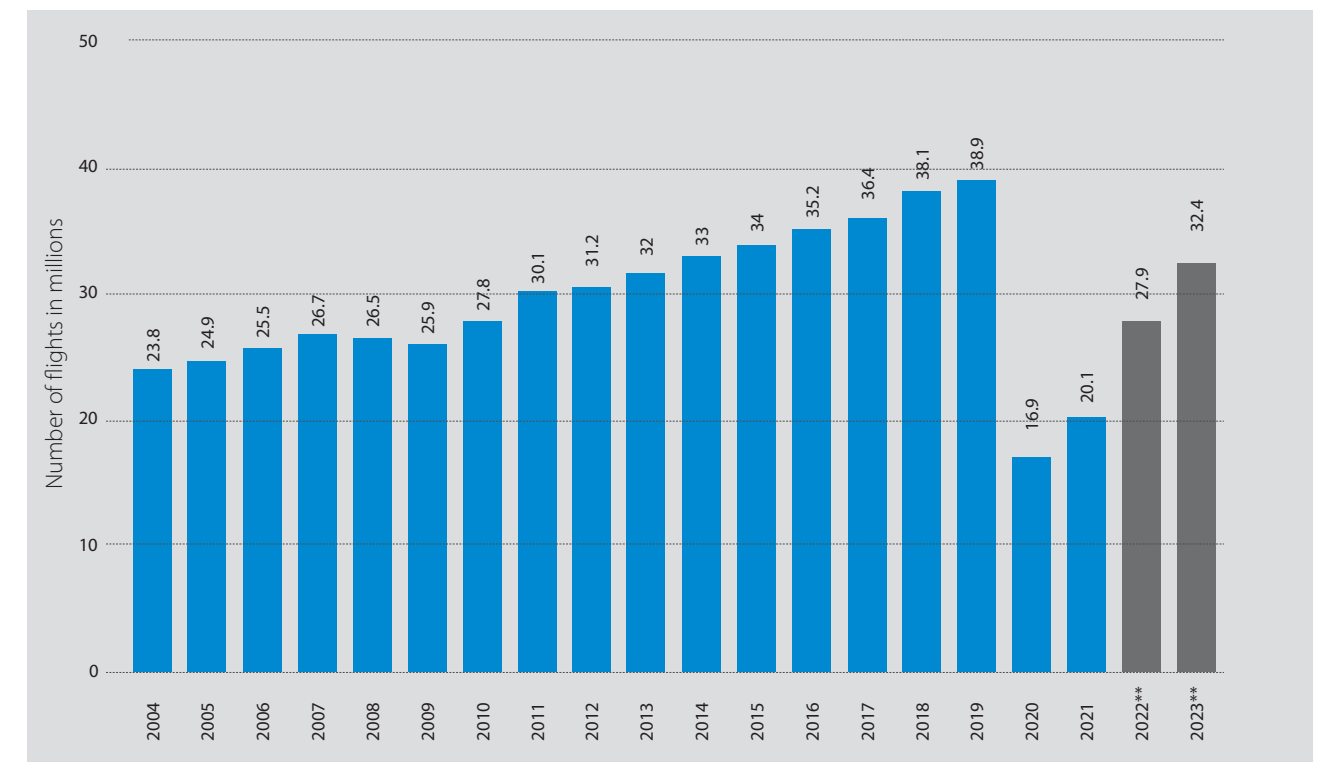
In the past, the industry was dominated by non-branded players. But recent supply chain issues across the globe benefitted the branded players because of high freight rates which made the operations of the small companies extremely difficult. The reason being that the consumers

quickly transitioned to the branded segments.

Travel, the megatrend: Two years of mobility restrictions due to Covid has created an enormous tailwind for the sector. It generated massive travel demand which is driving the sector. Coupled with that, rising income, rapid urbanization, and a shift towards branded goods are driving the growth for the industry. Further, demand for premium luggage, frequent holidaying, need for multiple bags, short replacement cycles, rise in spending during the wedding season, and travelling for education and jobs are also expanding the market.

Opportunities: The number of domestic air traffic passengers picked up significantly since Covid exceeded FY21 and FY22 levels and almost touched the pre-pandemic levels. From Apr-22 to Feb-23, domestic air-passenger traffic hit ~122.7 million – 44% growth from FY22.

Only 985 million passengers travelled in 2020-21 in Indian Railways because of Covid restrictions. The figure increased to about 3.063 billion in 2021-22 and 5,858 million in 2022-23, but it is still roughly 24% lower than in 2019-20.



<https://www.maximizemarketresearch.com/market-report/global-travel-bag-market/26844/>

<https://www.statista.com/statistics/564769/airline-industry-number-of-flights/>

<https://www.verifiedmarketresearch.com/product/smart-luggage-market/>

<https://www.moneycontrol.com/news/business/stocks/revenge-travel-formalisation-to-boost-luggage-sector-should-investors-look-at-vip-safari-industries-10470581.html>

<https://www.businessworld.in/article/Post-pandemic-More-Indians-Are-Flying-Fewer-People-Prefer-Train-To-Travel/15-04-2023-472952/>



HOME APPLIANCE MARKET

Domestic appliances commonly known as 'home appliances' are small or large size electrical instruments that help in household functions such as cooking food, chopping food, heating food, entertainment and many more. Some examples of these appliances are earbuds, microwave ovens, mixer grinders, food processors, irons, etc.

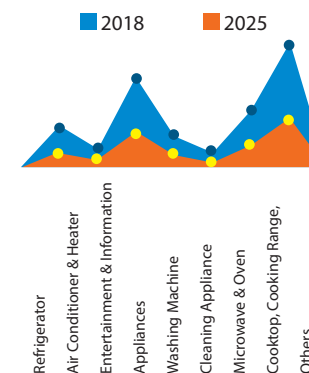
Global market: Today some home appliances have become essential parts of the household. Further, annual energy consumption, efficient functioning, insulation and other features are taken into consideration while purchasing home appliances. Thus, manufacturers always invest in R&D to make the product efficient and cost-effective which ultimately contributes to the demand for the products. And this is true for every other home appliance.

In terms of distribution, the global home appliances market is divided into

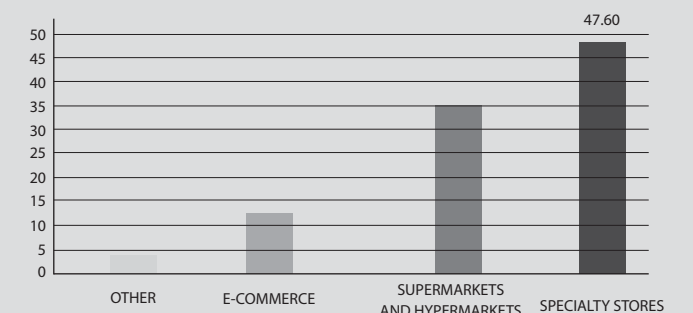
supermarkets/hypermarkets, specialty stores, E-commerce, and others. During and after the Covid pandemic, the E-commerce segment saw rapid growth owing to high penetration of the internet and smartphones. However, the specialty store segment still contributes a significant portion of the sale because customers like to analyze and evaluate the product before the purchase.

Globally, user penetration for home appliances will be 28.9% in 2023 and is expected to reach 41.0% by 2027.

GLOBAL HOUSEHOLD APPLIANCES MARKET BY PRODUCT



HOUSEHOLD APPLIANCES MARKET SHARE, BY DISTRIBUTION CHANNEL, 2021 (%)

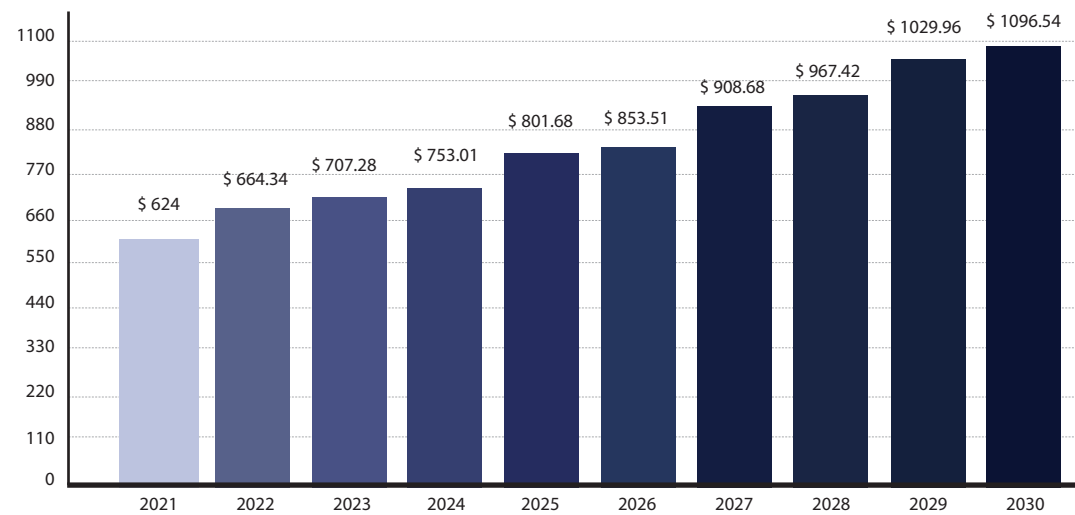


GLOBAL HOUSEHOLD APPLIANCES MARKET BY REGION



CAGR – 6.46% (forecast period : 2022-2030)

HOUSEHOLD APPLIANCES MARKET SIZE, 2021 TO 2030 (USD BILLION)



Key growth drivers:

- Technological advancements have led to the development of intelligent appliances and are anticipated to drive growth in the market. Today's tech-savvy consumers are not hesitant to invest in appliances that improve their living standards, save time, and provide comfort on a day-to-day basis.
- Growth in the home appliances market is attributable to rising levels of disposable incomes, growing global population, and improving standards of living around the world. The growing spending power of the general consumers is causing an explosion in the demand for home appliances market.
- The rise of organized retail, growing E-commerce, and the increasing popularity of online payment systems are bridging the gap between the consumer

and manufacturers. Thus, the easy availability of home appliances in stores, both online and offline, is causing huge positive growth in the home appliances market.

- Further, to realize profitable growth, consumer appliance companies are focusing on sustainability and smart energy-saving features for any appliance. It is expected, as time passes on, these types of products will contribute more and more to both the top line and the bottom line.

Key risk:

The global chip shortage that began before the pandemic disrupted almost all industries worldwide negatively. The overall electronic industry and home appliances market are no different. The chip shortage delivered a jolt in the electronic industry supply chain which

had thrown the home appliances market into a tailspin. Recent reports suggest that the global chip crunch is not over yet in 2023 and it is likely to last this year and beyond.

Indian market:

The home appliances market is one of the fastest growing industries in the Indian market where both large and small appliances are in great demand. The emerging economy and changing lifestyles of local consumers are leading to the growth in the number of nuclear families, single-person households, and the migration of the job population. Thus, developing households have an increasing need for accessibility and always look for products that offer both convenience and considerably reduce the time and effort spent on everyday chores.

As per a Deloitte report, the Indian consumer appliances market is expected to boost an aggregated consumer spending of US\$13 trillion by 2030. However, the consumer electronics and appliances market, which was valued at US\$9.84 billion in 2021, is anticipated to grow to US\$21.18 billion, by 2025.

Key growth drivers:

- The main growth driver in the industry is the introduction of cutting-edge technology like AI and the Internet-of-things. Moreover, increasing digital penetration, focus on energy-efficient products, growing affordability and rise in aspirational lifestyles are also driving the growth of the home appliances market in India.
- The growth in consumer appliance demand is also fuelled by the rising disposable income of Indian households and easy access to credit which enhances the purchasing power.
- Increasing urbanization and improvements in connectivity in rural areas are driving the overall demand for home appliances in India. Because now, these appliances are easily available everywhere and widely adopted both in urban and rural settings.

- Further, increasing electrification in villages, the influence of social media, and growing E-commerce sales are driving the home appliance sales growth in the country.

Opportunities in the home appliances market:

A 2018 study suggests, compared to various neighbouring countries, there is low penetration of home appliances in the country. For example, the penetration rate of basic household appliances in China in tier 1 and 2 cities has reached 85%. On the other hand, the penetration rate of household appliances in China in tier 3 and 4 cities is less than 50%.

However, according to a survey, in 2020, in India, even small appliances like mixer/grinders which had the highest penetration rate among rural electrified households, the penetration rate was only 24%, while in an urban area, it stood at around 48%. Thus, the market for such white goods is largely untapped. Naturally, major consumer appliance companies are jumping on the bandwagon to capitalise on the opportunity.

The Government of India recently approved 100% foreign direct investment (FDI) for single-brand retail and 51% FDI for multi-brand retail chains.

The Indian Kitchen Appliances Market Size was US\$ 1,916.8 million in 2021 and is predicted to grow with a CAGR of 15.1%, by generating a revenue of US\$ 3,829.8 million by 2026.

During the forecast period between 2023 and 2029, the India room heater market size is projected to grow at a significant CAGR of 8.1% reaching a value of US\$ 151.8 million by 2029

<https://www.mordorintelligence.com/industry-reports/india-major-home-appliance-market#:~:text=As%20compared%20to%20various%20neighboring,and%20washing%20machines%20at%2013%25.>

<https://www.precedenceresearch.com/household-appliances-market>

<https://www.statista.com/statistics/1230276/india-white-goods-penetration-rate-among-electrified-households-by-urbanization/#:~:text=In%2020%2C%20more%20than%2070,stood%20at%20around%2048%20percent.>

[https://www.statista.com/outlook/dmo/ecommerce/electronics/household-appliances/worldwide#:~:text=In%20the%20Household%20Appliances%20market%2C%20the%20number%20of%20users%20is,to%20amount%20to%20US\\$24105.50.](https://www.statista.com/outlook/dmo/ecommerce/electronics/household-appliances/worldwide#:~:text=In%20the%20Household%20Appliances%20market%2C%20the%20number%20of%20users%20is,to%20amount%20to%20US$24105.50.)

<https://www.researchdive.com/8670/indian-kitchen-appliances-market>

<https://www.blueweaveconsulting.com/press-release/india-room-heater-market-size-booming-to-cross-usd-90-6-million-by-2029>

<https://www.mordorintelligence.com/industry-reports/china-kitchen-appliances-product-market#:~:text=The%20penetration%20rate%20of%20basics,growth%20market%20for%20this%20industry.>

<https://timesofindia.indiatimes.com/blogs/voices/integration-of-iot-and-ai-to-drive-indias-consumer-electronics-and-appliances-market/>



MEN'S INNERWEAR MARKET

Men's innerwear or underwear is critical to their health and personal hygiene. Some of the types of innerwear are briefs, trunks, boxers and briefs. These are manufactured using several materials such as cotton, polyester, modal, and nylon.

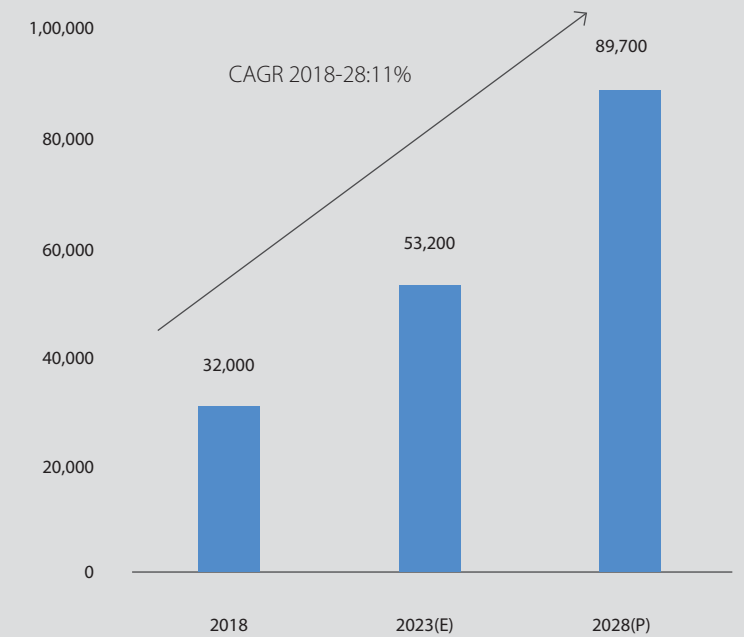
Global Market: The global men's underwear market has been negatively impacted during the Covid pandemic. Both in North America and Asia Pacific, the revenue and the profitability were in decline. However, the market is expected to gradually return to pre-pandemic levels as people resume

normal life and the demand for men's underwear is likely to grow.

The boxer brief type segment seems to have the largest market share in recent times because of their better fit, support, and comfort. This type of product is designed to imitate tapered boxers with a snug fit while offering the comfort of briefs. Trunks on the other hand are the fastest-growing categories in the men's innerwear market because of their appeal amongst millennials and Gen X as they are versatile and suitable for everyday wear.

The global men's underwear market is valued worth US\$ 38.96 billion in 2023 and is anticipated to surpass US\$ 65.3 billion in 2033 at a CAGR of 5.3%.

Exhibit 1: Indian Innerwear Market (₹ Cr)



Source: Images Business of Fashion, SMIFS Research

Key Growth drivers:

- Increasing awareness for health, best fit, style, comfort, and personal hygiene is expected to drive the growth.
- Several companies offering a wide range of products and designs suitable for multiple purposes including sports, regular wear, and functional wear are expected to fuel the demand.
- The variety of fabrics used for innerwear such as cotton, polyester, nylon, rayon, silk, etc. also have a big impact on the product demand.
- Evolving fashion trends, rise in disposable income, and changing consumer lifestyles are also factors expected to boost the market growth.
- The expansion of organized retail, e-commerce, and digital payment system is providing manufacturers with new opportunities to reach a wider demographic.

Key trends:

- Increasing demand for cotton-based undergarments is on the rise because these products are lightweight, soft, breathable, and comfortable.
- Growing investments in innovation with new fabric types such as modal, viscose or merino wool which help reduce moisture and regulate temperature. Coupled with that new brands are coming up with unconventional and stylish designs.
- Functionality and eco-friendliness are becoming important aspects of innerwear brands today. Innovative brands are offering not just style and comfort, but also sustainability.

Indian Market:

The Indian market can be divided into different price segments. Most of the lower-price segments are served by unorganized players who are thriving on unaware consumers. This means there is

a huge untapped potential in the Indian market.

These days, urban India aspires to wear global well-reputed brands whereas rural India wants to wear whatever comes their way. The reason is that some popular brands played the value and volume game and shifted from the informal to formal innerwear market.

The Indian Night & Underwear (men) eCommerce market is predicted to reach US\$200.9 million by 2023 which accounts for 9.1% of the Men's Apparel eCommerce market in India. By 2027, the projected value of the said market is anticipated to grow to US\$267.6 million with a CAGR of 7.4%.

Key risks & challenges:

- Most Indian men use their undergarments well past their shelf lives, unaware of any rips, tears or loss of elasticity. Ideally, innerwear should not be used for more than 30 washes.
- By and large, the Indian industry has been quite conventional in terms of innovations in colours and designs except for some increased accessibility to premium fabrics.
- Low level of awareness among consumers about what one should wear that last for a good life span and wash care instructions. Also, the general populace is not aware of the value or existence of superior quality fabrics such as Modal, Tencel, Supima fabric, etc.
- Advertising, packaging, and marketing campaigns are very generalised and similar across brands; they don't create a sense of aspiration thereby limiting the products to necessity rather than a craving. For instance, there is only one aspirational brand in India as far as innerwear is concerned.

Future prospects: India's fashion has witnessed a paradigm shift and is moving towards clothing for comfort. This has led to the evolution of athleisure — a trendy extension of sportswear with a hint of function, comfort, and style – all incorporated into one. With the increasing fitness mania, people are increasingly seeking athleisure rather than casual dressing and most experts suggest that the trend is here to stay.

Post-pandemic innerwear appears to be a potential growth category in the long run. With growing personal income, higher discretionary spending and rising fashion consciousness, the men's innerwear segment is expected to deliver solid growth in the future.

While brick-and-mortar stores will remain, online platforms will contribute the majority portion of the growing demand as brands are choosing more and more to grow through e-commerce and omnichannel distribution models.

All the government initiatives that benefit the textile sector will aid the growth of the men's innerwear industry. Schemes like PM-MITRA, the Make-in-India initiative, PLI schemes for textiles or the programs like SAMARTH will help the innerwear industry in terms of building capacity, upgrading to the latest technology, upskilling the workforce, creating new kinds of products and/or attracting new investments, making these long-term growth drivers for the industry.

<https://www.futuremarketinsights.com/reports/us-mens-underwear-market>

<https://www.dfupublications.com/categories/article/men-s-underwear-market-in-india>

<https://ecommercedb.com/markets/in/night-underwear-men>

COMPANY OVERVIEW

Headquartered in New Delhi, India and incorporated in January 1989, 'Swiss Military Consumer Goods Limited' (formerly 'Network Limited') had been taken over by the present promoters in September 2020. Today, it is involved in the trading and marketing of diversified lifestyle products including but not limited to men's innerwear, home appliances, and various luggage & travel gear. The Company achieved enormous success in its short period of existence. Most of this credit goes to its 100+ people strong team which is headed by our Hon'ble Chairperson Mr Ashok Kumar Sawhney.

To stay close to our customers we maintain a strong distribution network of 1000+ dealers. We also have a very strong presence across the retail space where our products are displayed and sold in more than 3000 retail shops (MBOs and Modern Trade Stores) across India under the brand name of 'Swiss Military'. Along with a vibrant physical presence in the market, we also have a very healthy digital presence in the E-commerce segment. Here, we sell our products through the websites of all the popular online retail brands and from our own portal as well.

