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**August 07, 2021**

**Listing Department**

Bombay Stock Exchange Limited  
P J Towers, Dalal Street  
Mumbai – 400 001  
**Scrip code- 523558**

**Sub: Annual Report of the Company for the financial year 2020-21**

Dear Sir/ Madam,

This is to inform that the 32<sup>nd</sup> Annual General Meeting (“AGM”) of the Company will be held on Saturday, 04<sup>th</sup> September, 2021 at 11:30 a.m. through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2020-21 which is being sent through electronic mode to the Members.

The Annual Report is also uploaded on the Company’s website and can be accessed at [www.swissmilitaryshop.com](http://www.swissmilitaryshop.com).

Kindly take the above on record.

Thanking You,

For **SWISS MILITARY CONSUMER GOODS LIMITED**

  
**VIKAS JAIN**  
**COMPANY SECRETARY**



**Encl: A/a**

**SWISS MILITARY CONSUMER GOODS LIMITED**

(Erstwhile known as Network Limited)

Regd. Office: W-39, Okhla Industrial Area, Phase-II, New Delhi – 110020

Tel.: +91 11 41067060, [www.swissmilitaryshop.com](http://www.swissmilitaryshop.com)

CIN: L51100DL1989PLC034797



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“Bringing  
**SWISSNESS**  
to the Life”



# **ANNUAL** **REPORT** 2020-2021

**SWISS MILITARY CONSUMER GOODS LIMITED**  
(Erstwhile known as Network Limited)

Home Appliances | Men's Innerwear

[www.swissmilitaryshop.com](http://www.swissmilitaryshop.com)



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**Mixer Juicer**



**Blender**



**Iron**



**Mixer Grinder**

For you, kitchen isn't just another room of your home. **It's the space, where you create magic.**

An appliance isn't just another tool for you. **It's a reflection of the inner you.**

After all, anything that finds a place in your home, **is an extension of yourself.**

Presenting our range of Home Appliances. A range that's timeless, innovative & noteworthy. **A range that's designed with you in mind.**



**Home Appliances**



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**Baracuda Black Band  
Square Drawers**



**Tequila Black Band Briefs**



**Modal Seamless**



You're a citizen of the world. Comfortable and at ease, **everywhere you go.**

You're a native. Discovering a sense of belongingness, **anywhere you step in.**

Your class is your signature. Unmatched. **And always in vogue.**

So, why should your most personal wear, **your innerwear be any different?**



**Men's Innerwear**



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## CORPORATE INFORMATION

<b>Board of Directors</b>	:	Anuj Sawhney Ashita Sawhney Umong Sethi Neena Sethi Chirag Gupta
<b>Manager</b>	:	Anuj Sawhney
<b>Chief Financial Officer</b>	:	Vijay Kalra
<b>Company Secretary</b>	:	Vikas Jain
<b>Auditors</b>	:	B.K. Sood & Co Chartered Accountants
<b>Bankers</b>	:	HDFC Bank State Bank of India ICICI Bank Bank of Baroda
<b>Registered Office</b>	:	W- 39, Okhla Industrial Area Phase- II, New Delhi-110020 Tele : 011- 41067060
<b>Registrar and Share Transfer Agent</b>	:	Alankit Assignments Ltd. Alankit House, 1E/13 Jhandewalan Extension, New Delhi- 110055 Tel. : 011-42541234 Fax: 011- 42540064

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TO THE MEMBERS OF  
**SWISS MILITARY CONSUMER GOODS LIMITED**  
(Erstwhile Network Limited)

Your directors have pleasure in presenting their 32<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.

**FINANCIAL HIGHLIGHTS**

The Financial Highlights of the Company for the financial year ended on 31<sup>st</sup> March 2021, as compared to the previous year are summarized below: -

(Rs in Lacs)

PARTICULARS	31 <sup>st</sup> March 21	31 <sup>st</sup> March 20
Revenue from operations	519.42	353.07
Other Income	4.51	53.28
Total Expenditure	523.93	425.90
Profit / (Loss) before Tax & Exceptional Items	2.56	(19.55)
Profit / (Loss) after Tax & Exceptional Items	2.56	(19.55)
Other Comprehensive Income	-	(154.59)
Total Comprehensive Income for the period	2.56	(174.14)

During the financial year ended 31<sup>st</sup> March, 2021 the revenue from operations of the company increased from Rs. 353.07 Lac to Rs. 519.42 Lac with a growth of 47.12%. The profit before tax & exceptional items for the year under review stood at 2.56 Lac as against loss 19.55 Lac of the previous year. With the change in management of the company and also with the commencement of new business activities under the premium lifestyle brand "Swiss Military", the management of the your company is very optimistic to achieve sustainable growth in the coming years. Your company will continue to focus on building up the business with sustainability and future scalability potentials.

**FUTURE OUTLOOK**

The Company has already started business of lifestyle products under the brand "Swiss Military". Having said that, the pandemic also started reshaping behaviours of buyers. We saw that demand, when it started coming back, it came from essentials which are

value driven and more experiential. Accordingly, we have added following business verticals under the lifestyle products category.

- 1) Essentials under Apparel Category - Men's Innerwear
- 2) Essentials under Appliances Category - Brown Goods Appliances

Your company is actively developing, working and launching above essential consumer products under the brand "Swiss Military" in India on exclusive basis. These product categories under the brand "Swiss Military" have wide presence in the global markets and now being launched in India by your company on exclusive basis. Your Company already started development and production through approved global and domestic OEMs of brand Swiss Military. The product portfolio is being customized and priced according to the required market needs on the principal of an innovative product with world-class quality at an affordable price.

**Men's Innerwear**

The Innerwear Category is one of the high growth categories in the apparel market and promises growth and innovation. The higher income, along with higher discretionary spending, growing fashion orientation of consumers and product innovations by the innerwear market have turned innerwear from a traditionally utilitarian item to an essential fashion requirement.

The different sub-categories of men's innerwear include vests, briefs / boxers and sleepwear. Consumers mostly purchase branded products for vests and brief / boxers, which are the largest category offerings from leading innerwear brands.

The Indian innerwear market is shifting from a price sensitive market to a fashion quotient market. Accordingly, the Company is seeking to mark its presence in the premium segment with affordable luxury under the internationally renowned and celebrated brand "Swiss Military".

**Home Appliances (Brown Goods)**

The major products constituting the brown goods market are Mixers, Grinders, Irons, Microwave-Ovens, Rice Cookers, Pop-up Toasters, Induction Stove, Fans, Heaters, Kettles etc.

The branded brown goods market has expanded at a significant pace and is expected to retain the momentum into the future as well. While focus on price competency remains a key priority, players have also started focusing on other product features such as Design, Safety, IOT etc.

Over the years, changing perception of the consumer durable products from a luxury item to a necessity among the working population has led to the most Indian households increasing their purchase of the same. On the other hand, increasing aspiration level of the young and working population, desire to shift to better category or branded products. New product offering by various manufacturers coupled with easy finance availability and improvement in continuous power supply scenario in the country (especially rural India) is also likely to drive the sales volume for these categories.

The electrical appliances/brown goods industry, which had been focused on the urban market, is now reaching out to semi-urban and rural markets as well, because of the shift in living style of the population, increasing electrification of villages and relatively higher purchasing power of consumers. As the market penetrates into the core middle class segment in both urban and rural areas, it is expected to expand phenomenally, offering large volumes to the industry and here is scope for the company to make its mark with an international brand "Swiss Military" which is already well recognized brand in appliances category in international markets.

*In addition to above business verticals, your company was continuously looking for a good profitable business field/model once kickstart & having great scalability in the future for sustainable growth. The new management of the company able to find this opportunity in the field of E-technology having profitability and future scalability both aside and that too in the essential category (the focal area of management) i.e.*

### RFID Technology E-Seal

RFID technology e-seal facilitating the port logistics automation and cargo tracking Digitalization / Integration in the supply chain. Companies increasingly using item-level Radio Frequency Identification (RFID) to trace and track the goods for inventory control purpose and also and supply chain management. Tagging every single product, not only improves the visibility of goods transport in the entire supply chain processes but also helping to remove common problems like inventory shortages in the supply chain.

In the transport industry, RFID along with other innovations in Information and Communication Technology (ICT) is being utilized in identifying vehicles locations and containers which use e-seals. The use of RFID e-seal in seaport container terminal is growing notably. For the terminal operators, the

activities more influenced by this technology is the access control and the yard management.

