

# WE HAVE JUST BEGUN

Annual Report 20**22-23**



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

*KOBE BRYANT*

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

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

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

120%

GROWTH IN REVENUE

138%

GROWTH IN EBT

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

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

# IT'S HUMUNGOUS.

THE REASONS ARE PRETTY APPARENT.

## #1

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

## #1

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

## 1.02<sub>MN</sub>

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

## 50<sub>CRORE</sub>

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

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

## US\$ 267.6<sub>MN</sub>

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

## 15%

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

## US\$ 21.18<sub>MN</sub>

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



# HOW ARE WE STEPPING UP OUR GAME?

## STATEMENT FROM THE CHAIRMAN



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

### *Dear shareholders,*

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

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

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

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

### **The unique Indian market**

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

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

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

options before the final decision.

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

### **Our plans for tomorrow**

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

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

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

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

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

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

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

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

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

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

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

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

Thank you.

**JAI HIND**

**Ashok Kumar Sawhney**

## STATEMENT FROM THE MANAGING DIRECTOR

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

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

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

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

Thank you.

**Anuj Sawhney**

*Managing Director*



## OUR KEY INITIATIVES IN FY23

1

### New products in the Travel Luggage range

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

2

### Partnership in the E-commerce space

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

3

### IT upgradation

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



## OUR STRATEGIC BLUEPRINT FOR FY24

1

### Expanding our reach deeper into the customer base

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

2

### Launching more SKUs

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

3

### New sustainable world-class products

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

4

### New Tie-ups for the Home Appliances Range

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

5

### More power to outsourcing

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

6

### Manufacturing Activities underway

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

7

### Customer loyalty program and aggressive pricing

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

# KNOW A LITTLE MORE ABOUT US.



## COMPANY OVERVIEW

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

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

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

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

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

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



### OUR VISION

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



### OUR MISSION

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



### OUR PHILOSOPHY

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

## OUR BABY STEPS IN AN EXPANSIVE LANDSCAPE

### AUGUST 2022

Rights issue of ₹44.23 crore (Issue period)

### APRIL 2022

Acquisition of Wholly Owned Subsidiary for RFID Seal Business.

### MAY 2021

Launch of Innerwear and Home Appliance segment.

### DECEMBER 2020

Change the name of the Company.

### SEPTEMBER 2020

Takeover of Network Limited.

### JUNE 2022

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

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

### FEBRUARY 2022

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

Launch of the Distributor recognition programme.

### NOVEMBER-DECEMBER 2021

Rights Issue of ₹9.82 crore (issue period).

### NOVEMBER 2020

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

# OUR BABY STEPS IN AN EXPANSIVE LANDSCAPE

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

## OUR PRODUCT CATEGORIES

### LUGGAGE

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

300+	372+
SKUs	Dealers