Among all our products, men's underwear is one of the high-growth categories in our business. Despite stiff competition in this market, technological innovation and advancement further optimize the performance of our Company in the innerwear space. It also makes our products one of the most widely used brands in the market. Further, we focus more and more on customer behaviour analysis and market dynamics that provide crucial information about the market.

We are also engaged in the business of home appliances that include devices used for entertainment like TV. We also trade with devices like iron, de-humidifiers, blenders, OTG, electric kettles, ceiling fans and much more. Like other categories, we work on an asset-lite model here as well, where the products are primarily sourced from the OEMs (Original Equipment Manufacturers) who work with us on a contractual basis. These OEMs have a proper understanding of our values & visions and thus efficiently provide finished products according to the specifications and quality standard input from our end.

Our third category is the luggage and travel bag segment where the Company is offering products that cater to the young demographics, corporate & leisure travellers, tourists, pilgrims and all other groups. In this category, we always focus on launching new innovative products to satisfy the evolving demands of different types of customers according to their lifestyles. Further, to achieve reliable performance these products go through rigorous testing which is complemented by a robust after-sales service.

KEY BUSINESS INITIATIVES

New agreement with E-commerce giant: We recently got into an exclusive agreement with E-commerce giant Flipkart to enhance our access to the masses for our SKY SCAPE brand in the travel gear vertical. This agreement has enormous growth potential as it can catapult the abovementioned brand to a new height in terms of growth in FY24.

IT upgradation: In FY23, on the technological upgradation front, we installed and implemented SAP as our



enterprise resource solution. With that, we also installed a new data management system or DMS to help collect, retrieve and extract value from the data in an efficient and cost-effective way which in turn helps people organize and connect things so that they can make informed decisions that benefit the Company.

Overhauling of the marketing strategies: With our expanding business and changing business environment a new marketing approach is imminent in nature. Thus, last year we remodelled our entire marketing and brand promotion strategy which delivered an image of the dynamic spirit of the brand we want to convey to the masses. We did that through a massive social media campaign and strategically enhance the brand perception to penetrate deeper into the market. These campaigns also highlight the benefits of buying our products in terms of how they enhance the quality of life and offer durability in the most cost-effective way.

SWOT ANALYSIS

Strengths



A debt-free company, resulting in long-term business sustainability
Strong reach in the market through the omnichannel presence
Cater to a wide range of customers both in terms of affordability and lifestyles
Long and diverse business expertise in three verticals and more
Work in an asset-light model where manufacturing is outsourced to the partner organisations

Weakness



Disruption in the supply chain can cause volatility in the operations of the Company and thus hinder growth

Greater exposure to E-commerce can cause a high number of refunds

Opportunities



The emergence of organized retail and E-commerce in India have opened a new horizon of opportunities for the Company
Many categories of quality products with competitive pricing created large demand for branded products in the market
Growing purchasing power of the Indian middle class and rapid urbanization
Association with a reputed globally recognized brand provides Company an easy access into the market and helps build a presence in the country

Threats



Most industry leaders and manufacturers in all the three divisions the Company operates in have their own retail and E-commerce presence in th

FINANCIAL PERFORMANCE

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022	Y-o-Y growth (%)
Revenue from Operations	12,220.81	5,549.68	120.21%
Other Income	82.65	20.27	307.75%
Total Revenue	12,303.47	5,569.95	120.89%
Earnings before interest, taxes and Depreciation & Amortization	667.72	278.37	139.87%
Earnings before Interest & Tax	652.80	274.55	137.77%
Profit before Taxation	652.80	274.55	137.77%
Current Tax	134.69	-	-
Deferred Tax	0.29	(0.16)	-
Net Profit/(Loss) for the year	517.82	274.71	88.50%

Following are important ratios for FY 2022:

Particulars	FY 2021	FY 2022	FY 2023
Profitability Ratios			
EBITDA Margin	0.60%	5.02%	5.46%
EBIT Margin	0.49%	4.95%	5.34%
Net Profit Margin	0.49%	4.95%	4.24%
Growth Ratios			
Total Revenue	28.93%	963.13%	120.89%
Ebitda	115.30%	8822.12%	139.87%
Ebit	113.09%	10624.61%	137.77%
Net Profit	113.09%	10630.86%	88.50%
Net Worth	0.63%	308.75%	296.76%
Liquidity Ratios (Times)			
Current Ratio	46.60x	2.19x	10.70x
Return Ratios			
Return on Equity	0.63%	16.50%	7.84%
Return on Capital Employed	0.63%	16.49%	9.88%
Return on Assets	0.62%	10.29%	7.16%
Efficiency Ratios			
Asset Turnover (Times)	1.27x	2.09x	1.70x
Receivable Turnover (Times)	5.44x	7.66x	8.56x
Receivable Days	67	48	43
Inventory Turnover (Times)	10.24x	11.65x	7.07x
Inventory Days	36	31	51
Payables Turnover (Times)	335.97x	21.55x	22.51x
Payable Days	1	17	16
Cash Conversion Cycle	101	62	78

RISK MANAGEMENT

Operational Risk: Because we are mostly dependent on entities outside our Company for our manufacturing needs, any conflict with the manufacturing partners or any disruption at their end for reasons known or unknown put our operation at risk.

Mitigation: Our Company strategically divided the entire manufacturing operations among several vendors across India, thus problems in one facility are unlikely to affect the entire operation. As of 2022-23, we have ten such outsourcing partners, but we are planning to double the number in FY24.

Competition Risk: The Company faces stiff competition in the market both from unorganized and organized players alike in all the three divisions the Company operates. And if the risk can't be met with the right countermeasures, it can affect both the top line and bottom line negatively.

Mitigation: The Company stay equally competitive in the market among the giant players in the segment through better product quality, cost optimization,

prompt delivery, a robust distribution network and a strong online presence.

Market penetration Risk: In the presence of a large number of retail players both online and offline, gaining market share, sustaining the same, and further penetrating deeper into the market can prove extremely difficult with a possibility of impeding the Company's growth in the long term.

Mitigation: The Company wisely invests in brand promotion and social media campaigns which strategically enhance our brand value in the market. We also emphasize the benefits of our products to the customers about how those products can improve their quality of life. It helps us keep our existing market share and gain new market share at the same time.

Technology Risk: In this day and age, technology can be a very big differentiator in a company's overall performance. Outdated technology can obstruct innovation, hinder the flow of information within the organization, result in poor data security, cause loss in productivity and much more.

Mitigation: Our Company always stays at the forefront of cutting-edge technology. It aids us in developing new

products with better quality, enhancing productivity, improving staff coordination, financial savings, improved data security and better storage solutions. Case in point, last financial year we implemented SAP as our ERP solution along with a data management system. We also invested a subsequent amount in the automated storage facility for smooth logistics operations and we will continue to do so in the future.

Financial Risk: Credit risk, investment risk, liquidity risk are some of the financial risks that can lead to loss of capital and eventually impact the operations of the Company negatively. Some of these risks arise from defaulting customers, loss of profitability, decline in revenue etc.

Mitigation: Financial discipline is in our DNA and we always believe in diligently keeping a close watch on financial matrices such as cash flow, profitability ratio, etc. and analyse them to get a grasp on the actual financial situation of the Company. To perform these tasks on a regular basis we depend on highly skilled employees and our qualified & eligible management team. These people collectively take immediate action in case there is an anomaly which results in a stable financial position year after year while the Company focuses on growth.



INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company considers that internal control is one of the key support of governance which provides freedom to the management within an outline of appropriate checks and balances. Our Company has a strong internal control framework which was instituted considering the size, nature and risk of the business.

The Company's internal control environment provides assurance on the efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records, timely preparation of authentic financial information and compliance with applicable laws and regulations.

The Internal Auditor is responsible to conduct a regular Internal Audit and report to the management on the lapses, if any, and submitting the Report on a periodic basis to the Board of Directors for their review and comments. Fully professional and experienced boards, as

mentioned in the corporate overview section, ensure efficient internal control.

To warrant an efficient internal control system, the Company has a well constituted Audit committee that at its periodical meeting, reviews the competence of the internal control system and Procedures thereby suggesting improvement in the system and process as per the changes of Business dynamics.

The system and process are continuously improved by adopting best-in-class processes, automation and implementing the latest IT tools.

Cautionary Statement

The above Management Discussion and Analysis contains certain forward-looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time on behalf of the Company.



Directors' Report

To the members of

SWISS MILITARY CONSUMER GOODS LIMITED

The Board of Directors is delighted to present the 34th Annual Report on the business and operations of Swiss Military Consumer Goods Limited ("the Company") along with the summary of standalone and consolidated financial statements for the year ended March 31, 2023.

In compliance with the applicable provisions of the Companies Act, 2013, ("the Act"), the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review and also present the key highlights of performance of subsidiary company during the year under review.

OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2023, are summarized as under:

(₹ in Lacs)

PARTICULARS	Consolidated	Standalone	
	31 st March 23	31 st March 23	31 st March 22
Revenue from operations	12,999.94	12,220.81	5549.68
Other Income	87.97	82.65	20.26
Total Expenditure	12,301.73	11,650.67	5314.12
Profit / (Loss) before Tax & Exceptional Items	786.18	652.79	255.82
Exceptional Items	-	-	18.73
Profit / (Loss) after Tax & Exceptional Items	617.62	517.81	274.71
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the period	617.62	517.81	274.71
Earnings Per Share - Face value of ₹2/- each	0.31	0.26	0.28

On standalone basis, Company has achieved a total revenue of ₹3,736.37 lacs and profit before tax of ₹183.61 lacs for 4th Quarter of FY 2022-23 and a total revenue of ₹12,220.81 lacs and profit before tax of ₹652.79 lacs for the year ended as on 31st March 2023.

On consolidated basis, the Company has achieved a total revenue of ₹3,926.90 lacs and profit before tax of ₹224.34 lacs for 4th Quarter of FY 2022-23 and a total revenue of ₹12,999.94 lacs and profit before tax of ₹786.18 lacs for year ended as on 31st March 2023.

The Company has recorded a turnover of ₹12,220.81 Lacs during the financial year 2022-23 in comparison of turnover of ₹5,549.68 Lacs during the preceding financial year 2021-22. The growth in the turnover was recorded as 120.21%.

During the financial year 2022-23 the company has earned a profit before tax of ₹652.79 lacs in comparison of profit before tax earned during the preceding financial year 2021-22 which was ₹274.55 lacs and thereby showing a growth of nearly 137.77% on standalone basis.

We are pleased to report that we delivered sequential improvement in performance, demonstrating the resilience and agility of our business on yearly basis. Our strategy of premium quality at affordable prices with innovative and cutting-edge products continues to serve us well. New strategies and initiatives listed below being undertaken now by the Company shall now take us to never before heights in a short span of time.

We have been very conscious of having a sure footing in the market with regards to our product portfolio, market presence, advertising strategies and overall growth. Time has been taken deliberately to correctly assess the Indian market which is unique in several ways. The growth may be slow but is sure footed. Mastering market forces will now pave the way ahead for our future growth story as a rock-solid foundation has now been laid for us to begin our rapid expansion in the Indian sub-continent.

Our performance this year has been strong with a sharp focus on cash flow and profitability for long-term sustained growth. In the coming year, the Company will continue to prioritise growth areas,

introduce several innovative products and marketing strategies that shall set us apart from the competition and optimise our resources while executing carefully laid out plans with precision. We are now set for an exponential growth in the network of retail touch points as well as product offerings across the country. The company has already laid the foundation by building a noteworthy presence in channel sales with industry leading distributors and retailers & now focusing on key market penetration and expansion for the next level of growth.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of this Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

DIVIDEND

Dividend Distribution Policy

The Dividend Distribution Policy as adopted and formulated by the Board in terms of Regulation 43A of the Listing Regulations is available on the website of the Company at the link: <https://swissmilitaryshop.com/investor-relations/>

Declaration and payment of dividend

The Board is pleased to recommend a dividend of ₹0.16/- per equity share of the Company of ₹2/- each (8%) for the year ended March 31, 2023. The Board recommended dividends based on the parameters laid down in the Dividend Distribution Policy and the dividend will be paid out of the profits for the year.

The said dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on 15th day of September, 2023. The dividend once approved by the Shareholders will be paid within 30 days from the date of approval.

Book closure & Record date

In order to determine the eligibility of shareholders to receive the dividend for the fiscal year ending on March 31, 2023, the record date i.e. Friday, 8th September 2023 has been fixed. The Register of Members and Share Transfer Books of the Company will be closed from 09th September, 2023 to 15th September, 2023 (both days inclusive).

According to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 1, 2020, and the Company is required to deduct tax at source from the dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

TRANSFER TO RESERVES

As permitted under the Act, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for FY 2022-23 in the profit and loss account.

PUBLIC DEPOSITS

Your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 and read together with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) for the year ended on 31st March, 2023. Therefore, no amount of principal or interest was outstanding, unpaid or unclaimed as on 31st March, 2023.

RIGHTS ISSUE OF THE EQUITY SHARES OF THE COMPANY

During the financial year 2022-23, your Company came out with Issue of 9,82,96,996 fully paid up equity shares of face value of ₹2/- each (the "rights equity shares") for cash at a price of ₹4.50/- per rights equity share (including a premium of ₹2.50/- per rights equity share) up to ₹50 crores on a Rights basis to the existing eligible equity shareholders in the ratio of 1 Rights equity share for every 1 fully paid-up equity share held by the eligible equity shareholders on the record date, that is on July 23, 2022 (the "issue"). The Rights Issue opened on August 10, 2022 and closed on August 25, 2022. On September 07, 2022, the Board of Directors of the Company approved the allotment of 9,82,96,996 equity shares of face value of ₹2/- each to the eligible equity shareholders as fully paid up. Your Company has received Listing Approvals and Trading Approvals from the exchanges. The numbers of issued shares of the company increased from 9,82,96,996 equity shares to 19,65,93,992 equity shares post allotment of the rights issue equity shares. Thus, your Company has raised funds of ₹44.23 crores through said rights issue.

SHARE CAPITAL

a) Authorised Share Capital:

The Authorized share capital of your Company as on March 31, 2023 stood at ₹58,50,00,000 (Rupees Fifty-Eight Crores Fifty Lacs Only) divided into 26,25,00,000 (Twenty-Six Crore Twenty-Five Lacs only) Equity Shares of ₹2/- (Rupees Two only) each and 6,00,000 (Six Lacs only) Preference Shares of ₹100/- (Rupees Hundred only) each.

b) Issued, Subscribed and Paid-up Share Capital:

As on September 07, 2022, company made an allotment of 9,82,96,996 Equity Shares of ₹2 each/- aggregating to ₹19,65,93,992/- on account of rights issue. Accordingly, as on March 31, 2023, the issued, subscribed and paid-up share capital of the Company increased to ₹39,31,87,984/- (Rupees Thirty-Nine Crore Thirty One Lacs Eighty Seven Thousand Nine Hundred Eighty Four Only) divided into 19,65,93,992/- (Nineteen Crore Sixty Five Lacs Ninety Three Thousand Nine

Hundred Ninety Two Only) equity shares of ₹2/- (Rupee Two Only) each.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

During the Financial Year 2022-23, company have acquired a subsidiary company i.e. AAA Shenyang Container Seal Pvt Ltd., pursuant to the resolution passed by the shareholders of the Company at their Annual General Meeting held on 04th September, 2021. The company have acquired 100% shareholding of AAA Shenyang Container Seal Private Limited and established a wholly owned subsidiary of the Company for RFID Seal business.

Consolidated Financial Statements

According to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiary are prepared in accordance with the relevant Indian Accounting Standard specified under the Act, and the rules thereunder and form part of this Annual Report. A statement containing the salient features of the financial statements of the Company's subsidiary in Form No. AOC-1, attached herewith as 'Annexure – 1' to this report.

AAA Shenyang Container Seal Private Limited has been classified as the material subsidiary as it fulfils the criteria given under Regulation 16(1)(c) of the Listing Regulations. Pursuant Regulation 24A of the Listing Regulations, the Secretarial Audit Report as prescribed in Section 204 of Companies Act, 2013 for the Material Subsidiary Company, AAA Shenyang Container Seal Pvt Ltd for financial year ended March 31, 2023 is annexed as "Annexure - 4" and forms an integral part of this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, at the link: <https://swissmilitaryshop.com/investor-relations/>.

Performance Highlights of Wholly Owned Subsidiary

AAA Shenyang Container Seal Private Limited, is the wholly owned subsidiary of the Company, it is primarily engaged in the business of RFID e-seals. Its total income for the year was ₹784.45 lakhs and net profit after taxation was ₹99.83 lakhs.

In India RFID e-seal used in transport from exporter hub to custom terminal with a preclearing customs procedure by integrated the logistics and Customs aspects as per government directives. Indian Custom implemented use of RFID E-Seal for self-sealing container by exporter and accordingly present market size is approx. 24,00,000 to 36,00,000 unit of RFID E-Seal yearly basis which will increase with the advent of new regulation for the ease of tracking of the container and its movement. Accordingly, Company had decided to acquire the profitable venture of RFID e seals.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There have been no material changes or commitments that have affected the financial position of the Company between the close of FY 2022-23 and the date of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Board of Directors:

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial acumen, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

During the year under review, the composition of the Board of 6 Directors. As on the date of the report, the Board comprises, 3 Independent, 2 Non-Executive and 1 Executive Director, details thereof have been provided in the Corporate Governance Report.

In terms of the requirement of the Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

In the opinion of the Board, all the directors, possess the requisite qualifications, experience and expertise and hold high standards of integrity.

Your Company has well constituted Board, in accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company.

Criteria for determining qualification, positive attributes and independence of a director is given under the NRC Policy, which can be accessed at the link - <https://swissmilitaryshop.com/investor-relations/>

b) Appointment/re-appointment of Directors made during FY 2022-23

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board approved the appointment/re-appointment of the following Directors, during FY 2022-23 and such appointment/ re-appointment were also approved by the Members at the 33rd Annual General Meeting held on December 15, 2022 ("33rd AGM"):

Mr. Anuj Sawhney (DIN: 00471724), who was appointed by the Board as Managing Director with effect from November 12, 2022. The Members also approved the appointment of Mr. Anuj Sawhney as Managing Director of the Company for a term of five years commencing from November 12, 2022 to November 11, 2027 at their 33rd Annual General Meeting held on 15th December, 2022.

Mr. Surendra Kumar Bhagat (DIN: 09365562), who was appointed by the Board as an Additional Director under the category of Non-Executive, Independent Director. The Members approved the appointment of Mr. Surendra Kumar Bhagat as an Independent Director of the Company at their 33rd Annual General Meeting held on 15th December, 2022, for a term of five years up to the conclusion of 38th Annual General Meeting to be held in the year 2027.

Mr. Rajesh Tuteja (DIN: 08952755) who was appointed by the Board as an Additional Director under the category of Non-Executive, Independent Director. The Members also approved the appointment of Mr. Rajesh Tuteja as an Independent Director of the Company for a term of five years up to the conclusion of 38th Annual General Meeting to be held in the year 2027.

The Board affirms that Mr. Surendra Kumar Bhagat and Mr. Rajesh Tuteja meet the criteria of independence as provided in Section 149(6) of the Act, including rules framed thereunder, as well as Regulation 16(1)(b) of the Listing Regulations.

c) Appointment / Re-appointment of Directors at ensuing annual General Meeting

In terms of the provisions of the Companies Act, 2013, Mr. Ashok Kumar Sawhney (DIN: 00303519) Non-Executive (Non-Independent) Director of the Company, retires at the ensuing AGM and being eligible, seeks reappointment. A resolution seeking the re-appointment of Mr. Ashok Kumar Sawhney forms part of the Notice convening the ensuing Annual General Meeting scheduled to be held on 15th September, 2023.

The profile and particulars of experience, attributes and skills of Mr. Ashok Kumar Sawhney together with his other directorships and committee memberships have been disclosed in the annexure to the Notice of the Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of directors in its meeting held on August 10, 2023, recommended the appointment of Mr. Inder Dutt (DIN: 10277617) in the

category of Non- Executive Independent Director as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who has attained the age of seventy five (75) years, for shareholders' approval at ensuing Annual General Meeting.

The profile and particulars of experience, attributes and skills of Mr. Inder Dutt together with his other directorships and committee memberships have been disclosed in the annexure to the Notice of the Annual General Meeting.

d) Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25 (8) read with Regulation 16 of Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act.

e) Statement regarding opinion of the board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed/ re-appointed during the Financial Year 2022- 23, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

f) Pecuniary relationship or transactions with the Company

During the year under review, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee(s) of the Company.

g) Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to make an informed decision.

The Board of Directors held 5 (five) meetings during FY 2022-23, details thereof have been provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

h) Board Evaluation

In terms of the provisions of the Act read with Rules issued thereunder and Listing Regulations, the Board of Directors in consultation with Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, for the Financial Year 2022-23. The Board Evaluation process was carried out to ensure that the Board and various Committees of the Board have appropriate composition and they have been functioning collectively to achieve the business goals of the Company. Directors were evaluated on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings and other parameters as specified by the Nomination and Remuneration Committee of the Company. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees. The process of evaluation is explained in the Corporate Governance Report.

i) Committees of Board

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has followed Committees of the Board as on 31st March, 2023:

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee

The details pertaining to the composition, meetings and terms of reference of the aforesaid Committees are included in the Corporate Governance Report which forms part of the Annual Report.