Intangible benefits which are easily observed, but difficult to quantify. Some relevant intangible benefits are the automatic identification of the containers, less human errors, container visibility and traceability, enhanced security, the reduction of the illegal trade, and the reduction of the administrative costs.

### Good practices of RFID technology application

There are a lot of RFID projects carried out across the container terminal around the world.

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.

The application of RFID innovation in the above-mentioned projects resulted in not only more security and visibility of goods for both private and public operators but also in reduced transit time and dwell time at the various checking points. Furthermore, it provided the possibility to exploit the benefits of simplified Customs procedure.

### Future Perspective

In the future, item-level RFID could play a larger role in the Internet of things because RFID tags could contain sensors capable of transmitting operational, location and situational data that could help improve manufacturing and supply chain operations. Governments should encourage research and analysis on the economic and social impacts of the use of RFID in conjunction with other technologies and systems. Because of continuous technical innovation and its impact on the economy and society, monitoring developments and detecting trends early are essential to identify new opportunities to be seized, new challenges to be addressed, and to adjust policies. Potential developments of RFID to be monitored include their combination with sensor-based systems, their cross-border use, the convergence of these technologies on the Internet, and their potential pervasiveness.

### Indian Context and Role of Swiss Military Consumer Goods Ltd

Accordingly, seeing to the benefit as above, Indian Custom also 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.



## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Seeing to the market size and future business potential one of the associate company of Promoters started a joint venture with one Chinese Partner (having requisite experience in making of RFID E-Seal for Indian Market) to ensure supply for the Indian Market and successfully running a profitable venture for the last 3 years.

As we believe in make in India and always thrive for import substitution, accordingly your company decided to amend its object clause in the Memorandum of Association and added the object of business of RFID technology and E-Seals.

Your company has successfully entered into an agreement with the local manufacturer for making the E-Seal on behalf of the company and with the dedicated effort able to upgrade capabilities of the local manufacture to a level that the E Seal has been duly approved by the competent authorities including custom.

Now company fully ready for next leap in the business of supplying RFID E-Seal (to all the local vendors procuring imported seal) in inorganic manner and ready to commence operation.

### THREATS & CHALLENGES

The verticals that we flagged, require investments in its R&D, products and brand. We keep investing organically and inorganically in the above business verticals. At the same time, we're committed to continue to expand our margins. So, our view is these investments should not come at the cost of margin. But we should be able to deliver growth as well as margin.

Now, moving on from new business verticals, let's look at 2020-2021, which was a year of unprecedented challenges for the entire industry. The global pandemic, as we are all aware, had 100 million cases, 2 million deaths, and a complete shutdown across the globe and major job losses in the organized sectors.

We don't think anybody is in a position to give any prediction today in terms of visibility of the virus. The news definitely is that in India second wave is worse than thought off and now flattening of the curve happened with a clear downward trend of virus, the growth on the business verticals could be faster. And we think the faster completion of vaccine would be a key for the future growth. That is positive and we are reasonably optimistic that we will continue to see improvement in the company's business activities in coming quarters.

### ECONOMIC SCENARIO

This has been an unprecedented year for all us in the world. India has once again come under severe pressure with a sharp increase in cases and restricted commercial/ business activities owing to the more infectious COVID-19 strains. The start of the vaccination drive in the country did initially lead to a momentary recovery, however, the resurgence of the virus and incidence of new mutants have brought in renewed market uncertainty and unpredictability. The contraction of commercial / business activity in 2020 of (3.3) percent was unprecedented in living memory in its speed and synchronized nature. Although difficult to pin down precisely, IMF estimates suggest that the contraction could have been three times as large if not for the extraordinary policy support. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook, reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working.

Moving forward, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. Much remains to be done to beat back the pandemic and avoid divergence in income per capita across economies and persistent increases in inequality within countries.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. The ebb and flow of these drivers and their interaction with country-specific characteristics will determine the pace of the recovery and the extent of medium-term scarring across countries.

*Source: World Economic Outlook, IMF*

The COVID-19 epidemic had a major impact on overall business and consumer sentiment globally. The global apparel market shrunk by 22%, coming down from US\$ 1,635 billion in 2019 to US\$ 1,280 billion in 2020. The consumption is expected to reach to pre-Covid levels over the next couple of years and then retrace its growth path to reach US\$ 2,007 billion by 2025.

The Indian economy was also negatively impacted by the crisis in 2020-21 with the highly contagious corona virus (COVID-19) spreading across the country. In



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

response to the pandemic, the government took several proactive preventive and mitigating measures starting with progressive tightening of international travel, issue of advisories for the members of the public, setting up quarantine facilities, contact tracing of persons infected by the virus and various social distancing measures. The government imposed a strict 21 days nationwide lockdown from March 25, 2020, under the Disaster Management Act, 2005, with subsequent extensions and relaxations, to contain the spread of COVID-19 while ramping up the health infrastructure in the country. The lockdown measures, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services activities. The real Gross Domestic Product (GDP) growth is projected to contract by 7.7 percent in 2020-21 as compared to a growth of 4.2 percent in 2019-20. GDP growth, however, is expected to rebound strongly in 2021-22 owing to the reform measures undertaken by the Government.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Our business verticals under lifestyle category be it innerwear, appliances and consumer electronics industry is expected to see acceleration in growth on account of surging rural consumption, increasing penetration of retail, growing middle class, increasing number of nuclear families, a wide choice of brands and products at various price points. Feature-rich products offering ease of use and improved aesthetics will drive premiumisation in this segment.

The appliance business has doubled in the last three years and your Company will continue to build on this momentum by strengthening its core categories and developing full range of kitchen appliances. The focus would remain on offering premium features and smart technology at affordable pricing.

The Indian innerwear market is currently estimated at Rs. 32,000 crore, accounting for 9% of the total domestic fashion retail market. Most Indian brands are largely in the mid-to-economy segment, catering to the masses. There are more than 1 lakh MBOs (multi-brand outlets) across India, which account for over 60% of the total sales of undergarments, while the rest take place through modern trade formats like malls or online portals.

The premium and mid-price segments are expected to witness a higher growth rate within this market. In these segments, the consumer seeks higher fashion orientation and higher comfort, as well as a strong brand name. The younger consumers in the metros

engage with brands primarily within the mid-price and premium segment and these are the target consumers for its international as well as domestic line of product range under this category.

### DIVIDEND

Your directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2021.

### SHARE CAPITAL

#### Authorised Share Capital:

The Authorized share capital of your Company as on March 31, 2021 stood at Rs.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 Rs.2/- (Rupees Two only) each and 6,00,000 (Six Lacs only) Preference Shares of Rs. 100/- (Rupees Hundred only) each.

#### Issued, Subscribed and Paid-up Share Capital:

During the year under review, there was no change in the Company's issued, subscribed and paid-up share capital. As on March 31, 2021, the issued, subscribed and paid-up share capital of the Company was Rs. 9,82,96,996/- (Rupees Nine Crore Eighty Two Lacs Ninety Six Thousand Nine Hundred Ninety Six Only) divided into 4,91,48,498 (Four Crore Ninety One Lac Forty Eight Thousand Four Hundred and Ninety Eight) equity shares of Rs.2/- (Rupee Two Only) each.

### DEPOSITS

Your Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review. Therefore, no amount of principal or interest was outstanding, as on the balance sheet closure date.

### 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.



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

### SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

Your Company does not have any subsidiary, joint venture or associate company, during the Financial Year under review.

### CHANGE OF NAME

During the year under review the name of the Company has been changed from Network Limited to Swiss Military Consumer Goods Limited.

### OPEN OFFER

Pursuant to the Open Offer made by Anushi Retail LLP ("Acquirer") together with Mr. Anuj Sawhney, Mrs. Ashita Sawhney and Swiss Military Lifestyle Products Private Limited, as persons acting in concert with the Acquirer ("PACs"), to the public shareholders of the Company during the year, in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Acquirer and PACs have acquired 1,53,62,262 equity shares of the Company representing 31.26% of fully diluted voting share capital, thereby increasing acquirer's shareholding in the Company from 24.39% to 55.65%. The complete details can be accessed at [www.swissmilitaryshop.com](http://www.swissmilitaryshop.com)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Avinash Chander Sharma and Mr. Vijay Kalra ceased to be the Directors of the Company. The Board of Directors places on record its appreciation of their valuable support and guidance to the Board during their tenure. Mr. Vijay Kalra has been appointed as Chief Financial Officer of the Company w.e.f 27<sup>th</sup> January, 2021.

Mr. Anuj Sawhney, director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends their reappointment at the ensuing Annual General Meeting of the Company.

Mr. Chirag Gupta, appointed by the Board as additional (Independent) Director of the company at their meeting held on 27<sup>th</sup> January, 2021. The regularization of additional director will be conducted at the ensuing Annual General Meeting of the Company by the shareholders.

Brief resumes of the Directors who are proposed to be regularization/appointed at the forthcoming Annual General meeting, as required as per SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening the Annual General Meeting of the Company.

### 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.

### 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 2020- 21, 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.

### RATIO OF REMUNERATION

Details of the remuneration of each director to the median remuneration of the employees of the Company and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are not applicable as none of the Directors or Key Managerial Personnel has drawn any remuneration during the financial year 2020-21.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, 07 (Seven) meetings of the Board of Directors were held on May 19, 2020, June 15, 2020, August 05, 2020, September 23, 2020, October 26, 2020, November 10, 2020 and January 27, 2021. The intervening period between the Board Meetings was well within prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2020-21. 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.

### COMMITTEES OF BOARD

Currently, the Board has three committees: the audit committee, stakeholders' grievance committee and nomination and remuneration committee. The details of the committee's along with the meetings held during the year are covered in corporate governance report.

### DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED U/S 134 (5) OF THE COMPANIES ACT, 2013

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of Profit and Loss Account of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2021 on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS & AUDITORS OBSERVATIONS

#### Statutory Auditors

M/s. B.K Sood & Co., Chartered Accountants (Firm Registration No. 000948N), the Statutory Auditors of the Company were appointed by the members at the 28<sup>th</sup> Annual General Meeting of the Company for a term of initial term of 5 years i.e., from the conclusion of 28<sup>th</sup> Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company pursuant to section 139 of the Companies Act, 2013. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

#### Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The Report given by M/s. B.K Sood & Co., Chartered Accountants (Firm Registration No. 000948N), Statutory Auditors on the financial statement of the Company for the year 2020-21 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

#### Secretarial Auditor

Mr. Vikash Kumar Singh of V. K. Singh & Co., Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the Financial Year ended March 31, 2021 does not contain any qualification, reservation or adverse remarks. The Secretarial Audit Report for the Financial Year 2020-21 is annexed as Annexure-A which forms part of this report.



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

### 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, 2021 will be available on the website of the Company at the link <https://swissmilitaryshop.com/investor-relation/>

### RELATED PARTY TRANSACTIONS

During the year ended March 31, 2021, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions were in the ordinary course of the business, on the arm's length basis and were undertaken in compliance with the applicable provisions of the Act and the Listing Regulations. Further, the name of related parties and details of transactions has been disclosed in the financial statements of the Company.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have adopted a policy to determine Related Party Transactions which is available on the website of the Company at the link <https://swissmilitaryshop.com/wp-content/uploads/2021/04/Related-party-transaction-policy.pdf>

### 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.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY

Section 134(5)(e) of the Act explains Internal Financial Controls as the policies and procedures adopted by the Company 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. It requires Directors Responsibility Statement to state that the Directors had laid down Internal Financial Controls and the same were adequate and operating effectively.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. The Company has in place well defined and adequate Internal Financial Control framework which is evaluated in-house for necessary improvement, wherever required. Based on the results of such assessments, no reportable material weakness or significant deficiencies in the design or operation of Internal Financial Controls was observed.

The Director & Manager 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.

### PARTICULARS OF EMPLOYEES

During the year under review, none of employees are covered under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

#### a. Conservation of Energy

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 the latest technological developments and adapted them to make products more cost effective and to attain high levels of quality



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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The nature of activities of the Company does not warrant any exclusive R&D department.

### c. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo has been disclosed in note no. 24 of the financial statements of the Company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 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. At the beginning of the year one complaint was pending which was duly resolved during the year, 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.

### CODE OF CONDUCT

The Company has a well defined policy, which lays down procedures to be followed by the employees for ethical professional conduct. The code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and

Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2020-21. This code has been displayed on the Company's website.

### HUMAN RESOURCE AND INDUSTRY RELATIONS

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has cordial relations with employees and staff. There are no industry relation problems during the year and company does not anticipate any material problems on this count in the current year.

### CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to value aimed at enhancing an organization's brand and reputation. This is ensured by ethical business decisions and conduction business with a firm commitment to value, while meeting stakeholders' expectations. At Swiss Military Consumer Goods Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

In terms of the listing agreement with Stock Exchange, we comply with the corporate governance provisions. As a listed company, necessary measures have been taken to comply with the listing agreements with the stock exchange. Several aspects of the Act, such as vigil mechanism and code of conduct, have been incorporated into our policies.

The annexed report on Corporate Governance along with a certificate of compliance from the practicing Company Secretary forms part of this report.

### ACKNOWLEDGEMENT

Your directors acknowledge the support of the shareholders and also wish to place on record their appreciation of employees for their commendable efforts, teamwork and professionalism. The Directors also express their grateful thanks to the Banks, Government Authorities, Customers, Suppliers, Employees and other Business Associates for their continued cooperation and patronage.

For and on behalf of the Board of Directors

Sd/-

Anuj Sawhney  
Director & Manager

Sd/-

Umong Sethi  
Director

Date: 31.07.2021  
Place: New Delhi



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**ANNEXURE- A**  
**FORM NO MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
M/s. Swiss Military Consumer Goods Limited  
(CIN: L51100DL1989PLC034797)  
W-39, Okhla Industrial Area, Phase-II  
New Delhi-110020

1. I have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. Swiss Military Consumer Goods Limited (erstwhile Network Limited) (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.
2. Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2021 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.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Swiss Military Consumer Goods Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:
  - i. The Companies Act, 2013 (the act) and the rules made there under
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - 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. *(Provisions not Applicable, as there being no transactions involving foreign exchange).*
  - v. 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;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. *(Not Applicable, as the company had not issued any security during the financial year under review).*
    - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. *(Not Applicable, as the company had not granted any options to its employees during the financial year under review).*
    - e. 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).*



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- f. 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; *(Not Applicable, as the company is not registered as Registrars to an Issue and Share Transfer Agent during the financial year under review)*.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable, as there being no instances of delisting of Equity Shares during the financial year under review)*.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 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)*.

I 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:-

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Women Director. 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. During the year under review following persons have appointed as Board of Directors of the company.

Sl. No.	Name of the Director	Designation	Date of Appointment
1-	Mr. Anuj Sawhney	Executive Director & Manager	23/09/2020
2-	Mrs. Ashita Sawhney	Non- executive, non-Independent Director	23/09/2020
3-	Mr. Chirag Gupta	Non- executive Independent Director	27/01/2021

Further Mr. Vijay Kalra has been resigned from the post of Non- executive Independent Director and appointed as Chief Financial Officer of the Company w.e.f. 27/01/2021.

- ii. 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.
- iii. 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 V K Singh & Co  
Company Secretaries

Place: New Delhi  
Date: 25/06/2021

Sd/-  
(Vikash Kumar Singh)  
Proprietor  
C.P. No.- 15806  
UDIN: -A042789C000518220

This report is to be read with our letter of even date which is annexed as "Annexure -A-1" and forms an integral part of this report.



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## ANNEXURE - A-1

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 V K Singh & Co  
Company Secretaries

Place: New Delhi  
Date: 25/06/2021

Sd/-  
(Vikash Kumar Singh)  
Proprietor  
C.P. No.- 15806

## REPORT ON CORPORATE GOVERNANCE



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### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance deals with the laws, procedures and practices which determine Company's ability to take managerial decisions and in particular relations with shareholders, customers, suppliers and employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other stakeholders. The Company believes that the systems and actions must dovetail for enhancing the performance and shareholder's value in the long term. The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2021, the Board of Directors ("Board") comprises of five directors, including one executive director and four non-executive directors. The Company has three independent directors, comprise more than half of the total strength of the Board.