Board has accepted all the recommendations made by the Audit Committee.

j) Familiarization Programme of Independent Directors

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter alongwith necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company endeavors, through presentations at regular intervals to familiarize the Independent Directors with the strategy, operations and functioning of the Company. The Independent Directors also met with senior management

team of the Company in formal/ informal gatherings. The details of such familiarization programs for Independent Directors in terms of provisions of Regulation 46(2)(i) of the Listing Regulations are posted on the website of the Company and can be accessed at <https://swissmilitaryshop.com/investor-relations/>.

k) Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with the proper explanation relating to material departures;
- b) such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls have been laid down to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Pursuant to Section 134(3)(e) and Section 178(3) of the Act, the Nomination and Remuneration Policy adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin, and to also determine the framework for remuneration of Directors, KMP, Senior Management Personnel and other employees. Detailed information on the nomination and remuneration policy of the company is included in the Corporate Governance Report which forms part of the Annual Report.

PARTICULARS OF EMPLOYEES

Disclosure pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Ratio of the remuneration of each Director to the Median Remuneration of the Employee's and other details pursuant to Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The aforesaid disclosure is attached herewith as 'Annexure – 2' to this report.
- b) Details of employee drawing remuneration exceeding limits of Section 197 (12) read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year under review. The aforesaid disclosure is attached herewith as 'Annexure – 2' to this report.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

The Company has not granted any loans, secured or unsecured, guarantee to companies, firm or other parties covered under section 186. Particulars of Investments has been disclosed in financial statement of the Company.

RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction which is uploaded on the company's website at the web link <https://swissmilitaryshop.com/investor-relations/>.

All related party transactions that were entered into during the FY 2022-23 were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest of the company at large.

All related party transactions are presented to the Audit Committee Omnibus approval obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented to the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions.

The details of Related party transactions are provided in the accompanying financial statements. Since all related party transactions entered into by the company were in ordinary course of business and were on an arm's length's basis, Form AOC-2 is not applicable to the company. Further, disclosures as per Ind-AS 24 have been made in note 26 of the financial statements for the year ended March 31, 2023.

AUDITORS & AUDITORS OBSERVATIONS

a) Statutory Auditors & Auditors' Report

Based on the recommendation of the Audit Committee and the Board of Directors, Members of the Company at the 33rd Annual General Meeting held on December 15, 2022, re-appointed B.K Sood & Co., Chartered Accountants (Firm Registration No. 000948N), as the Statutory Auditors for the second term of 5 (five) years commencing from the conclusion of the 33rd Annual General Meeting until the conclusion of the 38th Annual General Meeting to be held in the year 2027.

The Statutory Auditors' Report for FY 2022-23 on the standalone and consolidated financial statements of the Company forms part of this Annual Report. Statutory Auditors have expressed their unmodified opinion on the Standalone and Consolidated Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks, or disclaimers.

b) Secretarial Auditor

According to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed AM & Associates, Company Secretaries, to carry out the Secretarial Audit of the Company. The Report of the Secretarial Auditor for FY 2022-23 is attached herewith as Annexure-3. There are no qualifications, observations or adverse remarks, or disclaimers in the said report.

c) Internal Auditor

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company M/s Smita Patni & Associates, Chartered Accountants. They had submitted their reports and findings with the Audit Committee including any observation and follow-up actions thereon.

The Board of Directors of the Company has appointed M/s Smita Patni & Associates, Chartered Accountants, to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Act for the FY 2023-24.

d) Cost Audit

Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148(1) of the Act are not applicable to the business activities carried out by the Company.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Auditors of the Company have not reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would be required to be mentioned in the Board’s Report.

EXTRACTS OF ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2023 will be available on the website of the Company at the link <https://swissmilitaryshop.com/investor-relation/>

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Sound internal control systems are a prerequisite for building and enhancing shareholder value in the long run. The Company has a sound system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized and recorded correctly and adequately. The Company’s internal controls are supplemented by internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them. The Company continues to strengthen its internal control capabilities by improving its policies and procedures.

The Managing Director and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Audit Committee reviews the effectiveness of the Internal Financial Control framework in the Company.

VIGIL MACHANISM / WHISTLE BLOWER POLICY

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established Vigil Mechanism/ Whistle Blower Policy for Directors and the employees of the Company.

This Policy has been established with a view to provide a tool to Directors and employees of the Company to report to the management on the genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code or the Policy. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected. This Policy

also provides for adequate safeguards against victimization of director(s)/employee(s) who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has not received any complaint during the year. Your Company hereby affirms that no person of the Company has been denied access to the Audit Committee.

The Policy is available on the website of the Company at the link <https://swissmilitaryshop.com/investor-relations/>

RISK MANAGEMENT

Risk Management is an integral part of our strategy for stakeholders’ value enhancement and is embedded in to governance and decision-making process across the Organization. The Company has in place the Risk Management policy to ensure effective responses to strategic, operational, financial and compliance risks faced by the Organization. As per Risk Management Policy all the risks are discussed in detail with the functional heads to identify, evaluate, monitor and minimize the identifiable business risk in the Organization.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is an equal opportunity Company and has zero tolerance for sexual harassment at workplace. It has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. In this regard, the Company has organized a number of interactive awareness workshops for its employees. During the year, no complaints were received under this policy.

CORPORATE GOVERNANCE

Your Company always places a major emphasis on managing its affairs with diligence, transparency, responsibility and accountability. The Company continues to focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Practicing Company Secretaries conforming compliance to the conditions of Corporate Governance as stipulated under Regulation 34(3) of the Listing Regulations, is also annexed to the Corporate Governance Report, which forms part of Annual Report.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is attached herewith as Annexure – 5’ to this Report.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

No significant material orders have been passed by any Regulators/ Courts/Tribunals, which has been received by the Company, having impact on the going concern status and the Company’s operation in future.

NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 523558. The Company confirms that the annual listing fees to the stock exchange for the Financial Year 2023-24 have been paid.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Directors state that applicable Secretarial Standards issued by the Institute of Company Secretaries of India (“ICSI”), i.e. Secretarial Standard-1 (“SS-1”) and Secretarial Standard-2 (“SS-2”), relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively, have been duly complied by the Company.

OTHER DISCLOSURES

- a) The Company does not have any unpaid / unclaimed amount which is required to be transferred, under the provisions of the Act into the Investor Education and Protection Fund (‘IEPF’) of the Government of India.

Date: August 10, 2023
Place: New Delhi

- b) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- c) There was no instance of onetime settlement with any Bank or Financial Institution.
- d) The Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section43(a)(ii) & Section 54(1)(d) of the Act read with applicable rules is required to be disclosed.

HUMAN RESOURCE AND INDUSTRY RELATIONS

Your Company values its employees and believes that the Company’s success is a result of the Team Work of all of its employees. The Human Resource Development team strives to create a positive work environment that influences employees’ ability, motivation and creates opportunities for them to perform. Our safe, secure and harassment free work environment encourages high performance work culture with focus on employee health / safety, welfare, engagement, development, diversity, productivity, Cost and Quality. We are committed to hiring, nurturing and developing exceptionally talented human resources. Company’s unique culture and robust People Practices and Policies, inspire and ensure that every employee aspires to grow in the organization.

There are no industry relation problems during the year and company does not anticipate any material problems on this count in the current year.

ACKNOWLEDGEMENT

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Sd/-
Ashok Kumar Sawhney
Chairman

Sd/-
Anuj Sawhney
Managing Director

Annexure - 1

FORM NO. AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ In Lakhs)

1.	Name of the subsidiary	AAA Shenyang Container Seal Pvt. Ltd.
	CIN	U74999DL2018PTC335899
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	18 th April, 2022 to 31 st March, 2023
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
	Share capital	207.61
	Reserves & surplus	388.26
	Total assets	650.59
	Total Liabilities	54.72
	Investments	Nil
	Turnover	779.13
	Profit before taxation	133.40
	Provision for taxation	33.57
	Profit after taxation	99.83
	Proposed/Final Dividend	₹4/- per equity share of the Company of ₹2/- each (40%) for the year ended March 31, 2023
	% of shareholding	100

Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on March 31, 2023.

For and On behalf of the Board of Directors

Sd/-

Ashok Kumar Sawhney

Director

Din :00303519

Sd/-

Anuj Sawhney

Director

Din :00471724

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Vikas Jain

Company Secretary

Date: August 10, 2023
Place: New Delhi

Annexure - 2

STATEMENT OF DISCLOSURE OF REMUNERATION

UNDER SECTION 197 OF THE COMPANIES ACT 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2022-23 in terms of Rule 5(1)(i) and Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2022-23 as compared to last year in terms of Rule 5(1)(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows :-

Name of Director/KMP	Designation	Ratio of Remuneration of Director to the Median Remuneration	Percentage (%) increase in Remuneration
Mr. Ashok Kumar Sawhney	Chairman	Nil	Nil
Mr. Anuj Sawhney	Managing Director	22.04	Nil
Mrs. Ashita Sawhney	Non-Executive Director	Nil	Nil
Mr. Surendra Kumar Bhagat(d)	Non-Executive Independent Director	0.71	Nil
Mr. Rajesh Tuteja	Non-Executive Independent Director	0.71	Nil
Mr. Chirag Gupta	Non-Executive Independent Director	0.71	Nil
Mr. Vijay Kalra	Chief Financial Officer	7.14	Nil
Mr. Vikas Jain	Company Secretary	5.71	Nil

- a) The aforesaid details are calculated on the basis of remuneration for the Financial Year 2022-23.
- b) Median Remuneration for all its employees is ₹2,10,047/- for the Financial Year 2022-23.
- c) There is no remuneration paid to directors and KMP's during the financial year 2021-22 except sitting fee paid to Independent Directors for attending Board & Committee meetings, therefore % Increase/ Decrease is not applicable for directors and KMP's other than independent directors during the year.
- II. Percentage increase in the median remuneration of all employees in Financial Year 2022-23
There is no increase in median remuneration of all employees in Financial Year 2022-23.
- III. Number of Permanent Employees on the roll of the Company as on March 31, 2023
As on March 31, 2023, the Company had 92 permanent employees on its rolls.
- IV. Comparison of average percentage increase in salary of employees other than Managerial Personnel and the percentage increase in the Managerial Remuneration:
The average increase in the salaries of the employees, other than the managerial personnel, in the financial year 2022-23 was 6.35%, while increase in managerial remuneration was NIL because no remuneration paid to directors and KMP's during the financial year 2021-22 except sitting fee paid to Independent Directors.
- V. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company

VI. Statement Containing the particulars of the employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

List of permanent employees (full time) who are on the rolls of the Company and were employed throughout the Financial Year 2022-23 and were paid remuneration, not less than ₹102 lacs per annum and employees who have worked for the part of the year and were paid remuneration during the Financial Year 2022-23 at a rate which in aggregate was not less than ₹8.50 lacs per month:

Employee Name	Anuj Sawhney
Designation	Managing Director
Date of Joining	12 th November 2022
Age (years)	49
Remuneration (₹ In Lacs)	40.63
Qualification	M.B.A
Experience (Years)	23
Last Employment	Swiss Military Lifestyle Products Pvt Ltd.

For and on behalf of the Board of Directors

Date: August 10, 2023
Place: New Delhi

Sd/-
Ashok Kumar Sawhney
Chairman

Sd/-
Anuj Sawhney
Managing Director

Annexure - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To
The Members,
Swiss Military Consumer Goods Limited
CIN: L51100DL1989PLC034797
W-39, Okhla Industrial Area, Phase-II
New Delhi-110020

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by Swiss Military Consumer Goods Limited (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company’s books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Swiss Military Consumer Goods Limited (“the Company”) for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 and any amendments thereof (hereinafter collectively referred to as the “the Act”) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under including amendment thereof;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder including amendment thereof;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not Applicable, as there being no such transactions during the financial year under review).

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including amendment thereof;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including amendment thereof;
- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other amendments thereof (hereinafter collectively referred to as “Listing Regulations”);
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including amendment thereof;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (Not Applicable, as the company had not granted any options to its employees during the financial year under review).

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable, as there being no debt securities, which are listed on any of the recognized Stock Exchanges).
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued.
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable, as there being no instances of delisting of Equity Shares during the financial year under review).
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable, as there being no instances of buy-back of shares during the financial year under review).

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on information received & records maintained, we further report that: -

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that based on review of compliance mechanism of the company, we are the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For AM & Associates
Company Secretaries
Peer Reviewed Unit No: S2010UP128200

Sd/-
(ANCHAL MITTAL)
Proprietor
M. No.- 7161/ C.P. No.- 7825
UDIN: - F007161E000777194

Date: August 10, 2023
Place: New Delhi

Annexure 'A' to Secretarial Audit Report issued

To
The Members
SWISS MILITARY CONSUMER GOODS LIMITED
CIN: L51100DL1989PLC034797
W-39, Okhla Industrial Area, Phase- II
New Delhi-110020

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For AM & Associates
Company Secretaries
Peer Reviewed Unit No: S2010UP128200

Sd/-
(ANCHAL MITTAL)
Proprietor
M. No.- 7161/ C.P. No.- 7825
UDIN: - F007161E000777194

Date: August 10, 2023
Place: New Delhi

Annexure - 4

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To
The Members,
AAA Shenyang Container Seal Private Limited
CIN: U74999DL2018PTC335899
W-39, Okhla Industrial Area, Phase-II
New Delhi-110020

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by AAA Shenyang Container Seal Private Limited (hereinafter called as “the Company”) which is wholly owned subsidiary of Swiss Military Consumer Goods Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company’s books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 and any amendments thereof (hereinafter collectively referred to as the “the Act”) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under including amendment thereof;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder including amendment thereof;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not Applicable, as there being no transactions involving foreign exchange).

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company during Audit Period as it is Unlisted Company: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including amendment thereof;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including amendment thereof;
- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other amendments thereof (hereinafter collectively referred to as “Listing Regulations”);
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including amendment thereof;

- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Listing Regulations entered into by the Company with the Stock Exchanges which were not applicable to the Company as the Company is not listed on any Stock Exchange in India during Audit Period;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Based on information received & records maintained we further report that: -

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that based on review of compliance mechanism of the company, we are the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: August 10, 2023
Place: New Delhi

For AM & Associates
Company Secretaries
Peer Reviewed Unit No: S2010UP128200

Sd/-
(ANCHAL MITTAL)
Proprietor
M. No.- 7161/ C.P. No.- 7825
UDIN: - F007161E00077249

Annexure 'A' to Secretarial Audit Report issued

Annexure - 5

To
The Members
AAA Shenyang Container Seal Private Limited
CIN: U74999DL2018PTC335899
W-39, Okhla Industrial Area, Phase- II
New Delhi-110020

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

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
- The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For AM & Associates
Company Secretaries
Peer Reviewed Unit No: S2010UP128200

Sd/-
(ANCHAL MITTAL)
Proprietor
M. No.- 7161/ C.P. No.- 7825
UDIN: - F007161E000777249

Date: August 10, 2023
Place: New Delhi

THE DISCLOSURES TO BE MADE UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 BY THE COMPANY ARE AS UNDER:

- a. Conservation of Energy**
Your Company being a trading company for lifestyle products, the business operation of the Company is not energy-intensive. As a responsible corporate citizen, it makes conscious efforts towards energy management and conservation thereby reducing its energy consumption.
- Some of the measures undertaken by the Company on a continuous basis, including during the year, are listed below:
- Optimized the usage of office equipment's and electrical appliances including air conditioning system, office illumination, beverage dispensers, laptops & desktops, etc.
 - Regular maintenance in place for electro-mechanical equipment's, to ensure efficiency, effectiveness and longevity.
 - Our office takes proactive steps to improve efficient use of resources such as use of treated water to recharge ground water, use of heat resistant structure & energy efficient equipment's etc.

Your Company continually takes steps to absorb and adopt the latest technologies and innovations. These initiatives should enable the facilities to become more efficient and productive as the company expands, thus helping to conserve energy.

Our commitment to reduce energy consumption is achieved through installation of energy efficient fixtures and power factor optimization initiatives among others. This resulted in consumption of lesser energy.

- b. Technology Absorption**
The Company has always been aware of latest technological developments and adapt them to make products more cost effective and to attain high levels of quality. The nature of activities of the Company does not warrant any exclusive R&D department.
- c. Foreign Exchange Earnings and Outgo**
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange Outgo during the year in terms of actual outflows.

₹ in Lacs		
Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Foreign Exchange Earned	-	-
Foreign Exchange Used	158.92	0.46

For and on behalf of the Board of Directors

Date: August 10, 2023
Place: New Delhi

Sd/-
Ashok Kumar Sawhney
Chairman

Sd/-
Anuj Sawhney
Managing Director

Report on Corporate Governance

[Pursuant to Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming part of the Boards' Report for the year ended March 31, 2023]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about our commitment to human values in business which translates into ethical corporate conduct. Corporate Governance is about balancing economic goals with greater responsibilities towards society and creating valuable impact with practices and policies embedded within Company's value system, management ethos, and business practices. Corporate Governance practices are reflection of one's value, culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. When adhered to and implemented in the best of spirit, Corporate Governance positively impacts the activities, processes and policies of an organization, portray a positive vision to investors and enhance the trust and confidence of the stakeholders. It can also encourage a sense of trustworthiness amongst the society at large, influence the immediate corporate environment positively and have an overall healthy impact on the national economy.

The Company believes that good Corporate Governance is a continuing exercise and that each one at company is equally responsible and committed to support this cause in all management and operational activities. Integrity and transparency are key to our Corporate Governance practices helping us earn trust of our stakeholders and facilitate effective and prudent management to come up to their expectations. Your Company is conscious of the fact that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to regulatory compliance, your Company endeavors to meet highest standards of ethical and responsible conduct throughout the organization in letter and in spirit.

The Board of Directors (the "Board") are responsible for and committed to sound principles of Corporate Governance in

the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

The Company is complying with the conditions of corporate governance as required under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and other SEBI Regulations, as applicable.

2. BOARD OF DIRECTORS

The Board, being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals.

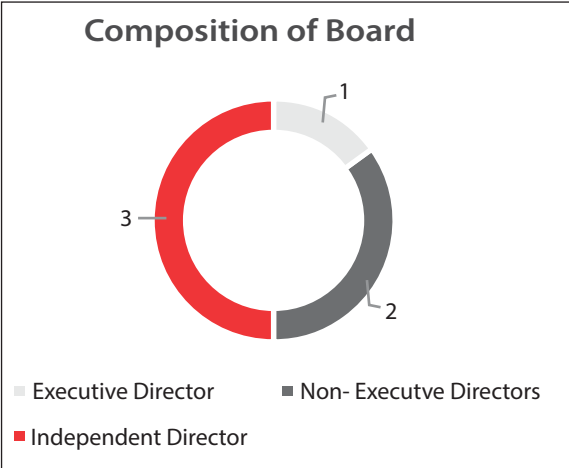
The Board provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

Composition of the Board:

The composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and provisions of the Companies Act, 2013 ('Act'), as amended from time to time.

The Board currently comprises of 6 (six) Directors out of which 1 (one) Director is Executive Director, 2 (two) are Non-Executive, Non-Independent Directors and remaining 3 (three) are Independent Directors. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields enabling it to discharge its

responsibilities and provide effective leadership for long-term vision with highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.



Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2023 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Committees across all listed companies in which he / she is a Director. Also, none of the Directors serve as a Director in more than 7 (Seven) Listed Companies.

The composition of the Board during the Financial Year under review and position held by Directors on the Board/ Committees of the Company as on March 31, 2023 along with their attendance at Board meetings and Annual General Meeting ("AGM") of the Company during the Financial Year under review are given below:

Name, Designation & DIN of Director	Category of Directorship	No. of other Directorship held	Committee Membership/ Chairmanship		Name of other Listed entities in which the concerned Director is a director	No. of equity shares held as on March 31, 2023
			Chairman	Member		
Mr. Ashok Kumar Sawhney Director DIN: 00303519	Non-Independent & Non-Executive Chairman	01	-	-	-	-
Mr. Anuj Sawhney Executive Director DIN: 00471724	Promoter & Managing Director	-	-	-	-	-
Mrs. Ashita Sawhney Director DIN: 08612232	Promoter & Non-Executive	-	-	-	-	-
Mr. Surendra Kumar Bhagat Director DIN: 09365562	Independent & Non-Executive	-	-	-	-	-
Mr. Rajesh Tuteja Director DIN: 08952755	Independent & Non-Executive	01	-	-	Anant Raj Limited	-
Mr. Chirag Gupta Director DIN: 09040722	Independent & Non-Executive	-	-	-	-	-

1. For the purpose of considering the limit of the number of directorships, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. The directorships held by Directors as mentioned above do not include the directorships held in Swiss Military Consumer Goods Ltd.
2. Chairpersonship / Committee Membership of Audit Committee & Stakeholders' Relationship Committee of other public limited companies, excluding private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act, only has been considered in accordance with Regulation 26 of SEBI Listing Regulations

Relationships between Directors inter-se

Mr. Ashok Kumar Sawhney and Mr. Anuj Sawhney, who are related to each other as father & son and Mrs. Ashita Sawhney, who is wife of Mr. Anuj Sawhney. None of the Directors other than above have any relationship with any Director of the Company as per Sec 2(77) of the Act including rules thereunder.