The composition of the Board and directorship held as on 31<sup>st</sup> March, 2021:

Name of Directors	No of Directorship held in other companies (1)	Committee Membership (2)	Committee Chairmanship (2)
<b>Executive</b>			
Mr. Anuj Sawhney	-	-	-
<b>Non-Executive</b>			
Mrs. Ashita Sawhney	-	-	-
<b>Independent Directors</b>			
Mr. Umong Sethi	-	-	-
Mrs. Neena Sethi	-	-	-
Mr. Chirag Gupta	-	-	-

Notes: (1) Excluding directorship in Swiss Military Consumer Goods Limited and Private, Foreign and section 8 Companies.

(2) As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/ chairmanship of the audit committee and stakeholder relationship committee in Indian public companies (listed and unlisted).

#### Board Meetings & Directors' Attendance Records

During the Financial Year 2020-21, 07(Seven) meetings of the Board of Directors were held on May 19, 2020, June 15, 2020, August 05, 2020, September 23, 2020, October 26, 2020, November 10, 2020 and January 27, 2021. The intervening period between the Board Meetings was well within prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of Directors	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Anuj Sawhney	4	4	Yes
Mrs. Ashita Sawhney	4	4	Yes
Mr. Umong Sethi	7	7	Yes
Mr. Vijay Kalra*	7	7	Yes
Mrs. Neena Sethi	7	7	No
Mr. Avinash Chander Sharma**	1	1	No
Mr. Chirag Gupta	1	1	NA

\* Mr. Vijay Kalra resigned from the Board of Directors during the year w.e.f. 27/01/2021

\*\* Mr. Avinash Chander Sharma resigned from the Board of Directors during the year w.e.f.15/06/2020

## MEETING OF INDEPENDENT DIRECTORS

In order to comply with the requirement of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Independent Directors met once without the presence of management personnel to discuss matters pertaining to the Company's affairs. During the year 2020-21, Mr. Chirag Gupta appointed as additional director as on 27<sup>th</sup> January 2021 and Mr. Vijay Kalra resigned from the board on same date.

The details of the familiarization programs imparted to the Independent Directors are available on the website of the Company [www.swissmilitaryshop.com](http://www.swissmilitaryshop.com)

## 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.

### Board Membership Criteria and list of core skills/expertise/competencies identified in the context of the business:

In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below:

Skills and its description	Anuj Sawhney	Ashita Sawhney	Umong Sethi	Neena Sethi	Chirag Gupta
Experience of crafting Business Strategies Experience in developing long-term strategies to grow consumer/dealer business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions	Yes	Yes	Yes	Yes	Yes
Finance and Accounting Experience: Leadership experience in handling financial management of a organization along with an understanding of accounting and financial statements	Yes	No	Yes	Yes	Yes
Leadership experience of running enterprise: Experience in leading well-governed organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance	Yes	Yes	Yes	Yes	Yes



Skills and its description	Anuj Sawhney	Ashita Sawhney	Umong Sethi	Neena Sethi	Chirag Gupta
HR/ people Orientation: Understanding of HR Policies Managing HR activities, talent development and strengthening the people function	Yes	Yes	Yes	NO	Yes
Understanding of Consumer and Customer Insights in diverse environments and conditions – Experience of having managed organisations with consumer/dealersinterface in diverse business environments and economic conditions which helps in leveraging consumer/dealers insights for business benefits.	Yes	Yes	Yes	Yes	No

#### Disclosures of relationships between Directors inter-se:

Mr. Anuj Sawhney and Mrs. Ashita Sawhney, Directors are related to each other. None of the Directors other than above have any relationship with any Director of the Company as per Sec 2(77) of the Companies Act 2013 including rules thereunder

### 3. AUDIT COMMITTEE

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

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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 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.
- Approval or any subsequent modification of transactions of the company with related parties.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



## REPORT ON CORPORATE GOVERNANCE

- 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.

### Composition & Attendance

As on March 31, 2021, the Audit Committee comprised of 4 (Four) members namely Mr. Umong Sethi, Chairman of the Committee, Mr. Anuj Sawhney, Mrs. Neena Sethi and Mr. Chirag Gupta - Members of the Committee. During the Financial Year under review, the Audit Committee met 4 (Four) times i.e. May 19, 2020, August 5, 2020, November 10, 2020, and January 27, 2021. All the Audit Committee meetings were held within the period of 120 days. However, SEBI vide its notification no. SEBI/HO/CFD/CMD1/ CIR/P/ 2020/38 dated March 19, 2020 relaxed the time frame for holding Audit Committee meetings beyond the stipulated period of 120 days. All the recommendations made by the Audit Committee were accepted by the Board. The composition and attendance of members at the meetings held during the year under review is as follows:

Name of the Directors	Category	Designation	Attendance at the Audit Committee Meeting
Mr. Umong Sethi	Non - Executive Independent	Chairman	04
Mr. Anuj Sawhney	Executive	Member	02
Mr. Vijay Kalra*	Non - Executive Independent	Member	04
Mrs. Neena Sethi	Non - Executive Independent	Member	04
Mr. Chirag Gupta	Non - Executive Independent	Member	-

\* Mr. Vijay Kalra resigned from the Board of Directors during the year w.e.f. 27/01/2021

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with Regulation 20 of the Listing Regulations and pursuant to provisions of Section 178 of the Act, the Company has constituted Stakeholders' Relationship Committee.

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

## Composition and Attendance

As on the Financial Year ended March 31, 2021, the Stakeholders' Relationship Committee comprised of 3 (Three) members namely Mr. Umong Sethi- Chairman of the Committee; Mrs. Ashita Sawhney and Mrs. Neena Sethi- Members of the Committee. During the Financial Year under review, the Stakeholders' Relationship Committee met 4 (Four) times i.e. May 19, 2020, August 5, 2020, November 10, 2020, and January 27, 2021. The composition and attendance of members at the meetings held during the Financial Year under review is as follows:

Name of the Directors	Category	Designation	Attendance at the Stakeholders relationship Committee Meeting
Mr. Umong Sethi	Non-Executive Independent	Chairman	4
Mrs. Ashita Sawhney	Non- Executive	Member	2
Mrs. Neena Sethi	Non-Executive	Member	3
Mr. Vijay Kalra	Non - Executive Independent	Member	4
Mr. Avinash Chander Sharma	Non-Executive	Member	1

\* Mr. Vijay Kalra resigned from the Board of Directors during the year w.e.f. 27/01/2021

\*\* Mr. Avinash Chander Sharma resigned from the Board of Directors during the year w.e.f. 15/06/2020

## Name and designation of Compliance Officer:

Mr. Vikas Jain, Company Secretary

## Number of Shareholders complaints received.

During the year ended March 31, 2021, no complaint was received from the shareholders. There were no pending complaints as at the year end.

## 5. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The role of the Nomination and Remuneration Committee is as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for effective evaluation of performance of the Board, Independent Directors and other individual directors and review its implementation and compliance thereof.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- 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, all remuneration, in whatever form, payable to Directors, KMP, Senior Management, i.e. salary, benefits, bonus, stock options etc. and determining policy on service contracts, notice period, severance fees for Directors, KMP and Senior Management.



## REPORT ON CORPORATE GOVERNANCE

- g) Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria. As required under SEBI (Share based Employee Benefits) Regulation, 2014, the Board has also designated the existing Nomination and Remuneration Committee for ensuring the compliance and to perform all functions and responsibilities stated under the said Regulations.

### Composition and Attendance

As on March 31, 2021 the Committee comprised of 3 (Three) members namely Mr. Umong Sethi- Chairman of the Committee, Mr. Anuj Sawhney and Mrs. Neena Sethi- Members of the Committee. During the Financial Year under review, the Committee met 2 (Two) times i.e. May 19, 2020 and January 27, 2021. The composition and attendance of members at the meetings held during the Financial Year under review is as follows:

Name of the Directors	Category	Designation	Attendance at the Nomination & Remuneration Committee Meeting
Mr. Umong Sethi	Independent Director	Chairman	2
Mr. Anuj Sawhney	Executive Director	Member	1
Mrs. Neena Sethi	Independent Director	Member	2
Mr. Vijay Kalra*	Independent Director	Member	2

\* Mr. Vijay Kalra resigned from the Board of Directors during the year w.e.f. 27/01/2021

### 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/wp-content/uploads/2021/04/Nomination-and-Remuneration-Policy.pdf>

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 Committee 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.