Skills/Expertise/Competence of Board of Directors:

The below matrix summarizes the skills, expertise and competencies possessed by our individual directors, which are key to corporate governance and board effectiveness as on March 31, 2023:

Skills and its description	Ashok Kumar Sawhney	Anuj Sawhney	Ashita Sawhney	Surendra Kumar Bhagat	Rajesh Tuteja	Chirag Gupta
Strategy & Planning - Business strategy and Corporate Management	√	√	√	√	√	√
Governance - developing governance practices, serving the best interests of all stakeholders and driving corporate ethics and values	√	√	√	√	√	√
Operations - Production and Product development, Quality enhancement, environment & safety	√	√	√	√	√	
Finance, Marketing & Human Resource Development - finance, investment & commercial banking, institution affairs, human resource, marketing & sales	√	√			√	√

Board Meetings and its Attendance:

The Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

During the year under review, Board met Five (5) times on April 18, 2022, July 13, 2022, September 07, 2022, November 12, 2022 and January 31, 2023. The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum time gap between any two meetings is not more than 120 days. The necessary quorum was present in all the meetings.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director	No. of Board Meeting held during the tenure	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Ashok Kumar Sawhney	5	5	No
Mr. Anuj Sawhney	5	5	Yes
Mrs. Ashita Sawhney	5	4	Yes
Mr. Surendra Kumar Bhagat	5	5	Yes
Mr. Rajesh Tuteja	5	5	Yes
Mr. Chirag Gupta	5	5	Yes

Meeting of independent directors

The Independent Directors meet separately at least once in a Financial Year, without the attendance of non-independent Directors and members/representatives of management of the Company. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole.

Confirmation in respect of Independence

The Board of Directors of the Company hereby confirm that in the opinion of Board, the Independent Directors of the Company fulfil the condition specified in Listing Regulations and are independent of the management.

Familiarization Program

In order to encourage active participation of Independent Directors and in order to understand the business of the Company, programs are conducted for the Independent Directors with detailed presentations covering all aspects of information that they need to possess/update. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the Company website at the link <https://swissmilitaryshop.com/investor-relations/>.

Detailed reason of resignation of Independent Directors

No Independent Director resigned from the board during the financial year 2022-23.

Performance evaluation of Board of Directors

Pursuant to the provisions of the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Effectiveness, Key Stakeholders connect, Ethics and Compliances, Evaluation of Company's Performance, Project Management and Internal Control and Audits. A separate exercise was carried out to evaluate the performance of individual Directors of the Board, who were evaluated on parameters such as level of engagement and contribution, effective participation in Board/Committee Meetings, independence of judgement, safeguarding the interest of the Company and its minority shareholders, providing of expert advice to Board, provide deliberations on approving related party transactions etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

3. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are

constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

I) AUDIT COMMITTEE

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

As required under Section 177 of the Act, and Regulation 18 read with Part C of Schedule II of Listing Regulations and as a measure for good Corporate Governance and to provide assistance to the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. All members of the Audit Committee, including the Chairman, are financially literate.

Terms of reference:

The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of the Act and Listing Regulations which, inter alia, include the following:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the

Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

- ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Approval or any subsequent modification of transactions of the company with related parties.
- h) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- i) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- j) To review the functioning of the Whistle Blower mechanism.
- k) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- l) Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 on quarterly basis.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- f) Statement of deviations;
- g) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and
- h) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

Meetings during the year

The Audit Committee met four (4) times during the year under review. The Committee meetings were held on times on April 18, 2022, July 13, 2022, November 12, 2022 and January 31, 2023. The intervening gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

Composition & Attendance

Name of the Directors	Category	Nature of Membership	Number of Meetings held/ attended
Mr. Chirag Gupta	Non – Executive Independent	Chairman	04/04
Mr. Anuj Sawhney	Managing Director	Member	04/04
Mr. Surendra Kumar Bhagat	Non – Executive Independent	Member	04/04
Mr. Rajesh Tuteja	Non – Executive Independent	Member	04/04

The Company Secretary, Mr. Vikas Jain, acts as the Secretary to the Audit Committee.

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the

Audit Committee possess financial / accounting expertise / exposure.

II) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor complaints and recommends measures for overall improvement in the quality of investor services.

The primary responsibilities of this Committee includes:

- i. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and
- ii. speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
- iii. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- iv. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- v. Perform such other functions as may be necessary or appropriate for the performance of its duties such as:-
 - a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 - b) Review of measures taken for effective exercise of voting rights by shareholders.
 - c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
 - d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

Further, the role of the Committee shall inter-alia include the following:

- a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- e) Any allied matter out of and incidental to these functions

Meetings during the Year:

The Stakeholders Relationship Committee met Three (3) times during the year under review. The Committee meetings were held on times on April 18, 2022, November 12, 2022 and January 31, 2023. The necessary quorum was present for all the meetings.

Composition and Attendance

Name of the Directors	Category	Nature of Membership	Number of Meetings held/ attended
Mr. Surendra Kumar Bhagat	Non – Executive Independent	Chairman	03/03
Mr. Anuj Sawhney	Managing Director	Member	03/03
Mr. Chirag Gupta	Non – Executive Independent	Member	03/03

Name, Designation and Contact details of Compliance Officer:

Mr. Vikas Jain, Company Secretary
Swiss Military Consumer Goods Limited
W-39, Okhla Industrial Area, Phase-II, New Delhi- 110020
Phone Number- 011-41067060
Email- investor@swissmilitaryshop.com

Nature of Complaints and Redressal StatusI

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the FY 2022-23	Nil
Number of Complaints received during the FY 2022-23	10
Number of Complaints redressed during the FY 2022-23	10
Complaints pending at the end of the FY 2022-23	Nil

III) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

This Committee has been vested with authority to inter alia recommend nominations for Board Membership, develop and recommend policies with respect to the composition of the Board Commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experiences, track record and integrity and establish Director retirement policies and appropriate succession plans and determining overall remuneration policies of the Company.

The principal scope / role also includes review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same.

The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board.

The primary responsibilities of this Committee include:

- Identifying potential candidates who are qualified to become Directors and who may be appointed in senior management.
- Determining the composition of the Board of Directors and the sub-committees of the board.
- Specify methodology for effective evaluation of performance of Board/ Committees/Directors either by Board, NRC or an Independent external agency and to review implementation of evaluation system;
- Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- To assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain the best available personnel for position of substantial responsibility with the Company.
- Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.
- Devising a policy on diversity of board of directors.
- Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, the remuneration of the Directors, Key Managerial Personnel and other employees and in whatever form payable to senior management.
- Undertake any other matters as the Board may decide from time to time.

Meetings during the year:

The Nomination and Remuneration Committee met two times during the year under review on November 12, 2022 and January 31, 2023. The necessary quorum was present for all the meetings.

Composition and attendance

Name of the Directors	Category	Nature of Membership	Number of Meetings attended
Mr. Surendra Kumar Bhagat	Non – Executive Independent	Chairman	02/02
Mr. Chirag Gupta	Non- Executive Independent	Member	02/02
Mrs. Ashita Sawhney	Non – Executive Non- Independent	Member	02/02

The Company Secretary, Mr. Vikas Jain acts as the Secretary to the Nomination and Remuneration Committee.

Nomination and Remuneration Policy of the Company

The Nomination and Remuneration Policy is also available on the website of the Company at the following link <https://swissmilitaryshop.com/investor-relations/>.

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board of Directors, in consultation with Nomination and Remuneration Committee, has formulated a Board evaluation framework containing inter-alia, the criteria for performance evaluation of the entire Board of the Company, its committees and individual Directors including Independent Directors.

The NRC has specified the manner for effective evaluation of performance of Board, its committees and individual Director including Independent Directors. The Board has carried out evaluation of performance of each of them. The NRC reviews its implementation and ensures the compliances thereof.

Board's functioning was evaluated on various aspects including inter alia degree of fulfillment of key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Chairman appointed for the Board Meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings, guidance/ support to the management outside Board/ Committee Meetings, professional qualifications and prior experience.

The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated.

The performance evaluation of the Chairman appointed for the Board Meetings and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

4. REMUNERATION DETAILS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2022-23 are given below:

- a) **Pecuniary Relationship of Non-Executive Directors:** Non-Executive Directors the Company, have no pecuniary relationship or transaction with the Company, except the payment of sitting fees to them for attending meetings of the Board and its Committees.

b) Remuneration to Non- Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders, as the case maybe.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional;
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

c) Remuneration to Executive Director:

The Executive Directors are paid as per the remuneration approved by the Shareholders at the time of their appointment, which is in line with the statutory requirements and the Company's policies. A revision in remuneration, if any, is recommended by the Nomination Remuneration to the Board for its consideration by taking into account their individual performance and as well the performance of the Company in a given year. As per the current terms of their appointment, none of the Executive Directors are entitled to commission on the net profits of the Company.

- d) **Details with respect to Remuneration:** As on date, the Company has not granted any options to its Directors. The details of remuneration disbursed to Executive and Non-Executive Directors, during the period under review are as under:

Name	Fixed Component/ Salary	Benefits	Sitting Fees	Performance Linked Incentive/ Commission	Total
Ashok Kumar Sawhney	-	-	-	-	-
Anuj Sawhney	46.30	-	-	-	46.30
Ashita Sawhney	-	-	-	-	-
Surendra Kumar Bhagat	-	-	1.50	-	1.50
Rajesh Tuteja	-	-	1.50	-	1.50
Chirag Gupta	-	-	1.50	-	1.50

5. ANNUAL GNERAL MEETING

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
2021-22	AGM held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	15.12.2022	12.00 P.M	Three
2020-21	AGM held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), due to COVID-19 pandemic in compliance with various circulars issued by MCA and SEBI.	04.09.2021	11.30 A.M	Four
2019-20	AGM held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), due to COVID-19 pandemic in compliance with various circulars issued by MCA and SEBI.	30.11.2020	11.00 A.M	Two

Whether Special resolutions were put through Postal Ballot last year? No

Are Special resolutions proposed to be put through Postal Ballot this Year? No

During the year under review, no Extraordinary General Meeting of the members of the Company was convened.

6. DISCLOSURES

(a) Related Party Transactions

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Shareholders and Audit Committee.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergies with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in note no. 26 of the Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee /Board, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature. The Board of Directors has formulated a Policy on dealing with related parties, pursuant to the provisions of the Act and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties and can be accessed at the following link: <https://swissmilitaryshop.com/investor-relations/>.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Disclosure of related party transactions on a consolidated basis is also sent to the Stock Exchanges after publication financial results for the half year

(b) Non-compliance by the Company, Penalties, Strictures

There has not been any non-compliance by the Company and no penalties or stricture have been

imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The Company has complied with applicable rules and regulations prescribed by Stock Exchange, SEBI or any other statutory authority relating to Capital Market. All Returns/Reports were filed within stipulated time with the Stock Exchanges / other authorities.

(c) Whistle Blower Policy/Vigil Mechanism

In accordance with the requirement of Section 177 of the Act read with the Rules made thereunder and Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism / Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy also provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The Whistle Blower Policy is available at the website of the company at following link <https://swissmilitaryshop.com/investor-relations/>.

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its report, affirmed that no personnel has been denied access to the Audit Committee.

(d) Disclosure of Accounting Treatment:

The Company has followed Indian Accounting Standards (Ind-AS) in the preparation of its financial statements, pursuant to the notification issued by Ministry of Corporate Affairs dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015.

(e) Compliance of Regulation 27 of the Listing Regulations

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause "b" to "i" of sub-regulation (2) of Regulation 46 of the Listing Regulations and Quarterly compliance report on Corporate Governance, in the prescribed format duly signed by the compliance officer, is submitted quarterly with the Stock Exchanges where the shares of the Company are listed. The Company has also complied

with relevant para of Schedule V of Listing Regulations on Corporate Governance.

(f) Compliance of Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of relevant regulations and schedules of the Listing Regulations, relating to Corporate Governance. In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements i.e. Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

i. Modified opinion(s) in the audit reports

The Auditors of the Company have issued Audit Reports with unmodified opinion on the financial statements (Standalone and Consolidated) for the year ended March 31, 2023.

ii. Reporting of Internal Auditors

Internal Auditors directly report to the Audit Committee.

(g) Code for prevention of Insider -Trading

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

The code is posted on the website of the Company at the link <https://swissmilitaryshop.com/investor-relations/>

(h) Policy for Determining Material Subsidiaries Companies

In terms of Regulation 16 (1) (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at <https://swissmilitaryshop.com/investor-relations/>.

- (i) The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2023.
- (j) Your Company has obtained a certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations. The copy of the same is enclosed with this report as Annexure 4.
- (k) There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.
- (l) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part given in note no. 17.1 of consolidated financial statements.

(m) Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress complaints reported under it. Status of Complaints during the year are as follows:

Sr. No.	Particulars	Number
1.	Number of Complaints on Sexual harassment received during the year	Nil
2.	Number of Complaints disposed of during the year	Nil
3.	Number of Complaints pending as on end of the Financial Year	Nil

(n) Disclosure of Non-Compliance with Corporate Governance Requirement

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. MEANS OF COMMUNICATION

(a) Financial Results

The quarterly Financial Results of the Company are published in accordance with the requirements of the Listing Regulations, 2015.

(b) Newspapers wherein results are normally published:

The Quarterly / half-yearly / annual accounts results are published in the English and Hindi Newspaper.

- which newspaper normally published in	Financial Express (English) and Jansatta (Hindi)
- Any website where displayed	www.swissmilitaryshop.com
- whether it also displays official news release	No
- whether presentations made to institutional investors or to analyst	No
- Designated Exclusive email-id for investor services	investor@swissmilitaryshop.com

(c) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

(d) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(e) Company's Corporate Website

Upto date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website www.swissmilitaryshop.com

8. GENERAL SHAREHOLDERS INFORMATION AND DISCLOSURES

i) Annual General Meeting

Day & Date	Time	Venue
Friday, 15 th September, 2023	12.00 NOON	VC/OAVM

ii) Financial Year

The Company follows April to March as its Financial Year i.e. April 1, 2022 – March 31, 2023. The results for every quarter, beginning from April, will be declared within 45 days of the end of quarter, except for the last quarter, which will be submitted, along with the annual audited results within 60 days of the end of the last quarter or such extended date prescribed by SEBI from time to time.

iii) Dates of Book Closure:

9th September, 2023 to 15th September, 2023 (Both days inclusive)

iv) Dividend Payment Date:

Dividend of ₹0.16 per share (8%), if declared by the Members in the ensuing AGM as on 15th September 2023, shall be paid within 30 days from the date of declaration. The record date i.e. Friday, 8th September 2023 has been fixed for ascertaining entitlement for the payment of Dividend

v) Dividend Distribution Policy:

The Dividend Distribution Policy of the Company is available on the website of the Company at <https://swissmilitaryshop.com/investor-relations/>

vi) Listing on Stock Exchange:

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

vii) Listing Fee:

The Company has paid the listing fees to Stock Exchange for the year 2022-2023.

viii) Stock Code:

523558

ix) ISIN Number for NSDL & CDSL:

INE010C01025

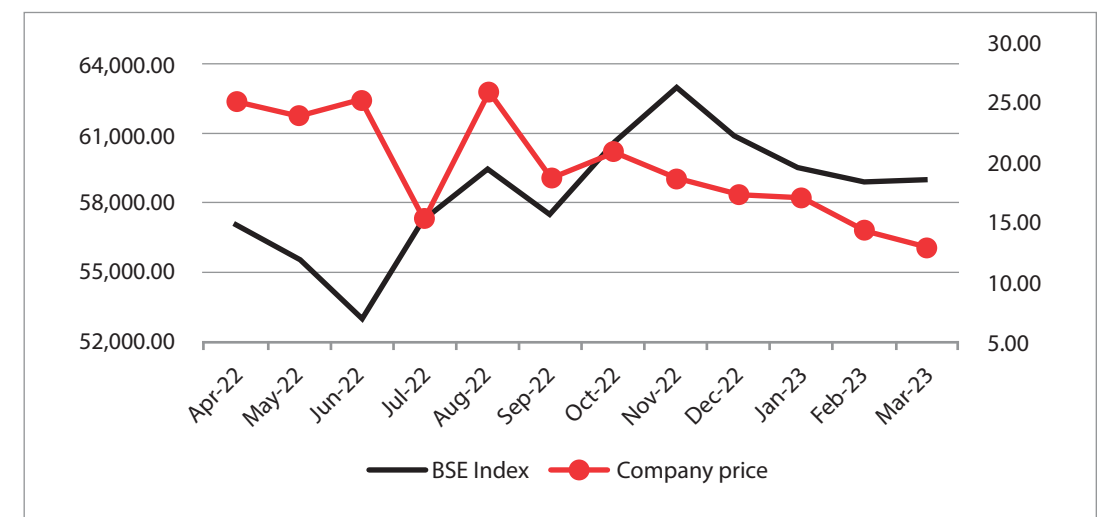
x) Market Price Data: High/ low of market price of the Company's equity shares traded frequently on BSE during the last financial year were as follows:

Month	High	Low	Month	High	Low
Apr-22	29.95	24.90	Oct-22	22.95	18.40
May-22	26.35	20.10	Nov-22	21.20	18.35
Jun-22	28.95	23.30	Dec-22	19.25	13.80
Jul-22	29.90	15.10	Jan-23	17.90	15.25
Aug-22	27.75	15.20	Feb-23	17.75	13.05
Sep-22	30.90	17.75	Mar-23	14.99	11.31

Source: www.bseindia.com

There was no suspension of trading in the Securities of the Company during the year under review.

xi) Performance of the Company's Share Price in comparison with BSE Sensex



xii) Registrar and Share Transfer Agent

SEBI has made it mandatory for all the listed companies that all the work relating to share transfer / registry, physical and demat registry work, to be handled either wholly ‘in house’ by companies or wholly by a SEBI registered external Registrar and Share Transfer Agent. The Company has appointed M/s. Alankit Assignments Limited as the Registrar and Share Transfer Agent of the Company. As required under Regulation 7(3) of the Listing Regulations, the Company files, on yearly basis, certificate issued by RTA and compliance officer of the Company certifying that all activities in relation to share transfer facility are maintained by RTA registered with SEBI. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Name : Alankit Assignments Limited
Address : Alankit House, 4E/2, Jhandewalan Extn., New Delhi-110 055
Telephone No : 011-42541955
Fax No. : 011-42540064

xiii) Share Transfer System:

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Now as per Amendment in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form only.

Pursuant to Regulation 40(9) & 40(10) of the Listing Regulations, Certificate on yearly basis confirming due compliance with all pending Share Transfer formalities by the Company and Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996, have been submitted with stock exchanges.

xiv) Distribution of Shareholding as on 31st March, 2023:

Share Held	31.03.2023			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1-500	26292	79.87	2886465	1.47
501-1000	2629	7.99	2152866	1.10
1001-5000	2885	8.76	6673933	3.39
5001-10000	526	1.60	3914105	1.99
10001 and above	585	1.78	18096623	92.05
TOTAL	32917	100	196593992	100

xv) Dematerialization of shares and liquidity: As on 31st March, 2023 about 99.75% of the Company’s equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xvi) Commodity price risk or foreign exchange risk and hedging activities: The Company is not engaged in commodity trading, hedging or exchange risk management activities.

xvii) Plant Locations: Not Applicable as company is not carrying any direct manufacturing activities. The products manufactured through contract manufacturing/OEMs.

xviii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:
The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2023, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xix) Categories of Shareholding as on 31st March 2023:

Sl. No.	Category of	Number of Shareholders	Total Numbers of Shares held	% of total shares
1	Promoters	03	125534684	63.85
2	Bodies Corporate	117	32050802	16.30
3	Resident Individuals	32308	35951316	18.28
4	HUF	327	2234195	1.14
5	Clearing Members	7	8582	0.0005
6	Non- Resident Indians	150	806113	0.41
7	Foreign Portfolio Investors	03	7500	0.00004
8	Others	02	800	0.000004
Total		32917	196593992	100

xx) Address for Correspondence: The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Regd. Office:
W-39, Okhla Industrial Area, Phase II,
New Delhi-110 020
Mr. Vikas Jain, Company Secretary
Email-id for Investor Grievances: investor@swissmilitaryshop.com

xxi) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: **Not Applicable**

9. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

Company has obtained a Certificate from the M/s. AM & Associates, Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Copy of the Certificate is attached to this report as Annexure 3.

10. COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has laid down Code of Conduct for all the Board Members and Senior Management personnel of the Company. All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2023. Declaration signed by Mr. Anuj Sawhney, Managing Director is attached to this report as Annexure 1.

11. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

Particulars	No. of Shareholders
Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (The Company had allotted equity shares pursuant to the rights issue as on 21 st December 2021and the status upon listing is mentioned instead of the status as at the beginning of the year)	Aggregate no. of shareholders – 5 Outstanding shares – 940
No. of shareholders who approached listed entity for transfer of shares from suspense account during the year	Aggregate no. of shareholders – 5 Outstanding shares – 940
No. of shareholders to whom shares were transferred from suspense account during the year	Aggregate no. of shareholders – 5 Outstanding shares – 940
Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the end of the year	Aggregate no. of shareholders – Nil Outstanding shares – Nil
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	NIL

12. MD/CFO CERTIFICATION

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The MD and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 (2) (a) of the SEBI Listing Regulations. The Certificate is annexed as Annexure 2.