## 6. ANNUAL GENERAL MEETING

Financial Year	Location	Date	Time	No. of Special Resolution (s) passed
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
2018-19	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110 054	24.09.2019	10.30 A.M	One
2017-18	MPCU Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, New Delhi - 110 054	25.09.2018	11.00 A.M	Four

### POSTAL BALLOT

No resolution was put through Postal Ballot in the last year and no special resolutions requiring postal ballot are being placed for shareholder's approval in Annual General Meeting.

## 7. DISCLOSURES

### (a) Related Party Transactions

The particulars of transactions between the Company and its related parties as per the accounting standard are set out in Note No. 21 of Notes to Accounts of the Annual Report. However, these transactions are not likely to have potential conflict with the Company's interest.

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

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or statutory authorities relating to capital markets during the last three years. No penalties and strictures have been imposed by them on the company in this regard.

### c) 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.

### d) Compliance with Secretarial Standards

The Applicable Secretarial Standards issued under section 118 of the Companies Act 2013 have been complied with.

### e) Code for prevention of Insider -Trading Practices:

In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, as amended from time to time, your Company has adopted a Code of Internal Procedure and Conduct for regulating, monitoring and reporting of trading by insiders and Code of Fair Disclosure of Unpublished Price Sensitive Information to ensure prevention of Insider Trading in the Organization.

### f) Policy for Determining Material Subsidiaries Companies

The Company does not have any subsidiary, therefore, there is no policy for determining material subsidiaries companies.



## 8. MEANS OF COMMUNICATION

- (a) The unaudited quarterly, half-yearly and audited yearly financial results of the company are sent by e-mail and also by courier service to the Bombay Stock Exchange.
- (b) 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
- (c) The Annual Report which includes inter alia, the Director's Report, the report on Corporate Governance and the Management Discussion and Analysis.

## 9. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Day & Date	Time	Venue
Saturday, 04 <sup>th</sup> September, 2021	11.30 AM.	VC/OAVM

### ii) Financial Calendar

Financial Reporting for the quarter ended 30 <sup>th</sup> June, 2021	31 <sup>st</sup> July, 2021
Financial Reporting for the quarter and Half year Ended 30 <sup>th</sup> September, 2021	within 45 days from the end of the quarter
Financial Reporting for the quarter ended 31 <sup>st</sup> December, 2021	within 45 days from the end of the quarter
Audited Results for the financial year ended 31 <sup>st</sup> March, 2022	within sixty days from the end of last quarter 31 <sup>st</sup> March, 2022

### iii) Dates of Book Closure

28<sup>th</sup> August, 2021 to 04<sup>th</sup> September, 2021 (Both days inclusive)

### iv) Dividend Payment Date

Not applicable

### v) Listing on Stock Exchange: The Shares of the Company are listed on the Bombay Stock Exchange Ltd, listing fees for the year 2021-2022 has been paid.

### vi) Stock Code/ Symbol: 523558 at the Bombay Stock Exchange Ltd (BSE).

### vii) 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-20	1.02	0.95	Oct-20	5.10	4.44
May-20	1.06	1.00	Nov-20	5.40	5.00
Jun-20	1.38	0.92	Dec-20	6.17	5.50
Jul-20	2.42	1.44	Jan-21	6.29	6.29
Aug-20	5.08	2.46	Feb-21	6.66	6.29
Sep-20	5.18	4.80	Mar-21	6.66	6.16

Source: [www.bseindia.com](http://www.bseindia.com)

viii) Registrar and Share Transfer Agent & Share Transfer System –

M/s. Alankit Assignments Limited is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. 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, 1E/13  
 Jhandewalan Extn.,  
 New Delhi-110 055  
**Telephone No :** 011-42541955  
**Fax No. :** 011-42540064

ix) Share Transfer System:

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, 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. Although transmission of shares in physical form is allowed. The details of transmission are placed before the Stakeholder Relationship Committee from time to time for noting and confirmation.

Pursuant to Regulation 40(9) & 40(10) of the Listing Regulations, Certificate on half 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.

x) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

Share Held	31.03.2021			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1-500	6100	91.45	766924	1.56
501-1000	236	3.54	195318	0.40
1001-5000	243	3.64	576023	1.17
5001-10000	34	0.51	255912	0.52
10001 and above	57	0.85	47354321	96.35
<b>TOTAL</b>	<b>6670</b>	<b>100</b>	<b>49148498</b>	<b>100</b>

xi) Categories of Shareholding as on 31<sup>st</sup> March 2021:

Category	Category of Shareholder	Number of Shareholders	Total Numbers of Shares	As a percentage
A	Shareholding of Promoter and Promoter Group			
	1. Indian	05	35538645	72.31
	2. Foreign	-	-	-
<b>Total Shareholding of Promoter and Promoter Group</b>		<b>05</b>	<b>35538645</b>	<b>72.31</b>

## REPORT ON CORPORATE GOVERNANCE



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Category	Category of Shareholder	Number of Shareholders	Total Numbers of Shares	As a percentage
B	Public Shareholding			
	1. Institutions	5	8300	0.02
	2. Non-institutions	6660	13601553	27.67
	<b>Total Public Shareholding</b>	<b>6665</b>	<b>13609853</b>	<b>27.69</b>
C	Non Promoter-Non-Public			
	C1. Shares underlying DRs	-	-	-
	C2. Share held by Employee Trusts	-	-	-
	<b>Total (A+B+C)</b>	<b>6670</b>	<b>49148498</b>	<b>100</b>

xii) **Dematerialization of shares and liquidity:** As on 31st March, 2021 about 98.96% 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.

xiii) There are no outstanding GDRs/ ADRs/ Warrants and other convertible instruments.

xiv) **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

### 10. Compliance Certificate on Corporate Governance:

Certificate from the M/s. V K Singh & Co., Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to Director's Report forming part of the Annual Report.

### 11. CEO/CFO Certification

As required by Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate duly certified by Mr. Anuj Sawhney, Director & Manager and Mr. Vijay Kalra, Chief Financial Officer of the Company was placed before the Board at its meeting held on 31<sup>st</sup> July, 2021. This certificate is annexed to the report.

### 12. 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 31<sup>st</sup> March, 2021.

For and on behalf of the Board of Directors

Sd/-

Anuj Sawhney  
Director & Manager

Sd/-

Umong Sethi  
Director

Date: 31.07.2021  
Place: New Delhi

**CEO/CFO CERTIFICATION**

We the undersigned, in our respective capacities as Director & Manager and Chief Financial Officer of Swiss Military Consumer Goods Limited, to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2021 are fraudulent, illegal or violate the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d) We further certify that:
  - i) There have not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There have not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting;

Date: 31.07.2021  
Place: New Delhi

Sd/-  
Anuj Sawhney  
Director & Manager

Sd/-  
Vijay Kalra  
Chief Financial Officer

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

We have examined the compliance of Corporate Governance by Swiss Military Consumer Goods Limited for the year ended March 31, 2021, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

On the basis of information and explanation given to us and as per the records maintained by the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

Date: 31/07/2021  
Place: Delhi

FOR V K SINGH & CO.  
Company secretaries  
Sd/-  
(VIKASH KUMAR SINGH)  
Proprietor  
M. No.- A42789  
C.P. No.-15806  
UDIN :- A042789C000718838

**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](http://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, 2021 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.	Anuj Sawhney	00471724	23/09/2020
2.	Ashita Sawhney	08612232	23/09/2020
3.	Umong Sethi	05330983	06/08/2014
4.	Neena Sethi	06936951	06/08/2014
5.	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 V K SINGH & CO  
(Company Secretaries)

Sd/-  
(VIKASH KUMAR SINGH)  
PROPRITOR  
C.P. NO. 15806  
UDIN: - A042789C000718893

DATE: 31/07/2021  
PLACE: /NEW DELHI



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## INDEPENDENT AUDITOR'S REPORT

Unique Document Identification Number (UDIN) for this document is **21089895AAAAJT5101**

To the Members of  
**SWISS MILITARY CONSUMER GOODS LIMITED**  
(Erstwhile Known as Network Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **SWISS MILITARY CONSUMER GOODS LIMITED (Erstwhile Known as Network Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss & the Cash Flow Statement for the year then ended, and notes to the 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 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, 2021, its **Profit & cash flows** for the year ended on that date.