For and on behalf of the Board of Directors

Sd/-

Ashok Kumar Sawhney

Chairman

DIN : 00303519

Sd/-

Anuj Sawhney

Managing Director

DIN : 00471724

Date: 10th August, 2023

Place: New Delhi

Annexure 1 of Corporate Governance Report

DECLARATION BY THE MANAGING DIRECTOR ON CODE OF CONDUCT
[Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Anuj Sawhney, Managing Director of the Company, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2022-23.

Sd/-

Anuj Sawhney

(Managing Director)

DIN: 00471724

Date: 10th August 2023

Place: New Delhi

Annexure 2 of Corporate Governance Report

MD/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT
[Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
For the Financial Year ended March 31, 2023

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2023, and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered in to by the Company during the year ended March 31, 2023, which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Date: 9th May, 2023
Place: New Delhi

Sd/-
Anuj Sawhney
Managing Director

Sd/-
Vijay Kalra
Chief Financial Officer

Annexure 3 of Corporate Governance Report

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE
(As per Provisions of Chapter IV of SEBI (Listing Obligations and Disclosure requirements)
Regulations, 2015 as amended from time to time)

To
The Members of
Swiss Military Consumer Goods Limited
W-39, Okhla Industrial Area, Phase-II,
New Delhi-110020

We have examined the compliance of the conditions of Corporate Governance by Swiss Military Consumer Goods Limited ("the Company") for the year ended on 31st March 2023, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter collectively referred to as "Listing Regulations");

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations during the year ended 31st March, 2023.

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

For **AM & Associates**
Company Secretaries
Peer Reviewed Unit No: S2010UP128200

Sd/-
(ANCHAL MITTAL)
Proprietor
M. No.- 7161/ C.P. No.- 7825
UDIN: - F007161E000777073

Date: 10th August 2023
Place: Delhi

Annexure 4 of Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Swiss Military Consumer Goods Limited
W-39, Okhla Industrial Area, Phase-II,
New Delhi-110020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Swiss Military Consumer Goods Limited having CIN L51100DL1989PLC034797 and having registered office at W-39, Okhla Industrial Area, Phase-II, New Delhi-110020 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Ashok Kumar Sawhney	00303519	04/09/2021
2.	Anuj Sawhney	00471724	23/09/2020
3.	Ashita Sawhney	08612232	23/09/2020
4.	Surendra Kumar Bhagat	09365562	23/10/2021
5.	Rajesh Tuteja	08952755	23/10/2021
6.	Chirag Gupta	09040722	27/01/2021

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

For **AM & Associates**
Company Secretaries

Sd/-
Anchal Mittal
Proprietor
Mem. No.: F7161/COP: 7825
UDIN: - F007161E000379577

Date: 09-May- 2023
Place: New Delhi

Independent Auditor’s Report

Unique Document Identification Number (UDIN) for this document is **23080855BGQJSU2665**

To the Members of
Swiss Military Consumer Goods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Swiss Military Consumer Goods Limited** (“the Company”), which comprise the Standalone Balance Sheet as at 31st March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone statement of changes in Equity and the Standalone statement of Cash Flow for the year then ended and notes to the Standalone financial statements, including 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit, total comprehensive income, the changes in equity and its cash flows for the year on that date.

Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
Provisions, Litigations, Claims and Contingent Liabilities: (Refer Note- 22)	
The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain tax positions on deductibility of expenses and allowance of certain tax deductions.	Our audit procedures included the following: - We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions. - We inquired the status in respect of significant provisions with the Company’s internal tax and legal team. - We assessed the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. - We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company’s advisors and assessing whether there was an indication of management bias. - We verified the calculation of provision on a test check basis.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of 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 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 also 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 exercised professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified 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, misrepresentation override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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.

- Evaluated the overall presentation, structure and content of the standalone 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 communicated 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 provided 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 determined 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 described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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

As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, We give it the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the order.to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 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.
- The standalone Balance Sheet, the standalone Statement of Profit and Loss & the Cash Flow Statement and Statement of standalone Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 01st April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to Standalone Financial Statements.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and explanations given to us, the remuneration paid by the company of its director (s) during the year is accordance with the provisions of sections 197 of the Act.

- h)

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, in our opinion and to the best of our information and according to the explanations given to us:
- i)

The Company does not have any pending litigations which would impact its financial position
- ii)

The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii)

The Board of Directors of the company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General meeting, The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Sd/-
B. K. Sood
Partner
M. No. 080855

Place: New Delhi
Date: 09th Day of May, 2023

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of "SWISS MILITARY CONSUMER GOODS LIMITED on the standalone financial statements as of and for the year ended 31st March, 2023

1) In respect of its fixed assets: -

- a)

The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b)

The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical assets have been noticed.
- c)

According to the information and explanations given to us and based on the examination of the title deeds of all the immovable properties (which are included under the head of property, plant and equipment) are held in the name of the Company.
- d)

In our opinion company has not revalued Property, Plant and Equipment or Intangible assets or both during the year.
- e)

According to information and explanation given to us there are no proceedings initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.

2) In respect of its inventories: -

- a)

The management has physically verified the inventories at reasonable intervals and during the year. In our opinion, the frequency of verification is reasonable.
- b)

No material discrepancies noticed on verification between the physical stocks and the book records and such discrepancies have been properly dealt with in the books of accounts.

3) Based upon the audit procedures performed and the information and explanations given by the management, During the Year Company has not made a Loan or Advance investments in, companies, firms, Limited Liability Partnership or any other parties

- a)

In our Opinion Company has not made investments, guarantees provided, security given and the terms and

conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's Interest.

- b)

Based upon the audit procedures performed and the information and explanations given to us by the management, the repayment schedule of loans and advances has been checked and company is regular in repayment of principal and payment of interest on loans and advances.

- c)

As per informed to us, there is no overdue in loans and advance for more than 90 Days.

- d)

As per information and explanations given to us by the management there are no loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

- e)

As informed to us, there are no any loans or advance in the nature of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

4) In our opinion and according to the information and explanations given to us, the company has not provided any loan, guarantees, and investments to which the provision of sec 185 of the act apply.

However, regarding loans, guarantees, and Investments to which the provision of sec 186 apply, the company has complied with the provision of section.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly, clause is not applicable.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of Goods and service Tax, income tax, duty of customs outstanding on account of any dispute.
- 8) According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order is not applicable to the Company.
- 9) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (b) In our opinion company is not a declared willful defaulter by any Bank or financial institution or other lender.
- (c) As per information and explanations given to us loan was applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations no fund raised on short term basis has been utilized for long term purposes.
- (e) As per information 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) As per information Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company and hence not commented upon.
- 11) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud has been made by the Company or on the company by its officers or employees that has been noticed or reported during the year.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, we have observed that no offence involving fraud has been committed against the company by officers or employees of the company. Hence auditor has not reported u/s (12) of section 143 of the companies Act and no forms 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) Based upon the audit procedures performed we have not came cross any whistle-blower complaints. Accordingly, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards.
- 14) a). In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- b). we have considered, the internal audit reports issued to the company during the year and covering the period up to 31st March, 2023 for the period under audit.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the provisions of clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) In our opinion, company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) As the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3 (xvi)(d) of the Order are not applicable to the Company.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There is no resignation of the statutory auditors during the year. Accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) Based upon audit procedure performed and the information and explanations given by the management, Companies does not fall under section 135 Corporate Social responsibility of the said act. Accordingly, the provisions of clause 3 (xx) of the Order are not applicable to the Company.
- 21) As the company does not have any subsidiary or a Joint venture, hence, the provisions of clause 3 (xxi) of the Order are applicable to the Company.

Place: New Delhi
Date: 09th Day of May, 2023

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Sd/-
B. K. Sood
Partner
M. No. 080855

"Annexure B" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls over financial reporting of SWISS MILITARY CONSUMER GOODS LIMITED as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on "the internal control over financial reporting 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". 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included

obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of Internal Financial Controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based

on "the internal control over financial reporting 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.

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Sd/-
B. K. Sood
Partner
M. No. 080855

Place: New Delhi
Date: 09th Day of May, 2023

Standalone Balance Sheet

as at 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	105.12	51.64
(b) Financial Assets			
i) Investments	4	418.99	418.99
(c) Income tax assets (net)		-	0.71
(d) Deferred tax assets (net)		-	0.16
Total Non-Current Assets		524.11	471.50
(2) Current Assets			
(a) Inventories	5	1,729.20	476.28
(b) Financial Assets			
i) Trade Receivables	6	1,427.55	723.92
ii) Cash and Cash Equivalents	7	2,391.44	525.20
iii) Other financial assets	8	149.26	22.41
(c) Other Current Assets	9	1,009.76	451.65
Total Current Assets		6,707.21	2,199.46
TOTAL ASSETS		7,231.32	2,670.96
EQUITY AND LIABILITIES			
(1) Equity			
a) Equity Share Capital	10	3,931.88	1,965.94
b) Other Equity	11	2,674.32	(300.92)
Total Equity		6,606.20	1,665.02
(2) LIABILITIES			
Non-current liabilities			
(a) Deferred tax liabilities (net)		0.14	-
Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	12	-	675.00
ii) Trade payables	13	509.09	255.01
iii) Other Financial Liabilities	14	36.98	45.02
(b) Other Current Liabilities	15	74.02	30.91
(c) Income tax liabilities (net)		4.89	-
Total Current Liabilities		625.12	1,005.94
TOTAL EQUITY AND LIABILITIES		7,231.32	2,670.96
Corporate information	1		
Significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	Yearly ended 31 st March, 2023	Year ended 31 st March, 2022
I Revenue from Operations	16	12,220.81	5,549.68
II Other Income	17	82.65	20.27
III Total Income (I+II)		12,303.47	5,569.95
IV Expenses			
Purchases of stock in trade		11,461.33	5,496.37
Change in inventories of stock in trade		(1,252.92)	(425.55)
Employee benefits expenses	18	494.81	68.35
Depreciation and amortization expenses	3	14.92	3.82
Other expenses	19	932.53	171.14
Total Expenses (IV)		11,650.67	5,314.12
V Profit/(Loss) before exceptional items and tax(III-IV)		652.80	255.82
VI Exceptional items		-	18.73
VII Profit/(Loss) before tax		652.80	274.55
VIII Tax Expenses:			
(1) Current Tax		134.69	-
(2) Deferred Tax		0.29	(0.16)
		134.98	(0.16)
IX Profit/(Loss) after tax for the period		517.82	274.71
X Other Comprehensive Income		-	-
XI Total Comprehensive Income for the period (IX+XI)		517.82	274.71
Earning Per Equity Share			
a) Basic (₹)		0.26	0.28
b) Diluted (₹)		0.26	0.28
Corporate information	1		
Significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(Loss) before tax	652.80	274.55
Adjustments for:		
Depreciation	14.92	3.82
Interest Income on Fixed Deposit	(63.08)	(2.07)
Exchange fluctuation (net)	(2.36)	(0.78)
Profit on sale of Property, Plant & Equipment (net)	-	(18.73)
Operating (Loss)/Profit before working capital changes	602.27	256.79
Change in Working Capital		
Adjustments for (Increase)/Decrease in Operating Assets		
Inventories	(1,252.92)	(425.55)
Trade Receivables	(703.63)	(627.47)
Other financial assets	(126.86)	(11.62)
Other current assets	(558.10)	(421.01)
Income tax Assets (net)	0.71	-
Adjustments for Increase/(Decrease) in Operating Liabilities		
Trade payables	254.08	252.48
Other Financial Liabilities	(8.04)	41.41
Other Current Liabilities	43.11	30.48
Income tax liabilities (net)	4.89	-
Cash Generated/(used in) from Operating Activities (A)	(1,744.49)	(904.49)
Taxes	(134.69)	-
Net Cash Generated/(used in) from Operating Activities (A)	(1,879.17)	-
Cash flow from Investing Activities		
Interest Income on Fixed Deposit	63.08	2.07
Exchange fluctuation (net)	2.36	0.78
Payment for Purchase PPE	(68.39)	(54.51)
From Non-Current Investment	-	(267.95)
Sale of PPE	-	20.00
Net Cash from/(used in) Investing Activities (B)	(2.95)	(299.61)

Standalone Cash Flow Statement (contd.)

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Cash flow from Financing Activities		
Proceeds from Rights issue	4,423.36	982.97
Proceeds from Borrowings	(675.00)	675.00
Net cash from/(used in) Financing Activities (C)	3,748.36	1,657.97
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	1,866.25	453.88
Cash & Cash equivalents at beginning of the year	525.20	71.32
Cash & Cash equivalents at end of the year	2,391.44	525.20

- Notes:**
- The above Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard-7 Statement of Cash Flows.
 - Previous years figures have been regrouped/rearranged/recasted wherever necessary to make them comparable with those of current year.

As per our report of even date	For and behalf of Board of Directors of	
For and on behalf of		
B. K. Sood & Co.		
Chartered Accountants	Sd/-	Sd/-
Firm Registration No. 000948N	Ashok Kumar Sawhney	Anuj Sawhney
	Director	Director
	Din : 00303519	Din : 00471724
Sd/-		
CA B.K. Sood	Sd/-	Sd/-
Partner	Vijay Kalra	Vikas Jain
M. No. 080855	Chief Financial Officer	Company Secretary
Place : New Delhi		
Date : 09 th May 2023		

Standalone Statement of Change in Equity

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

(a) Equity Share Capital

Particulars	As at 31 st March 2023	As at 31 st March 2022
	No. of Shares	Amount
Equity Share Capital as at beginning of the year	1,965.94	982.97
Add: Equity Share Capital issued during the year	1,965.94	982.97
Equity Shares Capital at the end of the year	3,931.88	1,965.94

(b) Other Equity

Particulars	Reserves & Surplus				Other Comprehensive Income		
	Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	Total Other Equity
Balance as at 31st March 2021	4.00	764.13	199.11	(1,069.93)	(472.94)	-	(575.63)
Profit/(Loss) for the year	-	-	-	274.71	-	-	274.71
Amount Transferred	-	-	-	(472.94)	0.00	-	(472.93)
Balance as at 31st March 2022	4.00	764.13	199.11	(1,268.15)	(472.93)	-	(774.38)
Profit/(Loss) for the year	-	-	-	517.82	-	-	517.82
Addition during the year through Rights Issue	-	0.02	-	-	-	-	0.02
Balance as at 31st March, 2023	4.00	764.13	199.11	(750.34)	(472.93)	-	(256.54)

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Notes to the Accounting Policies

1. CORPORATE INFORMATION

Swiss Military Consumer Goods Limited ("the Company") is a Public Limited Company incorporated in India with its registered office at W-39, Okhla Industrial Area, New Delhi - 110020. The Company has its Listings on the BSE Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and measurement

The financial statements of the company have been prepared in accordance with the Indian Accounting Standard (Ind AS), the provisions of the companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in para (d) below. Accounting estimates could change from period to period. Actual results could differ

from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

d) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

i) Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjust to reflect the current best estimates.

ii) Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

Notes to the Accounting Policies

e) 'Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method based on estimated useful life of assets as prescribed in schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under "Capital work-in-progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

f) Intangible Assets: -

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The amortisation period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence demand, competition, and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from assets.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognized or on disposal.

g) Impairment of tangible assets intangible assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to

Notes to the Accounting Policies

investment properties are added to its book value 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. Investment properties are depreciated using the straight- line method over the estimated useful lives.

i) Inventories: -

i) Basis of valuation:

Inventories are valued at the lower of cost or net realizable value. Cost of inventories has been measured on FIFO basis & comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The comparison of cost and net realizable value is made on item-by-item basis.

ii) Method of valuation:

Cost of traded goods has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Due allowances are made in respect of slow-moving, non-moving and obsolete inventory based on estimates made by the management.

j) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported

within exchange gains / (losses) on translation of assets and liabilities, net, except when deferred in "other comprehensive income" as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings.

k) Revenue Recognition

i) Revenue from customers

Revenue from customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Other income

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/ loss on capital market in future & Options. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Notes to the Accounting Policies

I) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which these incurred except loan processing fees which is recognized as per effective rate of interest method.

m) Financial Instruments

Initial recognition and measurement:

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial assets

The Company classifies its financial assets in the following categories:

i) Financial assets at amortised cost –

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is 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. Financial assets measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortization is included in finance income in the statement of profit and loss.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 months' period, carried at amortised cost using the effective interest method, less any impairment loss.

Following financial assets are measured at amortised cost: -

- (i) Security deposit
- (ii) Cash and cash equivalent
- (iii) Advances adjustable with other financial instrument

ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) –

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling 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.

The company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

iii) Financial assets at Fair Value through Profit and loss (FVTPL) –

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

iv) Impairment of financial assets –

The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness

Notes to the Accounting Policies

of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

i) Financial liabilities at Amortised Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits, advances refundable and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

ii) Financial liabilities at Fair Value through Profit & Loss (FVTPL)

The company has not designated any financial liabilities at FVTPL.

Investment in Equity Instrument of Joint Venture/ partnership.

Investment in equity instruments of joint ventures are measured at cost as per Ind AS 27- Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint Ventures.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.

De-recognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

Fair value measurement

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable

Notes to the Accounting Policies

inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities –

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n) Income Tax

i) Current Income Tax

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

ii) Deferred Tax:

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity in which case the deferred tax is recognised in Other Comprehensive Income or equity respectively.

iii) Dividend Distribution Tax:

Tax on Dividends declared by the Company is recognised as an appropriation of Profit.

o) Employee Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the Accounting Policies

ii) Post retirement employee benefits:

The Company operates the following post-employment schemes

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund

The above post retirement employee benefits are not applicable to the company.

iii) Other employee benefits:

The liabilities for earned leaves and compensated absences are settled at the year end.

p) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the

occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where inflows of economic benefits are possible.

q) Cash and cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

r) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

s) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the Accounting Policies

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). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors

t) **Offsetting instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

u) **Segment Reporting**

The Company is primarily engaged in trading activities. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

v) **Financial Risk Management**

Risk management framework

The Company's Board of Director has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Policy.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive

control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit function, which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

A. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables: -

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for Creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically.

At the end of the reporting period, there are no significant concentrations of credit risk. The carrying amount reflected above represents the maximum exposure to credit risk.

B. **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed

Notes to the Accounting Policies

conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

C. **Market Risk**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company.

The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through a mix of equity, borrowings and operating cash flows.

Interest rate risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and variable rate borrowings.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Vehicles	Plant & Machinery	Office Equipment	Furniture & Fixtures	Total
Gross Carrying Value						
As at 1 st April 2021	1.27	-	2.97	0.25	3.00	7.50
Addition During the period	-	-	41.56	0.67	12.28	54.51
Adjustments/(Deletions) During the year	1.27	-	-	-	-	1.27
As at 31 st March 2022	-	-	44.54	0.92	15.28	60.74
Gross Carrying Value						
As at 1 st April 2022	-	-	44.54	0.92	15.28	60.74
Addition During the period	-	18.00	18.16	5.95	26.28	68.39
Adjustments/(Deletions) During the year	-	-	-	-	-	-
As at 31 st March 2023	-	18.00	62.70	6.87	41.56	129.13
Depreciation/Amortization						
As at 1 st April 2021	-	-	2.35	0.08	2.85	5.28
Provided for the period	-	-	3.49	0.10	0.22	3.82
Adjustments/(Deletions) During the year	-	-	-	-	-	-
As at 31 st March 2022	-	-	5.84	0.18	3.07	9.09
Depreciation/Amortization						
As at 1 st April 2022	-	-	5.84	0.18	3.07	9.09
Provided for the period	-	1.07	10.12	0.99	2.74	14.92
Adjustments/(Deletions) During the year	-	-	-	-	-	-
As at 31 st March 2023	-	1.07	15.96	1.17	5.81	24.01
NET CARRYING VALUE						
As at 31 st March 2022	-	-	38.69	0.74	12.21	51.64
As at 31 st March 2023	-	16.93	46.74	5.70	35.74	105.12

Note No. 4 : Non-current Investments

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Quantity	Amount	Quantity	Amount
Measured at Cost - Equity Instruments				
Unquoted : Fully Paid-Up				
AAA Shenyang Containers Seal Pvt. Ltd. (Refer Note - 23)	2,076,112	418.99	2,076,112	418.99
Total	2,076,112	418.99	2,076,112	418.99

Note No. 5 : INVENTORIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Stock in Trade	1,729.20	476.28
Total	1,729.20	476.28

Note No. 6 : TRADE RECEIVABLES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade receivables considered good - Unsecured	1,427.55	723.92
Total	1,427.55	723.92

-Trade receivables ageing schedule are disclosed in note 20.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 7 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Cash on hand	0.20	0.03
Balance with bank :		
- in current accounts	126.22	501.63
- in deposit accounts with original maturity of three month or less	2,265.02	23.53
Total	2,391.44	525.20

Note No. 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Interest accrued on deposits	37.24	0.17
Security Deposits	112.02	22.24
Total	149.26	22.41

Note No. 9 : OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Prepaid Expenses	69.22	58.77
Advance to employees	3.67	0.18
Advance for supply of Goods / Service	858.92	364.17
Balance with Government Authorities	77.95	28.53
Total	1,009.76	451.65

Note No. 10 : EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
AUTHORISED CAPITAL		
26,25,00,000 (Previous year 26,25,00,000) Equity Shares of face value of ₹2/-	5,250.00	5,250.00
6,00,000 (Previous year 6,00,000) Preference share of face value of ₹100/-	600.00	600.00
	5,850.00	5,850.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
19,65,93,992 (Previous year 9,82,96,996) Equity Shares of face value of ₹2/-	3,931.88	1,965.94
	3,931.88	1,965.94

a) RIGHTS, PREFERENCE AND RESTRICTIONS

The company has only one class of shares referred to as equity shares having a face value of ₹2/- each. Holder of equity shares is entitled to one vote per share.

b) ISSUE OF SHARES ON RIGHTS BASIS

The Board of Directors at their meeting held on September 07, 2022 allotted 9,82,96,996 equity shares of face value of ₹2/- each at a price of ₹4.50/- per share (including premium of ₹2.50/- per equity share), on rights basis in the ratio of 1 equity share for every 1 existing fully-paid equity share, held by the eligible equity shareholders as on the record date i.e. July 23, 2022.

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

c) RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR IS SET OUT BELOW:

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of shares at the beginning	98,296,996	1,965.94	49,148,498	982.97
Add: Shares issued during the year	98,296,996	1,965.94	49,148,498	982.97
Number of shares at the end	196,593,992	3,931.88	98,296,996	1,965.94

d) THE DETAILS OF SHAREHOLDING OF PROMOTERS & PROMOTERS GROUP IS SET OUT BELOW :-

Name	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	%	No. of Shares	%
Promoters				
Anushi Retail LLP	117,350,684	59.69	57,351,462	58.35
Promoters Group				
Pankaj Shrimali	4,846,800	2.47	4,846,800	4.93
Madhuri Shrimali	3,337,200	1.70	3,337,200	3.40

e) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IS SET OUT BELOW :-

Name	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Shares	%	No. of Shares	%
Anushi Retail LLP	117,350,684	59.69	57,351,462	58.35
Pankaj Shrimali	4,846,800	2.47	4,846,800	4.93
Madhuri Shrimali	3,337,200	1.70	3,337,200	3.40
Uninet Strategic Advisory Limited	21,876,131	11.13	12,395,225	12.61

Note No. 11 : OTHER EQUITY

Particulars	Reserves & Surplus				Other Comprehensive Income		
	Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	Total Other Equity
Balance as at 1 st April 2021	4.00	764.13	199.11	(1,069.93)	(472.94)	-	(575.63)
Profit/(Loss) for the period	-	-	-	274.71	-	-	274.71
Amount Transferred	-	-	-	(472.94)	472.94	-	-
Balance as at 31 st March, 2022	4.00	764.13	199.11	(1,268.15)	-	-	(300.92)
Balance as at 1 st April, 2022	4.00	764.13	199.11	(1,268.15)	-	-	(300.92)
Profit/(Loss) for the period	-	-	-	517.82	-	-	517.82
Addition during the year through Rights Issue	-	2,457.42	-	-	-	-	2,457.42
Balance as at 31 st March, 2023	4.00	3,221.55	199.11	(750.34)	-	-	2,674.32

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 12 : BORROWINGS

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Loans repayable on demand		
From Promoters - Unsecured	-	675.00
Total	-	675.00

Note No. 13 : TRADE PAYABLES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Total outstanding dues of micro enterprises and small enterprises	309.39	23.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	199.70	231.97
Total	509.09	255.01

-Trade payables ageing schedule are disclosed in note 21.

Note No. 14 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Employees Benefits Payable	35.75	13.12
Deposit from Dealers	-	26.00
Others	1.22	5.90
Total	36.98	45.02

Note No. 15 : OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Statutory Dues	0.79	24.64
Advance from Customers	73.23	6.27
Total	74.02	30.91

Note No. 16 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Sales	12,220.81	5,549.68
Total	12,220.81	5,549.68

Note No. 17 : OTHER INCOME

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Interest from Fixed Deposits	63.08	2.07
Exchange fluctuation (net)	2.36	0.78
Transportation & Courier Charges Received	1.49	13.54
Miscellaneous income	15.72	3.88
Total	82.65	20.27

Notes to the Standalone Financial Statement

For the year ended March 31, 2023 (All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 18 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Establishment Expenses	486.34	67.34
Staff Welfare Expenses	8.48	1.01
Total	494.81	68.35

Note No. 19 : OTHER EXPENSES

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Travelling	52.07	7.23
Conveyance	47.97	7.57
Payment to Auditors (Refer note no. 19.1)	2.87	1.45
Advertisement and sales promotion	136.99	42.22
Online Selling Expenses	155.66	-
Consumption of stores and spares	113.77	7.29
Logistic Charges	184.61	43.85
Printing and Stationery	3.90	1.53
Postage, telegram and telephone expenses	0.80	0.38
Commission & Brokerage	40.85	5.48
Insurance Expenses	5.86	0.41
Fees & Taxes	32.27	1.37
Listing Fees	10.39	3.35
Professional and Consultancy Charges	44.91	12.12
Repair and Maintenance	14.47	0.54
Electricity, Water Charges & others	48.54	1.82
Director's Sitting Fee	4.50	2.25
Legal Expenses	6.61	25.98
Website and IT Expenses	4.31	5.73
Festival Expenses	6.72	0.43
Job Work Charges	6.80	-
Security Expenses	2.07	-
Donation	1.00	-
Miscellaneous expenses	4.57	0.14
Total	932.53	171.14

Note No. 19.1 : PAYMENTS TO AUDITORS

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Statutory Audit & Limited Review	2.00	1.00
Other Services	0.87	0.45
Total	2.87	1.45

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 20 : TRADE RECEIVABLES AGEING SCHEDULE

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Undisputed Trade receivables - Considered good	1,427.55	723.92
Total	1,427.55	723.92

AGEING :-

Particulars	Outstanding for following periods from due date of payment										Total
	Less than 6 months		6 months to 1 year		1-2 years		2-3 years		More than 3 years		
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	
Undisputed Trade receivables - Considered good	1,187.91	721.22	199.24	2.70	37.70	-	2.70	-	-	1,427.55	723.92

Note No. 21 : TRADE PAYABLES AGEING SCHEDULE

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Total outstanding dues of micro enterprises and small enterprises	309.39	23.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	199.70	231.97
Total	509.09	255.01

Note: Trade payables are carried at amortized cost.

AGEING :-

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	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of micro enterprises and small enterprises	309.39	23.04	-	-	-	-	-	-	309.39	23.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	199.68	231.97	0.02	-	-	-	-	-	199.70	231.97
Total									509.09	255.01

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 22 : CONTINGENT LIABILITIES

Particulars	Total	
	As at 31 st March, 2023	As at 31 st March, 2022
Brief particulars of litigation: The matter is under appeal filed by Company with Hon'ble High Court of Delhi against the order passed by Saket Court, Ms. Jyoti Kler, ADJ-07 in favor of Mr. Satish Somani on account of recovery of maintenance charges paid by Mr. Somani to the mall authorities against the shop let out to the company. Parties Involved: Swiss Military Consumer Goods Limited Vs. Mr. Satish Somani. Court under which pending: Hon'ble High Court of Delhi	10.79	10.79
Brief particulars of litigation: The matter is under appeal filed by Company with Commissioner of Income Tax of Delhi against the order dated 7.12.2021 u/s 270A of the Act framed by learned Additional/Joint/Deputy/Assistant Commissioner of Income Tax/Income Tax Officer, National Faceless Assessment Centre, New Delhi for A.Y. 2017-18. Parties Involved: Swiss Military Consumer Goods Limited Vs. Income Tax Court under which pending: Commissioner of Income Tax of Delhi	13.53	-
Total	24	11

Note No. 23 :-

The Company has invested an amount of ₹4,18,99,280/- (Rupees Four Crore Eighteen Lakh Ninety Nine Thousand Two Hundred Eighty only) in the wholly owned subsidiary company i.e. AAA Shenyang Container Seal Pvt Ltd. The subsidiary company is engaged in the business of RFID e-seals, other security seals and parts, electronic information technology development, electronic product sales etc.

Note No. 24 :- EXCEPTIONAL ITEMS

Profit from Sale of Property, Plant and Equipment ₹ Nil (Previous Year ₹18,73,050)

Note No. 25 :-

The Company has unabsorbed business losses/depreciation, which according to the management will be used to setoff taxable profit arising from the operations of the Company, as per the applicable provisions of Income Tax Act and rules made thereunder. Accordingly, no provision for income tax has been made in the financial statements of the company during the year.

Note No. 26 : RELATED PARTY DISCLOSURES

1. Related Party Disclosures for the period ended 31st March, 2023 in accordance with Indian Accounting Standard (Ind AS)-24.

a) List of related parties & relationships, where control exists.

Sr. No.	Nature of Relationship	Name of Parties
1	Holding Company	Nil
2	Subsidiary Company	AAA Shenyang Container Seal Private Limited
3	Associates	Nil
4	Key Management Personnel & their relatives	Mr. Ashok Kumar Sawhney (Non-Executive Chairman) Mr. Anuj Sawhney (Managing Director) Mrs. Ashita Sawhney (Non-Executive Director) Mr. Vijay Kalra (Chief Financial Officer) Mr. Vikas Jain (Company Secretary)
5	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives	Swiss Military Life Style Products Private Limited Promoshirts SM Private Limited Anushi Retail LLP
6	Non-Executive Independent Directors	Mr. Surendra Kumar Bhagat (Independent Director) Mr. Rajesh Tuteja (Independent Director) Mr. Chirag Gupta (Independent Director)

Notes to the Standalone Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

b) Transactions with Related Parties

Transactions		Associates	Directors & Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives
1	Remuneration	Nil (Nil)	73.30 (Nil)	Nil (Nil)	Nil (Nil)
2	Loan Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	325.00 (1,565.00)
3	Repayment of Loan / Adjusted against allotment of shares in Rights Issue	Nil (Nil)	Nil (Nil)	Nil (Nil)	1,000.00 (8.90)
4	Sitting fees to Non - executive directors of the company	Nil (Nil)	4.50 (2.25)	Nil (Nil)	Nil (Nil)
5	Interest paid on Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	24.86 (475.44)
7	Advance payment against Investment in Subsidiary	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (209.50)
8	Investment in Subsidiary (Refer Note No. 23)	Nil (Nil)	Nil (Nil)	Nil (Nil)	209.50 (Nil)
9	Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	308.34 (33.30)
10	Outstanding as on 31st March, 2023				
(a)	Amount Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b)	Loan Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (675.00)
(c)	Expenses Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(d)	Remuneration Payable	Nil (Nil)	2.03 (Nil)	Nil (Nil)	Nil (Nil)

Notes: 1. Figures in bracket represent previous year amounts.
2. Figures has been Regrouped/Rearranged accordingly

Note No. 27 : ACCOUNTING RATIOS :-

Particulars	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Current Assets (A)	6,707	2,199
Current Liabilities (B)	625	1,006
Borrowings (C)	-	675
Equity Share Capital (D)	3,932	1,966
Profit after tax (net income) (E)	518	275
Shareholders funds (F)	6,606	1,665
Net Credit Sales (G)	12,221	5,550
Working Capital (H)	6,082	1,194

Notes to the Standalone Financial Statement

For the year ended March 31, 2023 (All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 st March, 2023	For the Year ended 31 st March, 2022
Earning before interest & Tax (I)	653	275
Capital Employed (J)	6,606	1,665
Profit for the period/year (including OCI) (K)	518	275
Weighted Average Number of Equity Shares outstanding at the end of the year (L)	196,593,992	98,296,996
Networth (M)	6,606	1,665
Current Ratio (in times) (A/B)	10.73	2.19
Debt-Equity Ratio (in times) (C/D)	-	0.34
Return on Equity Ratio (%) (E/F)	7.84	16.50
Net Capital turnover Ratio (in times) (G/H)	2.01	4.65
Net profit Ratio (%) (E/G X 100)	4.24	4.95
Return on Capital employed (%) (I/J X 100)	9.88	16.49
Basic Earning Per Shares (₹) (K/L)	0.26	0.28
Diluted Earning Per Shares (₹) (K/L)	0.26	0.28
Return on networth (%) (K/F)	7.84	16.50
Net Asset value per equity share (₹) (M/L)	3.36	1.69

The Ratios have been computed as below:

- Current Ratio = Current Assets/ Current Liabilities
- Debt Equity Ratio= Total Liabilities/Total Shareholders' Equity
- Return on Equity Ratio = Net Income/ Shareholders Equity
- Net Capital turnover Ratio = Sales/ Working Capital
- Net profit Ratio = Net profit after tax/Net Sales
- Return on Capital employed = Earning before interest and Tax/ Capital Employed
- Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding equity shares during the year.
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
- Return on Networth= Profit available to equity shareholders/ Net worth (net worth means= Shareholders funds i.e. Equity share capital +other equity).
- Net Asset Value per equity share= Networth/ Number of equity shares outstanding during the year.

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Consolidated Financial Statement

Independent Auditor’s Report On Consolidated Financial Statements

Unique Document Identification Number (UDIN) for this document is **23080855BGQJSV5717**

To the Members of
Swiss Military Consumer Goods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of **Swiss Military Consumer Goods Limited, and its wholly owned subsidiary i.e., AAA Shenyang Container Seal Pvt Ltd** (the company) which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of changes in Equity and the Consolidated statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(herein after referred to as “the Consolidated Financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) 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, 2023, its Consolidated Profit, its Consolidated total comprehensive income, its Consolidated changes in equity and its cash flows for the year on that date.

Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
Provisions, Litigations, Claims and Contingent Liabilities: (Refer Note- 22)	
The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain tax positions on deductibility of expenses and allowance of certain tax deductions.	Our audit procedures included the following: • We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions. • We inquired the status in respect of significant provisions with the Company’s internal tax and legal team. • We assessed the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company’s advisors and assessing whether there was an indication of management bias. • We verified the calculation of provision on a test check basis.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Information Other than the consolidated Financial Statements and Consolidated Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Consolidated financial statements and our 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibilities for the Financial Statements

The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated cash flows and Consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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, the 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 also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identified 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, misrepresentation override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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.
- Evaluated the overall presentation, structure and content of the 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicated 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 provided 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 determined 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 described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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

As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, We give it the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the order.to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial statements.

- 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.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss & the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by company to its directors during the year is in accordance with the provisions of 197 of the Act.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position
 - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - The Board of Directors of the company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General meeting, The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Sd/-
B. K. Sood
Partner
M. No. 080855

Place: New Delhi
Date: 09th Day of May, 2023

"Annexure A" to the Consolidated Independent Auditor's Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of "SWISS MILITARY CONSUMER GOODS LIMITED on the financial statements as of and for the year ended 31st March, 2023

1) In respect of its fixed assets: -

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical assets have been noticed.
- According to the information and explanations given to us and based on the examination of the title deeds of all the immovable properties (which are included under the head of property, plant and equipment) are held in the name of the Company.
- In our opinion company has not revalued Property, Plant and Equipment or Intangible assets or both during the year.
- According to information and explanation given to us there are no proceedings initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.

2) In respect of its inventories: -

- The management has physically verified the inventories at reasonable intervals and during the year. In our opinion, the frequency of verification is reasonable.
- No material discrepancies noticed on verification between the physical stocks and the book records and such discrepancies have been properly dealt with in the books of accounts.

- Based upon the audit procedures performed and the information and explanations given by the management, During the Year Company has not made any Loan or Advance investments in, companies, firms, Limited Liability Partnership or any other parties

- In our Opinion Company has not made investments, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's Interest.
- Based upon the audit procedures performed and the information and explanations given to us by the management, the repayment schedule of loans and advances has been checked and company is regular in repayment of principal and payment of interest on loans and advances.
- As per informed to us, there is no overdue in loans and advance for more than 90 Days.
- As per information and explanations given to us by the management there are no loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- As informed to us, there are no any loans or advance in the nature of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

- In our opinion and according to the information and explanations given to us, the company has not provided any loan, guarantees, and investments to which the provision of sec 185 of the act apply.

However, regarding loans, guarantees, and Investments to which the provision of sec 186 apply, the company has complied with the provision of section.

- The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly, clause is not applicable.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of Goods and service Tax, income tax, duty of customs outstanding on account of any dispute.
- 8) According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions and banks nor has it issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order is not applicable to the Company.
- 9) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (b) In our opinion company is not a declared willful defaulter by any Bank or financial institution or other lender.
- (c) As per information and explanations given to us loan was applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations no fund raised on short term basis has been utilized for long term purposes.
- (e) As per information 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) As per information Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company and hence not commented upon.
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud has been made by the Company or on the company by its officers or employees that has been noticed or reported during the year.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, we have observed that no offence involving fraud has been committed against the company by officers or employees of the company. Hence auditor has not reported u/s (12) of section 143 of the companies Act and no forms 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) Based upon the audit procedures performed we have not came cross any whistle-blower complaints. Accordingly, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards.
- 14) a). In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- b). We have considered, the internal audit reports issued to the company during the year and covering the period up to 31st March, 2023 for the period under audit.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the provisions of clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) In our opinion, company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) As the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3 (xvi)(d) of the Order are not applicable to the Company.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There is no resignation of the statutory auditors during the year. Accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) Based upon audit procedure performed and the information and explanations given by the management, Companies does not fall under section 135 Corporate Social responsibility of the said act. Accordingly, the provisions of clause 3 (xx) of the Order are not applicable to the Company.
- 21) In our opinion, no qualification and adverse remark has been made by the respective Auditors of Subsidiary to be included in the Consolidated Financial Statement. Accordingly, the provisions of clause 3 (xxi) of the Order are not applicable to the Company.

Place: New Delhi
Date: 09th Day of May, 2023

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Sd/-
B. K. Sood
Partner
M. No. 080855

“Annexure B” to the Consolidated Independent Auditor’s Report

of even date on the Financial Statements of SWISS MILITARY CONSUMER GOODS LIMITED

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls over financial reporting of SWISS MILITARY CONSUMER GOODS LIMITED as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining Internal Financial Controls with reference to Consolidated Financial Statements based on “the internal control over financial reporting 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”. 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls with reference to Consolidated Financial Statements of the company. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes 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 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based

on “the internal control over financial reporting 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.

For **B K Sood & Co.**
Chartered Accountants
FRN. 000948N

Place: New Delhi
Date: 09th Day of May, 2023

Sd/-
B. K. Sood
Partner
M. No. 080855

Consolidated Balance Sheet

as at 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 st March, 2023
ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	3	136.50
(b) Deferred tax assets (net)		0.28
Total Non-Current Assets		136.78
(2) Current Assets		
(a) Inventories	4	1,747.47
(b) Financial Assets		
i) Trade Receivables	5	1,661.81
ii) Cash and Cash Equivalents	6	2,747.61
iii) Other financial assets	7	149.26
(c) Other Current Assets	8	1,019.84
Total Current Assets		7,325.99
TOTAL ASSETS		7,462.77
EQUITY AND LIABILITIES		
(1) Equity		
a) Equity Share Capital	9	3,931.88
b) Other Equity	10	2,851.19
Total Equity		6,783.07
(2) LIABILITIES		
Non-current liabilities		
Current Liabilities		
(a) Financial Liabilities		
i) Trade payables	11	546.99
ii) Other Financial Liabilities	12	40.33
(b) Other Current Liabilities	13	84.23
(c) Income tax liabilities (net)		8.15
Total Current Liabilities		679.70
TOTAL EQUITY AND LIABILITIES		7,462.77
Corporate information	1	
Significant accounting policies	2	

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	Yearly ended 31 st March, 2023
I Revenue from Operations	14	12,999.94
II Other Income	15	87.97
III Total Income (I+II)		13,087.91
IV Expenses		
Purchases of stock in trade		12,030.33
Change in inventories of stock in trade		(1,238.99)
Employee benefits expenses	16	533.02
Depreciation and amortization expenses	3	22.30
Other expenses	17	955.07
Total Expenses (IV)		12,301.73
V Profit/(Loss) before exceptional items and tax(III-IV)		786.19
VI Exceptional items		-
VII Profit/(Loss) before tax		786.19
VIII Tax Expenses:		
(1) Current Tax		168.65
(2) Deferred Tax		(0.09)
IX Profit/(Loss) after tax for the period		617.64
X Other Comprehensive Income		-
XI Total Comprehensive Income for the period (IX+XI)		617.64
Earning Per Equity Share		
a) Basic (₹)		0.31
b) Diluted (₹)		0.31
Corporate information	1	
Significant accounting policies	2	

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of

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Chartered Accountants

Firm Registration No. 000948N

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Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March, 2023
Profit/(Loss) before tax	786.19
Adjustments for:	
Depreciation	22.30
Interest Income on Fixed Deposit	(68.21)
Exchange fluctuation (net)	(2.36)
Operating (Loss)/Profit before working capital changes	737.92
Change in Working Capital	
Adjustments for (Increase)/Decrease in Operating Assets	
Inventories	(1,238.99)
Trade Receivables	(708.20)
Other financial assets	(58.58)
Other current assets	(558.10)
Income tax Assets (net)	0.71
Adjustments for Increase/(Decrease) in Operating Liabilities	
Trade payables	254.08
Other Financial Liabilities	(8.04)
Other Current Liabilities	88.87
Income tax liabilities (net)	4.89
Cash Generated/(used in) from Operating Activities (A)	(1,485.45)
Taxes	(168.65)
Net Cash Generated/(used in) from Operating Activities (A)	(1,654.10)
Cash flow from Investing Activities	
Interest Income on Fixed Deposit	68.21
Exchange fluctuation (net)	2.36
Payment for Purchase PPE	(69.72)
Net Cash from/(used in) Investing Activities (B)	0.85
Cash flow from Financing Activities	
Proceeds from Rights issue	4,423.36
Proceeds from Borrowings	(675.00)
Net cash from/(used in) Financing Activities (C)	3,748.36
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	2,095.12
Cash & Cash equivalents at beginning of the year	652.49
Cash & Cash equivalents at end of the year	2,747.61

Notes:

- The above Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard-7 Statement of Cash Flows.
- Previous years figures have been regrouped/ rearranged/ recasted wherever necessary to make them comparable with those of current year.