#### Basis for Opinion

We conducted our audit 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 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 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.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit Matters as per SA-701; Key Audit Matters are properly complied in our audit.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our report thereon.

Our opinion on the 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 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 in the audit or otherwise appears to be materially misstated.

It 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 is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance & the Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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



## INDEPENDENT AUDITOR'S REPORT

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 Financial Statements

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

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

- Identified and assess the risks of material misstatement of the 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.

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.



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## INDEPENDENT AUDITOR'S REPORT

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss & the Cash Flow Statement de Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

- (g) With respect to adequacy of Internal Financial Control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **Annexure "B"**.

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

Place: New Delhi  
Date: 12<sup>th</sup> Day of May, 2021

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

### "Annexure A" to the Independent Auditors' Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of "SWISS MILITARY CONSUMER GOODS LIMITED (Erstwhile Known as Network Limited)" of even date)

- 1) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment.
- (ii) The company has maintained proper records, showing full particulars of Intangible 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) As per information provided to us title deeds of all the immovable properties disclosed in the financial statements 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



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## INDEPENDENT AUDITOR'S REPORT

- holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 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.
- 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, 2021 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, sales tax, service tax, duty of customs, duty of excise, value added tax 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) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the Company.
- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 11) According to the information and explanations given to us and the records examined by us, the company has not been paid managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the Order is not applicable to the Company.
- 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) Section 177 deals with formation of Audit Committee by every listed public companies and such other class or classes of companies as prescribed under the Companies Act 2013, the company does not fall under such class of companies hence no reporting is required. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Order is not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors.



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## INDEPENDENT AUDITOR'S REPORT

- 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 and hence not commented upon.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi)(b) of the Order are not applicable to the Company and hence not commented upon.

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

Place: New Delhi  
Date: 12<sup>th</sup> Day of May, 2021

**Sd/-**  
CA Nitin Jain  
Partner  
M. No. 089895

**"Annexure B" to the Independent Auditor's Report  
of even date on the Financial Statements of SWISS  
MILITARY CONSUMER GOODS LIMITED  
(Erstwhile Known as Network Limited)**

### **Report on the Internal Financial Controls 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 (Erstwhile Known as Network Limited)** as of March 31, 2021 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 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 over Financial Reporting**

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable

## INDEPENDENT AUDITOR'S REPORT



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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.

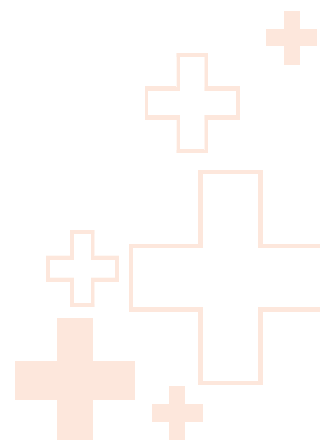
### Opinion

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, 2021, 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: 12<sup>th</sup> Day of May, 2021

**Sd/-**  
CA Nitin Jain  
Partner  
M. No. 089895



# BALANCE SHEET AS AT 31st MARCH, 2021



SWISS  
MILITARY

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	3	221,812	103,194
b) Financial Assets			
i) Investments	4	15,104,734	15,104,734
<b>Total Non-Current Assets</b>		<b>15,326,546</b>	<b>15,207,928</b>
<b>Current Assets</b>			
a) Inventories	5	5,073,201	1,081,319
b) Financial Assets			
i) Trade Receivables	6	9,544,917	810,100
ii) Cash and Cash Equivalents	7	7,131,919	16,232,374
iii) Other financial assets	8	1,079,060	1,153,060
c) Other Current Assets	9	3,135,785	10,289,305
<b>Total Current Assets</b>		<b>25,964,883</b>	<b>29,566,158</b>
<b>TOTAL ASSETS</b>		<b>41,291,429</b>	<b>44,774,086</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	10	98,296,996	98,296,996
b) Other Equity	11	(57,562,733)	(57,818,922)
<b>Total Equity</b>		<b>40,734,263</b>	<b>40,478,074</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Trade payables	12	153,000	4,136,000
ii) Other Financial Liabilities	13	360,759	132,699
b) Other Current Liabilities	14	43,407	27,313
<b>Total Current Liabilities</b>		<b>557,166</b>	<b>4,296,012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,291,429</b>	<b>44,774,086</b>

See accompany notes forming part of the financial statements 1 to 25

As per our report of even date

For and on behalf of  
B. K. Sood & Co.  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 12.05.2021

For and On behalf of the Board of Directors

Sd/-  
Anuj Sawhney  
Director  
DIN : 00471724

Sd/-  
Vijay Kalra  
Chief Financial Officer

Sd/-  
Umong Sethi  
Director  
DIN : 05330983

Sd/-  
Vikas Jain  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR PERIOD 31st March, 2021****SWISS  
MILITARY**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Revenue from Operations</b>			
Sales	15	51,941,600	35,307,341
Other Income	16	450,570	5,328,209
<b>Total Income</b>		<b>52,392,170</b>	<b>40,635,550</b>
<b>Expenses</b>			
Purchases		51,405,090	37,143,024
Change in Inventories of Stock in Trade		(3,991,882)	463,585
Employee benefits expenses	17	1,734,675	1,479,145
Depreciation and amortization expenses	3	55,560	84,152
Other Expenses	18	2,932,538	3,420,711
<b>Total Expenses</b>		<b>52,135,981</b>	<b>42,590,618</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>256,189</b>	<b>(1,955,067)</b>
Exceptional items		-	-
<b>Profit / (Loss) before tax</b>		<b>256,189</b>	<b>(1,955,067)</b>
Less: Tax Expenses		-	-
<b>Profit / (Loss) after tax</b>		<b>256,189</b>	<b>(1,955,067)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Fair Value Change of Equity Instruments		-	(15,459,600)
Share in aggregate comprehensive income of the associates(net tax)		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>-</b>	<b>(15,459,600)</b>
<b>Total Comprehensive Income for the year</b>		<b>256,189</b>	<b>(17,414,667)</b>
<b>Earning Per Equity Share :</b>			
a) Basic (Rs.)		0.01	(0.35)
a) Diluted (Rs.)		0.01	(0.35)

See accompany notes forming part of the financial statements 1 to 25

As per our report of even date

For and on behalf of  
**B. K. Sood & Co.**  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 12.05.2021

For and On behalf of the Board of Directors

Sd/-  
Anuj Sawhney  
Director  
DIN : 00471724

Sd/-  
Vijay Kalra  
Chief Financial Officer

Sd/-  
Umong Sethi  
Director  
DIN : 05330983

Sd/-  
Vikas Jain  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY



Particulars	AS AT 31.03.2021					
	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)
Balance as at 1st April 2019	400,000	76,412,986	19,910,683	(99,918,749)	(36,739,980)	(469,196)
Fair Value Changes in Equity Instruments	-	-	-	-	(15,459,600)	-
Profit / (Loss) for the year	-	-	-	(1,955,067)	-	-
Balance as at 31st March 2020	400,000	76,412,986	19,910,683	(101,873,816)	(52,199,580)	(469,196)
Fair Value Changes in Equity Instruments	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	256,189	-	-
Amount Transferred	-	-	-	(5,375,176)	4,905,980	469,196
Balance as at 31st March 2021	400,000	76,412,986	19,910,683	(106,992,803)	(47,293,600)	-
						(57,562,733)

For and on behalf of  
B. K. Sood & Co.  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 12.05.2021

For and On behalf of the Board of Directors

Sd/-  
Anuj Sawhney  
Director  
DIN : 00471724

Sd/-  
Umong Sethi  
Director  
DIN : 05330983

Sd/-  
Vijay Kalra  
Chief Financial Officer

Sd/-  
Vikas Jain  
Company Secretary



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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax	256,189	(1,955,067)
Adjustments for:		
Depreciation	55,560	84,152
Interest Income on Fixed Deposit	(243,996)	(10,509)
Property, Plant & Equipment write off	3,025	-
Property, Plant & Equipment write back	(126,950)	
<b>Operating (Loss) / Profit before working capital changes</b>	<b>(56,172)</b>	<b>(1,881,424)</b>
<b>Change in Working Capital</b>		
<b>Adjustments for (Increase) / Decrease in Operating Assets</b>		
Inventories	(3,991,882)	463,585
Trade Receivables	(8,734,817)	10,624,240
Other financial assets	74,000	(1,079,060)
Other current assets	7,153,520	(10,190,305)
<b>Adjustments for Increase / (Decrease) in Operating Liabilities</b>		
Trade payables	(3,983,000)	4,136,000
Other Financial Liabilities	228,060	(145,186)
Other Current Liabilities	16,094	27,313
<b>Net Cash Generated / (used in) from Operating Activities (A)</b>	<b>(9,294,197)</b>	<b>1,955,163</b>
<b>Cash flow from Investing Activities</b>		
Investment	-	13,717,666
Interest Income on Fixed Deposit	243,996	10,509
Payment for Purchase PPE	(50,253)	
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>193,743</b>	<b>13,728,175</b>
<b>Cash flow from Financing Activities</b>		
<b>Net cash from / (used in) Financing Activities (C)</b>	<b>-</b>	<b>-</b>
Cash & Cash equivalents at beginning of the year	16,232,374	582,036
Cash & Cash equivalents at end of the year	7,131,919	16,265,374
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(9,100,455)</b>	<b>15,683,338</b>
<b>Total (A) + (B) + (C)</b>	<b>(9,100,455)</b>	<b>15,683,338</b>

See accompany notes forming part of the financial statements 1 to 25

As per our report of even date

For and on behalf of  
B. K. Sood & Co.  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 12.05.2021

For and On behalf of the Board of Directors

Sd/-  
Anuj Sawhney  
Director  
DIN : 00471724

Sd/-  
Vijay Kalra  
Chief Financial Officer

Sd/-  
Umong Sethi  
Director  
DIN : 05330983

Sd/-  
Vikas Jain  
Company Secretary



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## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

### Note - 1 GENERAL 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. Its shares are listed at BSE Ltd.

The company engaged in trading and marketing of various lifestyle products such as travel gear, baggage, leather accessories, sunglasses, electronics, protective masks and other related products under the brand "SWISS MILITARY". And also Trading in capital Market in Future & Options and Cash segment.

### Note - 2 SIGNIFICANT ACCOUNTING POLICIES

#### (A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time by the Ministry of Corporate Affairs (MCA), the provisions of Companies Act, 2013, and guidelines issued by the Securities and Exchange Board of India (SEBI). 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. Financial statements of the company are prepared under the historical cost convention except for the certain financial assets and liabilities measured at fair value as mentioned in applicable accounting policies.

#### (B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments 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. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The estimates and underlying assumptions are reviewed on going concern basis.

#### (C) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Revenue from trading and marketing of various lifestyle products such as travel gear, baggage, leather accessories, sunglasses, electronics, protective masks and other related products under the brand "SWISS MILITARY". And also Trading in capital Market in Future & Options and Cash segment.

#### (D) OTHER INCOME

Dividend income is recognised when the right to receive the payment is established. Interest is recognised using the effective interest rate (EIR) method

#### (E) EXPENDITURE

Expenses are accounted for on accrual basis.

#### (F) PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit or loss.

#### (G) DEPRECIATION

Depreciation on Property, plant and equipment has been provided on straight line method (S.L.M.) on pro-rata basis at the rates and in the manner specified in Schedule II of the Companies Act, 2013.



## (H) INVENTORIES

Inventories are valued at cost or Net Realizable Value, whichever is less on FIFO method. Cost includes purchase price, taxes and other incidental expenses, wherever applicable.

## (I) FINANCIAL INSTRUMENTS

### Initial Recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables/payables and where cost of generation of fair value exceeds benefits, which are initially measured at transaction price. Transaction costs directly related to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities through profit & loss account) are added to or deducted from the cost of financial assets or financial liabilities. Transaction cost directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit & loss account are recognized immediately in the statement of profit & loss.

### Subsequent Recognition:

Non-derivative financial instruments

- i). **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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.
- ii). **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model 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 (all being not held for trading), 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 or loss:** A financial asset which is not classified in any of the above categories (including investment in units of mutual funds) is subsequently fair valued through profit or loss.
- iv). **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## J) FINANCIAL LIABILITIES

Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost. Subsequent to initial measurement, financial liabilities are measured at amortized cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities. Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months from the balance date or beyond. Financial liabilities are derecognized when the company is discharged from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms.

## K) EARNING PER SHARE

Basic Earning per share is computed using Weighted Average Number of Equity Share Outstanding during the year. Diluted Earning per share is computed using weighted Average Number of Equity and Dilutive Equity equivalent share outstanding during the year end.



#### **L) TAX ON INCOME**

Current tax are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit & loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

#### **M) INVESTMENTS**

Investments are stated at cost less diminution in value of such investment as per the available financial statements.

#### **N) IMPAIRMENT**

##### **Financial Assets (Other than at Fair Value):**

The company assesses at each balance sheet date whether a financial assets or a group of financial assets is impaired in compliance of Ind AS 109

##### **Non Financial Assets :**

If internal/external indication suggest that an asset of the company may be impaired, the recoverable amount of the asset is determined on the balance sheet date and if it is less than its carrying amount, the carrying amount of asset is reduced to the said recoverable amount. The recoverable amount is measured as the higher of the fair value less cost of disposal and value of use of such asset which is determined by the present value of the estimated future cash flows.

Assessment is also done at each balance sheet date as to whether there is any indication that the impairment loss recognized in prior period may no longer exist or may be decreased, a reversal of an impairment loss for an asset is recognized in the Statement of Profit and Loss.

#### **O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risk specific to liability. Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company. Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

#### **P) TRADE & OTHER PAYABLES**

These amounts represent liabilities for services received by the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### **Q) SEGMENT REPORTING**

The Company is primarily engaged in trading of various lifestyle products such as travel gear, baggage, leather accessories, sunglasses, electronics, protective masks and other related products under the brand swiss military and also securities. 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.



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### Note - 3 Property, Plant and Equipment

	Land	Plant & Machinery	Office Equipment	Furniture & Fixtures	Total
<b>Gross Carrying Value</b>					
As at 1st April 2019	-	255,550	77,490	300,000	633,040
Addition During the year	-	-	-	-	-
Adjustments / (Deletions) During the year	-	-	-	-	-
As at 31st March 2020	-	255,550	77,490	300,000	633,040
Addition During the year	-	41,780	8,474	-	50,253
Adjustments / (Deletions) During the year	126,950	-	(60,500)	-	66,450
As at 31st March, 2021	126,950	297,330	25,464	300,000	749,743
<b>Depreciation / Amortisation</b>					
As at 1st April 2019	-	102,025	58,669	285,000	445,694
Provided for the year	-	80,924	3,228	-	84,152
Adjustments / (Deletions) During the year	-	-	-	-	-
As at 31st March 2020	-	182,949	61,897	285,000	529,846
Provided for the year	-	52,059	3,501	-	55,560
Adjustments / (Deletions) During the year	-	-	(57,475)	-	(57,475)
As at 31st March, 2021	-	235,008	7,923	285,000	527,931
<b>NET CARRYING VALUE</b>					
As at 31st March 2020	-	72,601	15,593	15,000	103,194
As at 31st March, 2021	126,950	62,322	17,541	15,000	221,812



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#### Note 4 - INVESTMENTS

Particulars	As at 31st March, 2021 Number	Amount	As at 31st March, 2020 Number	Amount
I. <b>Measured at Cost</b>				
A. <b>Equity Instruments</b>				
<b>Unquoted : Fully Paid-Up</b>				
International Amusement Limited	1920000	10,306,400	1920000	10,306,400
Appu Ghar Entertainment Private Limited	162450	4,698,334	162450	4,698,334
		<b>15,004,734</b>		<b>15,004,734</b>
B. <b>Investment in Partnership Firm</b>	1	100,000		100,000
		<b>100,000</b>		<b>100,000</b>
<b>Total (I)</b>		<b>15,104,734</b>		<b>15,104,734</b>
<b>Note 5 INVENTORIES</b>				
Stock in Trade		5,073,201		1,081,319
		<b>5,073,201</b>		<b>1,081,319</b>
<b>Note 6 TRADE RECEIVABLES</b>				
<b>Current - Unsecured</b>				
Considered Good		9,544,917		810,100
		<b>9,544,917</b>		<b>810,100</b>
<b>Note 7 CASH &amp; BANK BALANCES</b>				
<b>Cash &amp; Cash Equivalents</b>				
Balances with Banks on Current Accounts		7,054,249		16,177,867
Cash on Hand		77,670		54,507
		<b>7,131,919</b>		<b>16,232,374</b>
<b>Note 8 OTHER FINANCIAL ASSETS</b>				
Security Deposit		1,079,060		1,153,060
		<b>1,079,060</b>		<b>1,153,060</b>
<b>Note 9 OTHER CURRENT ASSETS</b>				
Advances for Supply of Goods / Services		2,685,514		10,180,000
Advances to Employees		30,925		54,925
Prepaid Expenses		131,478		33,000
Balance with Government Authorities		287,868		21,380
		<b>3,135,785</b>		<b>10,289,305</b>