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

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Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Consolidated Statement of Change in Equity

for the year ended 31st March, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

(a) Equity Share Capital

Particulars	As at 31 st March 2023 No. of Shares
Equity Share Capital as at beginning of the year	1,965.94
Add: Equity Share Capital issued during the year	1,965.94
Equity Shares Capital at the end of the year	3,931.88

(b) Other Equity

Particulars	Reserves & Surplus				Other Comprehensive Income		
	Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	Total Other Equity
Balance as at 31st March 2022	4.00	764.13	199.11	(1,268.15)	-	-	(300.92)
Profit/(Loss) for the period	-	-	-	617.64	-	-	617.64
On Rights Issue	-	2,457.42	-	-	-	-	2,457.42
On Subsidiary	-	-	77.04	-	-	-	77.04
Balance as at 31st March, 2023	4.00	3,221.55	276.15	(650.52)	-	-	2,851.19

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Notes to the Accounting Policies

1. Corporate Information

Swiss Military Consumer Goods Limited ("the Company") is a Public Limited Company incorporated in India with its registered office at W-39, Okhla Industrial Area, New Delhi - 110020. The Company has its Listings on the BSE Ltd.

2. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company i.e., its subsidiaries. It also includes the Group's share of profits, net assets and retained post-acquisition reserves of joint ventures and associates that are consolidated using the equity method of consolidation. Control is achieved when the Parent Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Parent Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results of subsidiaries, joint ventures and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The Accounting Policies of the parent company, its subsidiaries, joint ventures and associates are largely similar. However, few accounting policies are different as certain subsidiaries/associates located in different countries have to comply with the local regulatory requirements. Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring their accounting policies in line with those used by other members of the Group. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 "Consolidated Financial Statement". Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of noncontrolling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by- acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling

interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance. Impact of any insignificant and immaterial Non Controlling Interest is not considered. Foreign Subsidiaries: Items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the year. Resulting exchange differences arising on translation of said items have been transferred to Foreign Currency Translation Reserve Account through Other Comprehensive Income. In case of associates, where Parent Company holds directly or indirectly through subsidiaries 20% or more equity or/and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". Post acquisition, the Parent Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Parent Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements

3. Significant Accounting Policies

a) Basis of preparation and measurement

The financial statements of the company have been prepared in accordance with the Indian Accounting Standard (Ind AS), the provisions of the companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Notes to the Accounting Policies

b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the nature of product / activities of the Company and the normal time between acquisition of assets/liabilities and their realisation / settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in para (d) below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

d) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

i) Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjust to reflect the current best estimates.

ii) Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default.

e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method based on estimated useful life of assets as prescribed in schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under "Capital work-in-progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the

Notes to the Accounting Policies

financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

f) Intangible Assets: -
Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The amortisation period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence demand, competition, and other economic factors and the level of maintenance expenditures required to obtain the expected future cash flows from assets.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognized or on disposal.

g) Impairment of tangible assets intangible assets
Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of

the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h) Investment Property
Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to investment properties are added to its book value 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. Investment properties are depreciated using the straight- line method over the estimated useful lives.

i) Inventories: -

i) Basis of valuation:
Inventories are valued at the lower of cost or net realizable value. Cost of inventories has been measured on FIFO basis & comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The comparison of cost and net realizable value is made on item-by-item basis.

ii) Method of valuation:
Cost of traded goods has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Notes to the Accounting Policies

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Due allowances are made in respect of slow-moving, non-moving and obsolete inventory based on estimates made by the management.

j) Foreign currency translation
Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

Transactions and translations
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains / (losses) on translation of assets and liabilities, net, except when deferred in "other comprehensive income" as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings.

k) Revenue Recognition

i) Revenue from customers
Revenue from customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Other income
Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/ loss on capital market in future & Options. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

l) Borrowing Costs
Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which these incurred except loan processing fees which is recognized as per effective rate of interest method.

m) Financial Instruments
Initial recognition and measurement:
Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial assets
The Company classifies its financial assets in the following categories:

Notes to the Accounting Policies

- i) **Financial assets at amortised cost –**
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is 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. Financial assets measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortization is included in finance income in the statement of profit and loss.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 months' period, carried at amortised cost using the effective interest method, less any impairment loss.

Following financial assets are measured at amortised cost: -
 - (i) Security deposit
 - (ii) Cash and cash equivalent
 - (iii) Advances adjustable with other financial instrument
- ii) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) –**
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling 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.

The company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- iii) **Financial assets at Fair Value through Profit and loss (FVTPL) –**
FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.
 - iv) **Impairment of financial assets –**
The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.
- Financial liabilities**
- Initial recognition and measurement**
All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.
- i) **Financial liabilities at Amortised Cost**
Financial liabilities at amortised cost represented by trade and other payables, security deposits, advances refundable and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
 - ii) **Financial liabilities at Fair Value through Profit & Loss (FVTPL)**
The company has not designated any financial liabilities at FVTPL.

Notes to the Accounting Policies

- Investment in Equity Instrument of Joint Venture/ partnership.
- Investment in equity instruments of joint ventures are measured at cost as per Ind AS 27- Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint Ventures.
- Financial Guarantee Contracts**
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.
- De-recognition**
- Financial Asset**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.
- Financial Liability**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.
- Fair value measurement**
Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- (a) In the principal market for the asset or liability, or
 - (b) In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities –
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Notes to the Accounting Policies

- The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
- For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
- n) Income Tax**
- i) Current Income Tax**
Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- ii) Deferred Tax:**
Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.
- Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity in which case the deferred tax is recognised in Other Comprehensive Income or equity respectively.
- iii) Dividend Distribution Tax:**
Tax on Dividends declared by the Company is recognised as an appropriation of Profit.

- o) Employee Benefits**
- i) Short-term obligations**
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- ii) Post retirement employee benefits:**
The Company operates the following post-employment schemes
- (a) Defined benefit plans such as gratuity; and
 - (b) Defined contribution plans such as provident fund
- The above post retirement employee benefits are not applicable to the company.
- iii) Other employee benefits:**
The liabilities for earned leaves and compensated absences are settled at the year end.
- p) Provisions, contingent liabilities and contingent assets**
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Accounting Policies

- Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.
- A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where inflows of economic benefits are possible.
- q) Cash and cash equivalents**
Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- r) Events after the reporting period**
Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.
- Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.
- s) Earnings Per Share**
- (i) Basic earnings per share**
Basic earnings per share is calculated by dividing:
- The profit attributable to owners of the company
 - By the weighted average number of equity shares outstanding during the financial year, adjusted for

- bonus elements in equity shares issued during the year and excluding treasury shares.
- (ii) Diluted earnings per share**
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
 - The weighted average number of additional equity shares that would have been outstanding assuming the 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). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.
- The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors
- t) Offsetting instruments**
Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.
- u) Segment Reporting**
The Company is primarily engaged in trading activities. Since this segment meets the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers this as a single reportable segment.

Notes to the Accounting Policies

Accordingly, disclosure of segment information has not been furnished.

v) Financial Risk Management

Risk management framework

The Company's Board of Director has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Policy.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit function, which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables:-

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is

analysed individually for Creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically.

At the end of the reporting period, there are no significant concentrations of credit risk. The carrying amount reflected above represents the maximum exposure to credit risk.

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

C. Market Risk

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through a mix of equity, borrowings and operating cash flows.

Interest rate risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and variable rate borrowings.

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Vehicles	Plant & Machinery	Office Equipment	Furniture & Fixtures	Total
Gross Carrying Value						
As at 1st April 2022	-	-	44.54	0.92	15.28	60.74
Addition During the period	-	18.00	57.42	7.47	26.43	109.32
Adjustments/(Deletions) during the period	-	-	(2.17)	-	-	(2.17)
As at 31st March 2023	-	18.00	99.79	8.39	41.71	167.89
Depreciation/Amortization						
As at 1st April 2022	-	-	5.84	0.18	3.07	9.09
Provided for the period	-	1.07	17.07	1.39	2.77	22.30
Adjustments/(Deletions) during the period	-	-	-	-	-	-
As at 31st March 2023	-	1.07	22.92	1.56	5.84	31.39
NET CARRYING VALUE						
As at 1st April 2022	-	-	38.69	0.74	12.21	51.64
As at 31st March 2023	-	16.93	76.87	6.83	35.87	136.50

Note No. 4 : INVENTORIES

Particulars	As at 31 st March, 2023
Stock in Trade	1,747.47
Total	1,747.47

Note No. 5 : TRADE RECEIVABLES

Particulars	As at 31 st March, 2023
Trade receivables considered good - Unsecured	1,661.81
Total	1,661.81

-Trade receivables ageing schedule are disclosed in note 18.

Note No. 6 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2023
Cash on hand	0.24
Balance with bank :	
- in current accounts	396.77
- in deposit accounts with original maturity of less twelve month	2,350.61
Total	2,747.61

Note No. 7 : OTHER FINANCIAL ASSETS

Particulars	As at 31 st March, 2023
Interest accrued on deposits	37.24
Security Deposits	112.02
Total	149.26

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 8 : OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2023
Prepaid Expenses	69.22
Advance to employees	3.75
Advance for supply of Goods / Service	868.92
Balance with Government Authorities	77.95
Total	1,019.84

Note No. 9 : EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2023
AUTHORISED CAPITAL	
26,25,00,000 (Previous year 26,25,00,000) Equity Shares of face value of ₹2/-	5,250.00
6,00,000 (Previous year 6,00,000) Preference share of face value of ₹100/-	600.00
	5,850.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	
19,65,93,992 (Previous year 9,82,96,996) Equity Shares of face value of ₹2/-	3,931.88
	3,931.88

a) RIGHTS, PREFERENCE AND RESTRICTIONS

The company has only one class of shares referred to as equity shares having a face value of ₹2/- each. Holder of equity shares is entitled to one vote per share.

b) ISSUE OF SHARES ON RIGHTS BASIS

The Board of Directors at their meeting held on September 07, 2022 allotted 9,82,96,996 equity shares of face value of ₹2/- each at a price of ₹4.50/- per share (including premium of ₹2.50/- per equity share), on rights basis in the ratio of 1 equity share for every 1 existing fully-paid equity share, held by the eligible equity shareholders as on the record date i.e. July 23, 2022.

c) RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR IS SET OUT BELOW:

Particulars	As at 31 st March, 2023	
	No. of Shares	Amount (₹)
Number of shares at the beginning	98,296,996	1,965.94
Add: Shares issued during the year	98,296,996	1,965.94
Number of shares at the end	196,593,992	3,931.88

d) THE DETAILS OF SHAREHOLDING OF PROMOTERS & PROMOTERS GROUP IS SET OUT BELOW :-

Name	As at 31 st March, 2023	
	No. of Shares	%
Promoters		
Anushi Retail LLP	117,350,684	59.69
Promoters Group		
Pankaj Shrimali	4,846,800	2.47
Madhuri Shrimali	3,337,200	1.70

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

e) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IS SET OUT BELOW :-

Name	As at 31 st March, 2023	
	No. of Shares	%
Anushi Retail LLP	117,350,684	59.69
Uninet Strategic Advisory Limited	21,876,131	11.13

Note No. 10 : OTHER EQUITY

Particulars	Reserves & Surplus				Other Comprehensive Income		
	Capital Redemption Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Share in aggregate other Comprehensive Income of Associate(s)	Total Other Equity
Balance as at 1st April 2022	4.00	764.13	199.11	(1,268.15)	-	-	(300.92)
Profit/(Loss) for the period	-	-	-	617.64	-	-	617.64
On Rights Issue	-	2,457.42	-	-	-	-	2,457.42
On Subsidiary	-	-	77.04	-	-	-	77.04
Balance as at 31st March, 2023	4.00	3,221.55	276.15	(650.52)	-	-	2,851.19

Note No. 11 : TRADE PAYABLES

Particulars	As at 31 st March, 2023
Total outstanding dues of micro enterprises and small enterprises	
Total outstanding dues of creditors other than micro enterprises and small enterprises	546.99
Total	546.99

Note No. 12 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2023
Employees Benefits Payable	39.11
Others	1.22
Total	40.33

Note No. 13 : OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2023
Statutory Dues	8.14
Advance from Customers	73.23
Other Payable	2.85
Total	84.23

Note No. 14 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 st March, 2023
Sales	12,999.94
Total	12,999.94

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023 (All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 15 : OTHER INCOME

Particulars	For the year ended 31 st March, 2023
Interest from Fixed Deposits	68.21
Exchange fluctuation (net)	2.36
Transportation & Courier Charges Received	1.49
Miscellaneous income	15.91
Total	87.97

Note No. 16 : EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 st March, 2023
Establishment Expenses	524.26
Staff Welfare Expenses	8.76
Total	533.02

Note No. 17 : OTHER EXPENSES

Particulars	For the year ended 31 st March, 2023
Travelling	52.07
Conveyance	48.67
Payment to Auditors (Refer note no. 17.1)	3.87
Advertisement and sales promotion	136.99
Online Selling Expenses	170.23
Consumption of stores and spares	113.77
Logistic Charges	184.61
Printing and Stationery	3.94
Postage, telegram and telephone expenses	0.93
Commission & Brokerage	40.85
Insurance Expenses	5.86
Fees & Taxes	32.50
Listing Fees	10.39
Professional and Consultancy Charges	45.62
Repair and Maintenance	14.88
Electricity, Water Charges & others	48.63
Sitting Fee	4.50
Legal Expenses	6.61
Website and IT Expenses	4.31
Festival Expenses	7.01
Job Work Charges	6.80
Seccurity Expenses	5.43
Donation	1.00
Miscellaneous expenses	5.60
Total	955.07

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023 (All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 17.1 : PAYMENTS TO AUDITORS

Particulars	For the year ended 31 st March, 2023
Statutory Audit & Limited Review	2.40
Other Services	1.47
Total	3.87

Note No. 18 : TRADE RECEIVABLES AGEING SCHEDULE

Particulars	As at 31 st March, 2023
Undisputed Trade receivables - Considered good	1,661.81
Total	1,661.81

AGEING :-

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023
Undisputed Trade receivables - Considered good	1,422.17	199.24	37.70	2.70	-	1,661.81

Note No. 19 : TRADE PAYABLES AGEING SCHEDULE

Particulars	As at 31 st March, 2023
Total outstanding dues of micro enterprises and small enterprises	328.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	218.56
Total	546.99

Note: Trade payables are carried at amortized cost.

AGEING :-

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
	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023	As at 31.03.2023
Total outstanding dues of micro enterprises and small enterprises	328.42	-	-	-	328.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	218.54	0.02	-	-	218.56
Total					546.99

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

Note No. 20 : CONTINGENT LIABILITIES

Particulars	Total
	As at 31 st March, 2023
Brief particulars of litigation: The matter is under appeal filed by Company with Hon'ble High Court of Delhi against the order passed by Saket Court, Ms. Jyoti Kler, ADJ-07 in favor of Mr. Satish Somani on account of recovery of maintenance charges paid by Mr. Somani to the mall authorities against the shop let out to the company. Parties Involved: Swiss Military Consumer Goods Limited Vs. Mr. Satish Somani. Court under which pending: Hon'ble High Court of Delhi	10.79
Brief particulars of litigation: The matter is under appeal filed by Company with Commissioner of Income Tax of Delhi against the order dated 7.12.2021 u/s 270A of the Act framed by learned Additional/Joint/Deputy/ Assistant Commissioner of Income Tax/ Income Tax Officer, National Faceless Assessment Centre, New Delhi for A.Y. 2017-18. Parties Involved: Swiss Military Consumer Goods Limited Vs. Income Tax Court under which pending: Commissioner of Income Tax of Delhi	13.53
Total	24.32

Note No. 21 :-

The Company has invested an amount of ₹4,18,99,280/- (Rupees Four Crore Eighteen Lakh Ninety Nine Thousand Two Hundred Eighty only) in the wholly owned subsidiary company i.e. AAA Shenyang Container Seal Pvt Ltd. The subsidiary company is engaged in the business of RFID e-seals, other security seals and parts, electronic information technology development, electronic product sales etc.

Note No. 22 :- EXCEPTIONAL ITEMS

Profit from Sale of Property, Plant and Equipment ₹ Nil (Previous Year ₹18,73,050)

Note No. 23 :-

The Company has unabsorbed business losses/depreciation, which according to the management will be used to setoff taxable profit arising from the operations of the Company, as per the applicable provisions of Income Tax Act and rules made thereunder. Accordingly, no provision for income tax has been made in the financial statements of the company during the year.

Note No. 24 : RELATED PARTY DISCLOSURES

1. Related Party Disclosures for the period ended 31st March, 2023 in accordance with Indian Accounting Standard (Ind AS)-24.

a) List of related parties & relationships, where control exists.

Sr. No.	Nature of Relationship	Name of Parties
1	Holding Company	Nil
2	Subsidiary Company	AAA Shenyang Container Seal Private Limited
3	Associates	Nil
4	Key Management Personnel & their relatives	Mr. Ashok Kumar Sawhney (Non-Executive Chairman) Mr. Anuj Sawhney (Managing Director) Mrs. Ashita Sawhney (Non-Executive Director) Mr. Vijay Kalra (Chief Financial Officer) Mr. Vikas Jain (Company Secretary)
5	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives	Swiss Military Life Style Products Private Limited Promoshirts SM Private Limited
6	Non-Executive Independent Directors	Mr. Surendra Kumar Bhagat (Independent Director) Mr. Rajesh Tuteja (Independent Director) Mr. Chirag Gupta (Independent Director)

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023

(All amounts in Rupees Lakhs, unless otherwise stated)

b) Transactions with Related Parties

Transactions	Associates	Directors & Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel or their Relatives
1 Remuneration	Nil (Nil)	73.30 (Nil)	Nil (Nil)	Nil (Nil)
2 Loan Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	325.00 (1,565.00)
3 Repayment of Loan / Adjusted against allotment of shares in Rights Issue	Nil (Nil)	Nil (Nil)	Nil (Nil)	1,000.00 (8.90)
4 Sitting fees to Non - executive directors of the company	Nil (Nil)	4.50 (2.25)	Nil (Nil)	Nil (Nil)
5 Interest paid on Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6 Sale of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	24.86 (475.44)
7 Advance payment against Investment in Subsidiary	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (209.50)
8 Investment in Subsidiary (Refer Note No. 23)	Nil (Nil)	Nil (Nil)	Nil (Nil)	209.50 (Nil)
9 Purchase of Goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	308.34 (33.30)
10 Professional Fees to Non - executive directors of the company	Nil (Nil)	0.45 (Nil)	Nil (Nil)	Nil (Nil)
11 Outstanding as on 31st March, 2023				
(a) Amount Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b) Loan Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (675.00)
(c) Expenses Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(d) Remuneration Payable	Nil (Nil)	2.03 (Nil)	Nil (Nil)	Nil (Nil)

Notes: 1. Figures in bracket represent previous year amounts.
2. Figures has been Regrouped/Rearranged accordingly

Note No. 25 : ACCOUNTING RATIOS :-

Particulars	For the Year ended 31 st March, 2023
Current Assets (A)	7,325.99
Current Liabilities (B)	679.70
Borrowings (C)	-
Equity Share Capital (D)	3,931.88
Profit after tax (net income) (E)	617.64
Shareholders funds (F)	6,783.07

Notes to the Consolidated Financial Statement

For the year ended March 31, 2023 (All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 st March, 2023
Net Credit Sales (G)	12,999.94
Working Capital (H)	6,646.29
Earning before interest & Tax (I)	786.19
Capital Employed (J)	6,783.08
Profit for the period/year (including OCI) (K)	617.64
Weighted Average Number of Equity Shares outstanding at the end of the year (L)	196,593,992
Networth (M)	6,783.07
Current Ratio (in times) (A/B)	10.78
Debt-Equity Ratio (in times) (C/D)	-
Return on Equity Ratio (%) (E/F)	9.11
Net Capital turnover Ratio (in times) (G/H)	1.96
Net profit Ratio (%) (E/G X 100)	4.75
Return on Capital employed (%) (I/J X 100)	11.59
Basic Earning Per Shares (₹) (K/L)	0.31
Diluted Earning Per Shares (₹) (K/L)	0.31
Return on networth (%) (K/F)	9.11
Net Asset value per equity share (₹) (M/L)	3.45

The Ratios have been computed as below:

- Current Ratio = Current Assets/ Current Liabilities
- Debt Equity Ratio= Total Liabilities/Total Shareholders' Equity
- Return on Equity Ratio = Net Income/ Shareholders Equity
- Net Capital turnover Ratio = Sales/ Working Capital
- Net profit Ratio = Net profit after tax/Net Sales
- Return on Capital employed = Earning before interest and Tax/ Capital Employed
- Earnings per share = Profit available to equity shareholders/ weighted avg number of outstanding equity shares during the year.
- Diluted Earnings per share = Profit available to equity shareholders/ weighted avg number of potential equity shares outstanding during the year.
- Return on Networth= Profit available to equity shareholders/ Net worth (net worth means= Shareholders funds i.e. Equity share capital +other equity).
- Net Asset Value per equity share= Networth/ Number of equity shares outstanding during the year.