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## Note - 10 SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
<b>AUTHORISED CAPITAL</b>		
26,25,00,000 Equity Shares of Rs.2/- each	525,000,000	525,000,000
6,00,000 Preference share of Rs.100/- each	60,000,000	60,000,000
	<b>585,000,000</b>	<b>585,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
4,91,48,498 Equity Shares of Rs.2/- each	98,296,996	98,296,996
	<b>98,296,996</b>	<b>98,296,996</b>

### a) RIGHTS, PREFERENCE AND RESTRICTIONS

The company has only one class of shares referred to as equity shares having a par value of Rs.2/- each (Previous Year of Rs.2/- each). Holder of equity shares is entitled to one vote per share.

### b) THE RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL IS SET OUT BELOW:

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Number of shares at the beginning	49148498	98,296,996	49148498	98,296,996
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	<b>49,148,498</b>	<b>98,296,996</b>	<b>49,148,498</b>	<b>98,296,996</b>

The details of shareholder holding more than 5% shares is set out below :

Name of Shareholders	Number	%	Number	%
Anushi Retail LLP	27,351,462	55.65	11,989,200	24.39
Mr. Pankaj Shrimali	4,846,800	9.86	4,902,800	9.98
Mrs. Madhuri Shrimali	3,337,200	6.79	3,337,200	6.79
Mr. Paras Nath Gaur	-	-	2,500,000	5.09
Mr. Rajnesh Dutta	-	-	2,509,000	5.10
Uninet Strategic Advisory Ltd	6,849,150	13.94	6,885,837	14.01



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## Note - 11 OTHER EQUITY

Particulars	Reserve & Surplus				Other Comprehensive Income		Total
	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)	
Balance as at 1st April 2019	76,412,986	19,910,683	(99,918,749)	(36,739,980)	(469,196)	(40,404,255)	400,000
Fair Value Changes in Equity Instruments	-	-	-	-	(15,459,600)	-	(15,459,600)
Profit / (Loss) for the year	-	-	-	(1,955,067)	-	-	(1,955,067)
Balance as at 31st March 2020	400,000	76,412,986	19,910,683	(101,873,816)	(52,199,580)	(469,196)	(57,818,922)
Fair Value Changes in Equity Instruments	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	256,189	-	-	256,189
Amount Transferred	-	-	-	(5,375,176)	4,905,980	469,196	-
Balance as at 31st March 2021	400,000	76,412,986	19,910,683	(106,992,803)	(47,293,600)	-	(57,562,733)

	As at 31st March, 2021	As at 31st March, 2020
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## Note-12 TRADE PAYABLES

Trade Payables	153,000	4,136,000
	<b>153,000</b>	<b>4,136,000</b>

## Note-13 OTHER FINANCIAL LIABILITIES

Expenses Payable	220,559	132,699
Employees Benefits Payable	140,200	-
	<b>360,759</b>	<b>132,699</b>

## Note-14 OTHER CURRENT LIABILITIES

Statutory Dues	2,658	27,313
Advance from Customers	40,749	-
	<b>43,407</b>	<b>27,313</b>



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Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Note-15 Revenue from Operations</b>		
Sales	51,941,600	35,307,341
	<b>51,941,600</b>	<b>35,307,341</b>
<b>Note-16 OTHER INCOME</b>		
Interest from Fixed Deposit	243,996	10,509
Profit from Sale of Investment	-	5,260,000
Other miscellaneous income	206,574	57,700
	<b>450,570</b>	<b>5,328,209</b>
<b>Note-17 EMPLOYEE BENEFITS EXPENSES</b>		
Establishment Expenses	1,668,700	1,422,000
Staff Welfare Expenses	65,975	57,145
	<b>1,734,675</b>	<b>1,479,145</b>
<b>Note-18 OTHER EXPENSES</b>		
Advertisement	56,616	41,360
Travelling & Conveyance	183,723	213,221
Audit Fees	100,000	100,000
Books & Periodicals	4,222	1,670
Business Promotion	16,096	-
AGM Expenses	42,418	180,366
Rent / Hire Charges	364,000	444,000
Printing and Stationery	38,225	32,214
Sampling Expenses	22,251	-
Postage & Courier	16,000	2,948
Communication Expenses	37,649	48,870
Commission Expenses	147,112	-
Insurance Expenses	1,952	-
Fees & Tax Expenses	556,312	316,685
Listing Fees	375,029	324,544
Labour Charges	4,600	-
Professional and legal Charges	692,303	1,527,630
Repair and Maintenance	63,362	79,085
Electricity & Water Charges	22,864	33,982
Write off fixed asset	3,025	-
Website Expenses	134,750	-
Festival Expenses	3,000	8,848
Misc. Expenses	47,030	65,287
	<b>2,932,538</b>	<b>3,420,711</b>



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## 19 CONTINGENT LIABILITIES

- a) claims against the Company not acknowledged as debts in respect of:-

	Current Year In Lacs	Previous Year in Lacs
Pending Litigations	10.79	10.79

## 20 Basic and Diluted Earnings per Share

(Amount in Rs.)

Particulars	Current Year	Previous Year
Profit / (Loss) for the year	256,189	(17,414,667)
Weighted Average number of equity shares (nos.)	49148498	49148498
Earning per Share (basic & diluted )	0.01	(0.35)

## 21 Amount paid / payable to Auditors:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Audit Fees	1.00	1.00

## 22 Disclosure under Indian Accounting Standard- 24 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India :-

### A. List of related parties

#### a). Directors / Key Managerial Personnel

Mr. Anuj Sawhney	- Director & Manager
Mrs. Ashita Sawhney	- Director
Mr. Umong Sethi	- Independent Director
Mrs. Neena Sethi	- Independent Director
Mr. Chirag Gupta	- Independent Director
Mr. Vijay Kalra	-Chief Financial Officer
Mr. Vikas Jain	- Company Secretary

#### b). Firms and Companies in which directors/KMP's are interested:

Swiss Military Life Style Products Private Limited



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B). The Company has entered into transactions with certain parties listed above during the year under consideration. Details of these transactions are as follows

(Rs. In Lacs)

Description	Firms and Companies in which directors/KMP's are interested		Directors	
	Current Year	Previous Year	Current Year	Previous year
Professional / Advisory Charges	-	-	-	9.00
Sale of Goods	184.40	154.00	-	-
Purchase of Goods	60.95	-	-	-
Closing Balance ( DR )	-	-	-	-
Closing Balance ( CR )	-	-	-	-

23 Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.

#### 24 Foreign Currency Exposure

The details of foreign currency (FCY) exposure are given below.

Nature of Foreign Currency	UoM	Current Year		Previous year	
		FCY	₹	FCY	₹
Advance for Import	USD	0.23	16.84	-	-

25 Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date

For and on behalf of  
B. K. Sood & Co.  
Chartered Accountants  
Firm Registration No. 000948N

Sd/-  
CA Nitin Jain  
Partner  
M. No. 089895

Place : New Delhi  
Date : 12.05.2021

For and On behalf of the Board of Directors

Sd/-  
Anuj Sawhney  
Director  
DIN : 00471724

Sd/-  
Vijay Kalra  
Chief Financial Officer

Sd/-  
Umong Sethi  
Director  
DIN : 05330983

Sd/-  
Vikas Jain  
Company Secretary



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**SWISS MILITARY CONSUMER GOODS LIMITED**  
(Erstwhile known as Network Limited)

**Regd. Office:**

W-39, Okhla Industrial Area,  
Phase-II, New Delhi- 110020  
**CIN:** L51100DL1989PLC034797

**Contact Us:**

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