As per our report of even date

For and on behalf of

B. K. Sood & Co.

Chartered Accountants

Firm Registration No. 000948N

Sd/-

CA B.K. Sood

Partner

M. No. 080855

Place : New Delhi

Date : 09th May 2023

For and behalf of Board of Directors of

Sd/-

Ashok Kumar Sawhney

Director

Din : 00303519

Sd/-

Vijay Kalra

Chief Financial Officer

Sd/-

Anuj Sawhney

Director

Din : 00471724

Sd/-

Vikas Jain

Company Secretary

Notice to the 34th Annual General Meeting

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Swiss Military Consumer Goods Limited will be held on Friday 15th day of September, 2023 at 12:00 Noon IST through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statement) of the Company for the Financial Year ended March 31, 2023, comprising of the Balance Sheet as at March 31, 2023 and the statement of Profit and Loss Account for the Financial Year ended on that date including Statement of cash flows for the year ended as at March 31, 2023, together with the Reports of Board of Directors and Auditors thereon.
- To declare a final dividend @8% equivalent to ₹0.16/- per equity share having Face Value of ₹2/- each for the Financial Year 2022-23.
- To consider appointment of a Director in place of Mr. Ashok Kumar Sawhney (DIN: 00303519), director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

- To consider and if thought fit, to approve the appointment of Mr. Inder Dutt (DIN: 10277617) as an Independent Director (Non-Executive) of the Company and to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Inder Dutt (DIN: 10277617), who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 39th Annual General Meeting of the Company to be held in the year 2028, notwithstanding his attaining the age of Seventy Nine (79) years.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mr. Vikas Jain, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

- To consider and if thought fit, approve Employee Stock Option Scheme and to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB) Regulations"], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [all together referred to as "Applicable Law"], the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while

granting such approvals, permissions and sanctions, approval and consent of the members of the Company be and are hereby accorded respectively to the "Swiss Military Consumer Goods Ltd. - Employee Stock Option Scheme 2023" ("ESOP 2023"/"Scheme") and the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include the Nomination & Remuneration Committee or any other Committee, which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this Resolution and SEBI (SBEB) Regulations) to grant, offer and issue, in one or more tranches, not exceeding 40,00,000 (Forty Lakh) Options, to such eligible employees of the Company, Group Company(ies), Subsidiary, Associate of the Company, who are eligible to participate as per the Applicable Laws and as may be decided by the Board/ Committee, under a scheme titled "Swiss Military Consumer Goods Ltd. - Employee Stock Option Scheme 2023" (referred to as "ESOP 2023"/ Scheme") the salient features of which are detailed in explanatory statement, such number of options which when exercisable shall give rise to the issue of equity shares of the Company not exceeding 40,00,000 (Forty Lakh) equity shares in aggregate at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the Applicable Law as may be prevailing from time to time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the exercise price payable by the Employees shall be deemed to be increased or decreased in line with such change in total paid-up equity shares and/or face value thereof.

RESOLVED FURTHER THAT the Board of Directors may authorise Nomination & Remuneration Committee ("Committee"), to formulate, evolve, decide upon and bring into effect ESOP 2023, on such terms and conditions as contained in relevant explanatory statement and to make any change(s), modifications, variations, revisions in the terms and conditions of the ESOP 2023 from time to time.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under Regulation 15 of the SEBI (SBEB) Regulations.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board/ Committee be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things including authorizing to appoint Merchant Banker(s) and such other appropriate agencies, if required and to sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose, including giving effect to this Resolution with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard, in conformity with the provisions of the Companies Act, 2013, SEBI (SBEB) Regulations, the Memorandum and Articles of Association of the Company and other applicable laws."

By order of the Board
For **Swiss Military Consumer Goods Limited**

Sd/-
Vikas Jain
Place: New Delhi
Date: 10th August, 2023
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the "Act") with respect to special business set out in the Notice is annexed.
2. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard 2 ("SS-2") issued by Institute of Company Secretaries of India ("ICSI") notified by the Ministry of Corporate Affairs ("MCA") details of Director retiring by rotation/seeking re-appointment at the ensuing meeting are provided in the "Annexure-I" to the Notice. Directors seeking re-appointment/retire by rotation have furnished requisite declarations/disclosure under section 164/184 and other applicable provisions of the Act, including rules framed there under and the Listing Regulations.
3. The MCA vide its, Circular No. 20/2020 dated May 05, 2020, read with General Circular No.10/2022 dated December 28, 2022 and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and any other relevant circulars issued by MCA or SEBI (hereinafter collectively referred as "Applicable Circulars") have permitted companies to hold their AGM through VC/OAVM without physical presence of Members till September 30, 2023 and prescribed the procedures and manner of conducting the AGM through VC/OAVM.
4. In compliance with applicable provisions of the Act read with aforesaid applicable Circulars, the 34th AGM of the Company being conducted through VC/OAVM. Members can attend and participate in the AGM through VC/OAVM only. Hence, the Route map, Proxy Form and Attendance Slip are not annexed to this Notice.
5. In accordance with the SS-2 read with Clarification/ Guidance on applicability of Secretarial Standards – 1 and 2 and amendments thereof dated April 15, 2020 and December 31, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
6. All the documents referred to in the Notice and explanatory statement will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 15, 2023. Members seeking to inspect such documents can send an e-mail to investor@swissmilitaryshop.com. The Register of Members and Share Transfer Books will remain closed from September 09, 2023 to September 15, 2023 (both days inclusive) in connection with AGM and for the purpose of Dividend.
7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the "Act", the Register of contracts or arrangements in which the Directors are interested under Section 189 of the "Act" and all other documents referred to in the Notice will be available for inspection in electronic mode.
8. Final Dividend @ 8% i.e. ₹0.16/- per equity share for the year ended March 31, 2023 as recommended by the Board of Directors, if declared at AGM will be payable to those members whose name appears on the Company's Register of Members at the close of business hours on September 08, 2023. The Final Dividend will be paid with in 30 days from the date of AGM to the eligible shareholders. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending e-mail to the RTA's e-mail address at rta@alankit.com. For details members may refer to the communication on TDS on Dividend Distribution appended to this notice as Annexure-II.
9. As the AGM is being conducted through VC/OAVM, the facility to appoint Proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate therein and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act, on the e-mail id investor@swissmilitaryshop.com.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and applicable circulars the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
13. In line with the MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.swissmilitaryshop.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
14. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12th May, 2020, 15th January, 2021 and 5th January, 2023 respectively, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.swissmilitaryshop.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of NSDL www.evoting.nsdl.com.
15. Members are requested to register/update their e-mail addresses with the Depository Participant (DP) (in case of shares held in dematerialized form) or with Registrar and Share Transfer Agent (RTA) (in case of shares held in physical form) which will help us in prompt sending of notices, annual reports and other shareholder communications in electronic form.
16. Members of the Company are requested to note that as per the provisions of section 124(5) and section 124(6) of the Act, dividends not encashed/ claimed by the Member of the Company, within a period of seven years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF), also all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be

transferred to the Demat Account of IEPF Authority notified by MCA ('IEPF Demat Account').

17. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16th March, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norm for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, ban details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the members holding shares in physical form to register PAN, KYC and nomination details. Members holding shares in physical form are requested to register their PAN, e-mail id, bank details and other KYC details by filling Form ISR-1, update signature by filling Form ISR- 2 and update nomination details by filling Form SH-13 or declaration of opt out of nomination by filling Form ISR-3 or cancel nomination by filling form SH-14 and send the respective forms to Alankit Assignments Limited, at Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 or email the scanned copy to rta@alankit.com. The forms for updating the same are available at www.swissmilitaryshop.com and on the website of our RTA at www.alankit.com on or after 1st October, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Members are requested to quote their Folio Numbers/Client ID/DP ID and contact details in all correspondence and consolidate their holdings into one Folio in case they hold share under multiple Foliros in the identical order of names.

Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from 1st April, 2024, upon registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money-Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30th September, 2023, failing which their trading accounts shall be frozen for trading and demat account shall be frozen for debits.

18. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate,

endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website www.swissmilitaryshop.com and on the website of the Company's RTA www.alankit.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.

19. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized

form. In view of the same and to eliminate all risks associated with the physical shares and avail various benefits of dematerialization Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company's RTA Alankit Assignments Limited for assistance in this regard.

20. Members are requested to send their queries concerning the financial statements and operations of the Company at least 10 days before the date of AGM to the Company Secretary at its Registered Office or by sending an email to cs@swissmilitaryshop.com, so that information can be made available at the meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on at Tuesday, 12th Day of September 2023 at 09:00 A.M. and ends on Thursday, 14th Day of September 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 8th Day of September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 8th Day of September 2023.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method				
	4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on <table><tr><td> App Store</td><td> Google Play</td></tr><tr><td></td><td></td></tr></table>	 App Store	 Google Play		
 App Store	 Google Play				
					
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for CDSL Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.				
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.				

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

1. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

2. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

3. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

4. Now, you will have to click on “Login” button.

5. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to svikash630@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@swissmilitaryshop.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@swissmilitaryshop.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Any Member desirous to ask questions/provide their valuable views during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@swissmilitaryshop.com at least 48 hours in advance before the start of the AGM i.e. 13th September 2023 by 12.00 Noon IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. In case of any grievances connected with facility for e-voting, please contact
 - a. Pallavi Mhatre, Senior Manager
E-voting Helpdesk
National Securities Depositories Limited
Email: evoting@nsdl.co.in
Phone: 022 - 4886 7000/ 022 - 2499 7000
7. Mrs. Anchal Mittal, Company Secretary (Membership No FCS- 7161) of M/s AM & Associates., Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner by the Board of Directors in its meeting held on August 10, 2023.
8. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favors or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
9. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.swissmilitaryshop.com. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 5 of the accompanying Notice dated August 10, 2023.

ITEM No. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") appointment of Independent Directors requires approval of the members of the Company by way of Special Resolution. Further in accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Mr. Inder Dutt (DIN: 10277617) has attained the age of 79 years and the appointment of his Directorship will be subject to approval by the shareholder by special resolution. Hence the approval of the shareholders is sought for the appointment of his Directorship on the Board of the Company.

Based on recommendations of Nomination and Remuneration Committee, Board have proposed the appointment of Mr. Inder Dutt (DIN: 10277617) as Non-Executive Independent Director of the Company, not liable to retire by rotation to hold office for a First term of Five (5) consecutive years up to the conclusion of 39th Annual General Meeting to be held in the year 2028 subject to approval of the Shareholders.

Mr. Inder Dutt holds a Graduate degree from Panjab University, Chandigarh. He joined Panjab Police in 1966 & also got elevation to Indian Police Service (Haryana Cader) in year 1994. He served as Superintended of police Anti-corruption Bureau and C.M Haryana security in Chandigarh & in Haryana Bhawan Delhi. He is the recipient of several awards, including President Police Medal for Meritorious Service from President of India and commendation certificate for hard work, honesty, efficiency & dedication towards duty from C.M. Haryana. Mr. Dutt's wide-ranging experience in governance would prove to be an asset for the company for achieving greater heights. The Board of Directors of the company believes that his experience, vision and leadership skills will be invaluable to the Company for future business activities and his appointment as Director will be in the interest of the Company notwithstanding his completion of seventy-five years of age. Hence the Board recommends the resolution set out in item No. 4.

Mr. Inder Dutt (DIN: 10277617)) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declarations from Mr. Inder Dutt (DIN: 10277617) that he

meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Inder Dutt (DIN: 10277617) fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is independent of the management. He shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

The details of Mr. Inder Dutt (DIN: 10277617), nature of his expertise in specific functional areas and names of company in which he hold directorships, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft letter for appointment of Mr. Inder Dutt (DIN: 10277617) as an Independent Director (Non- Executive) setting out terms and conditions would be available for inspection in electronic mode.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the shareholders.

ITEM No. 5

Swiss Military Consumer Goods Limited acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e. clients, investors, governments, and society. As a gesture aligned to this objective, an Employee Stock Option Scheme shall be implemented to:

- To promote success of the Company by rewarding and motivating the employees;
- To attract and retain talents;
- To link interests of employees with Shareholders;
- To foster ownership; and
- To reward for loyalty.

Given the objectives, the Company proposes to implement an employee stock option scheme, namely the 'Swiss Military Consumer Goods Ltd - Employee Stock Option Scheme 2023' ("ESOP 2023"/"Scheme").

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange

Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, [SEBI (SBEB) Regulations, 2021] the Company seeks your approval for implementation of the Scheme and grant options thereunder to the eligible employees.

Subject to your approval and approval from any other authorities, if any, the Board of the Directors of the Company and its empowered committee, vide their respective meetings held on August 10, 2023 have approved the proposed Scheme, features of which are specified under:

a. Brief description of the Scheme:

The proposed Scheme seeks to reward eligible employees by way of granting options, which when exercisable results in equivalent equity shares of the Company, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The Company shall issue options to the eligible employees, which may be accepted by them within the grant period. Upon acceptance of the offer, the eligible employees shall be required to satisfy the vesting conditions specified in the ESOP 2023 and make payment of the exercise price and applicable taxes within the exercise period.

The Nomination and Remuneration Committee or any other empowered committee of the Board of Directors of the Company, as constituted or reconstituted, shall act as the Compensation Committee ("Committee") for the superintendence and undertaking the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b. Total number of Options/ Shares to be granted:

The maximum number of options to be granted shall not exceed 40,00,000 (Forty Lakh) employee stock options. As per the SEBI (SBEB) Regulations, 2021 in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, reorganization of capital structure of the Company and others, the Committee shall adjust the number of shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of shares available for offer remain the same after any such corporate action(s).

c. Identification of classes of employees entitled to participate in the Scheme:

The following classes of employees ("Employees"), subject to their selection as per eligibility criteria, as may be decided by the Committee, shall be entitled to participate in the Scheme:

- an employee as designated by the Company, exclusively working in India or out of India; or
- a Director of the Company, whether a whole time Director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director; or
- an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the Company, but does not include:
 - an employee who is a Promoter or a person belonging to the Promoter Group; or
 - a director who either himself or through his Relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

d. Requirements of vesting and period of vesting:

There would be a minimum vesting period of one year from the date of grant. The options granted shall be a mixture of time-based vesting as well as performance-based vesting. The Company is proposing that 60% of the total options shall be time-based vesting which shall vest in a graded manner to be decided by the Committee and specified in the grant letter. 40% of the total options shall be performance-based vesting and shall vest upon satisfaction of performance condition to be decided by the Committee and specified in the grant letter.

e. Maximum period within which the units shall be vested:

The maximum period within which the vested options shall be exercised is 5 years from the date of vesting.

f. Exercise price or pricing formula:

The exercise price shall be determined by the Committee and shall be at a discount compared to the Market Price. Market price means the latest available closing price of shares on a recognised stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date and which has recorded the highest trading volume as on the trading day.

g. Exercise period, and process of exercise/ acceptance of Shares:

Once the offer is made, the eligible Employee who intend to participate in the Scheme shall be required to accept such offer within the offer period or the extended offer period, as the case may be. The offer shall lapse and shall be cancelled in case an eligible Employee fails to submit the acceptance of the offer before the closure of the offer period or extended offer period. The eligible Employee shall submit the acceptance of the offer along such other documents as may be required under the Scheme to the Company in such form as may be prescribed. After submission of acceptance of offer, the eligible Employees are required to satisfy vesting conditions as stated in the Scheme/ grant letter, and upon satisfaction of the vesting conditions, within the exercise period, make payment of the exercise price along with applicable taxes for obtaining the Shares under offer. The commencement and closure dates of offer period, extended offer period and payment window, respectively, as decided by the Committee, shall be specified in the offer letter to be issued to the eligible employees.

h. Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining the eligibility of the employees will be in accordance with the Scheme or as may be determined by the Committee at its sole discretion. The quantum of options offered will vary depending on the designation, level and grade, future potential of the eligible employee in success of the Company, etc.

i. Maximum number of Shares to be offered per Employee and in aggregate:

The maximum number of options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options except where a separate approval from the shareholders of the Company is obtained. In aggregate the total grant to employees will not exceed 40,00,000 (Forty Lakh) options.

j. Maximum quantum of benefits to be provided per employee under the Scheme:

The Scheme does not contemplate any benefit other than allowing eligible employee to receive equity Shares of the Company upon exercise of options. In this context, the maximum benefit shall be the maximum number of Shares that can be offered as stated above.

k. Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations.

l. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both

This scheme shall involve new issue of shares by the Company

m. Accounting and Disclosure Policies:

The Company shall follow ‘IND AS 102- Accounting for Share Based Payment and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in compliance of Regulation 15 of the SEBI (SBEB) Regulations.

n. Method of Options valuation:

The Company shall adopt Fair Value Method for valuation of options granted.

o. Lock-in period under the Scheme:

The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall be subject to any lock-in period as determined by the Board of Directors or Nomination & Remuneration Committee thereof.

Consent of the shareholder is being sought pursuant to Section 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI (SBEB) Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the shareholders.

By order of the Board
For **Swiss Military Consumer Goods Limited**

Place: New Delhi
Date: 10th August, 2023
Vikas Jain
Company Secretary

‘Annexure-I’ to the Notice

Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 issued by Institute of Company Secretaries of India (“ICSI”)

Name of the Director	Mrs. Ashok Kumar Sawhney	Mr. Inder Dutt
DIN	00303519	10277617
Date of Birth and age	01 st July, 1938 Age: 85 years	22 nd March, 1944 Age: 79 years
Date of first appointment on the Board	04/09/2021	-
Qualifications	Graduation	Graduation
Experience and Expertise	He is having vast experience in manufacturing watch dials field.	He served as Superintended of police Anti-corruption Bureau and C.M Haryana security in Chandigarh & in Haryana Bhawan Delhi. He is the recipient of several awards, including President Police Medal for Meritorious Service from President of India and commendation certificate for hard work, honesty, efficiency & dedication towards duty from C.M. Haryana.
Terms and Conditions of Appointment	As per the resolution of appointment.	As per the resolution of appointment.
Number of Meetings of the Board attended during the year.	Five out of Five during the FY 2022-23	NA
List of Directorship of other Board.	Sadhna Dials Private Limited Standard Suppliers Private Limited Sawhney Bizline Solutions Private Limited Investech Research India Limited Sawhney Logistics Private Limited AAA Shenyang Container Seal Private Limited AAS Research & solutions Pvt Ltd. Libra Research & Business Solutions Pvt. Ltd.	NIL
List of Membership / Chairmanship of Committees of other Board.	NIL	NIL
Shareholding in Swiss Military Consumer Goods Limited	NIL	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Father of Mr. Anuj Sawhney, Managing Director of the Company.	No relation with any other director or KMP.

'Annexure-II' to the Notice

TDS ON DIVIDEND:

1. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from April 1, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. Members are requested to update their Permanent Account Number ("PAN") with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
2. For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% unless exempt under any of the provisions of the Act, on the amount of Dividend declared and paid by the Company during the Financial Year ("FY") 2023-24 provided PAN is furnished by the Shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.
3. However, no Tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2023-24 does not exceed Rs. 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2023-24.
4. Separately, in cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/ Form 15H (applicable to an Individual who is of the age of 60 years or more), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not linked with Aadhar, tax will be deducted at a higher rate of 20%.
5. Section 206AB introduced by the Finance Act, 2021 effective July 01, 2021 provides for deduction of higher rate of tax in case a person:
 - a) Had not filed Income Tax return (ITR) for the preceding previous year where the time limit to file the return of income prescribed u/s 139 (1) of the Income-tax Act, 1961 has expired; and
 - b) Had aggregate TDS/TCS credit of Rs. 50,000 or more in that preceding year.

Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.
6. For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the applicable rates in force.

As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors/ Foreign Institutional Investors, the withholding tax shall be as per the rate specified in 196D of the Act plus applicable surcharge and cess on the amount of Dividend payable to them.

7. However, as per Section 90 read with Section 195 of the Income-tax Act, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following on or before August 17, 2023:
 - a) Self-attested true copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2023-24;
 - b) Self-declaration in Form 10F- w.e.f. April 1, 2023, electronic Form 10F is mandatory as per notification no.03/2022 dated July 16, 2022 issued by Central Board of Direct taxes;
 - c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
 - d) Self-declaration in the format prescribed by the Company, certifying the following points:
 - i. Shareholders are and will continue to remain a tax resident of the country of their residence during the Financial Year 2023-24;
 - ii. Shareholders are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Shareholders have no reason to believe that their claim for the benefits of the DTAA is impaired in any manner;
 - iv. Shareholder does not have a taxable presence or a Permanent Establishment ("PE") in India during the Financial Year 2023-24. In any case, the amounts paid/ payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;

- v. Shareholder is the ultimate beneficial owner of shares held in the Company and dividend receivable from the Company; and
- vi. Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective April 01, 2020 (if applicable).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts.

8. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Shareholder.
9. Members may submit the aforementioned documents to RTA at rta@alankit.com. For further information, Members are requested to refer e-mail communication sent to them in this regard.
10. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.

11. The Company shall arrange to e-mail the soft copy of TDS certificate to the Shareholders at the registered e-mail ID in due course, post payment of the said Dividend and generation of TDS Certificates.
12. An e-mail communication informing the Shareholders regarding this change in the Income tax Act, 1961 as well as the relevant procedure to be adopted by them to avail the applicable tax rate is being sent by the Company at the registered e-mail IDs of the Shareholders.
13. No communication on the tax determination or deduction shall be entertained post September 08, 2023.
14. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. For members who have not updated their bank account details, dividend warrants/ demand drafts/cheques will be sent to the registered address depending on availability of postal services.

Notes



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SWISS MILITARY CONSUMER GOODS LIMITED

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