PHILIPS

Philips India Limited

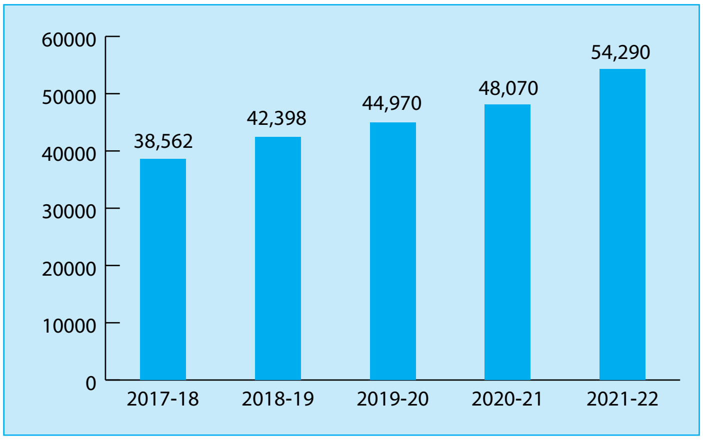
Annual Report

Stronger healthcare for healthier India

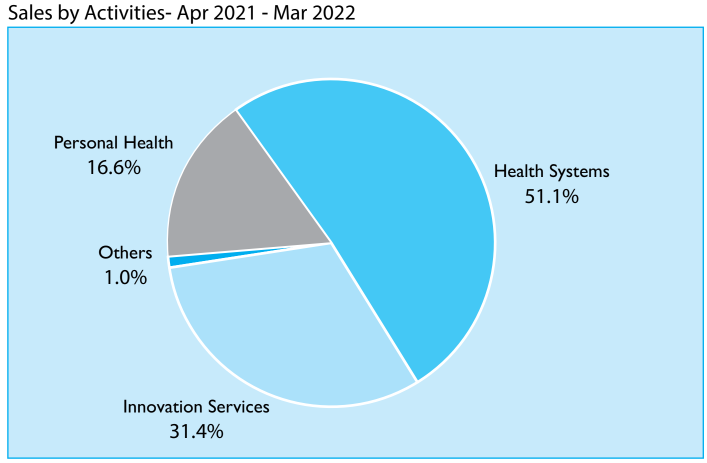
Annual report 2021-22

PHILIPS INDIA LIMITED

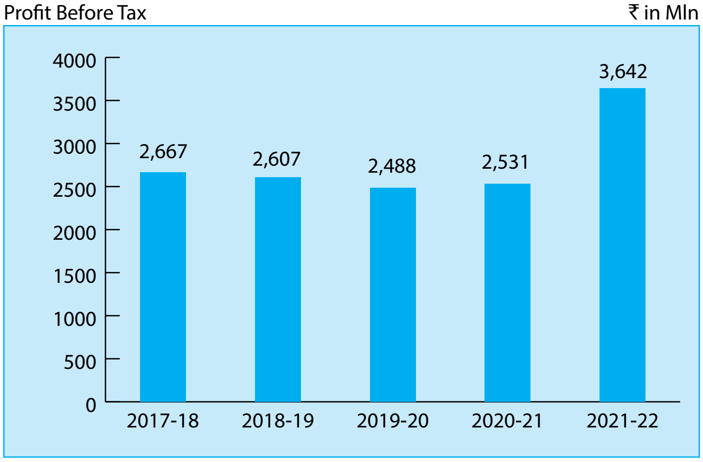
Sales ₹ in Mln



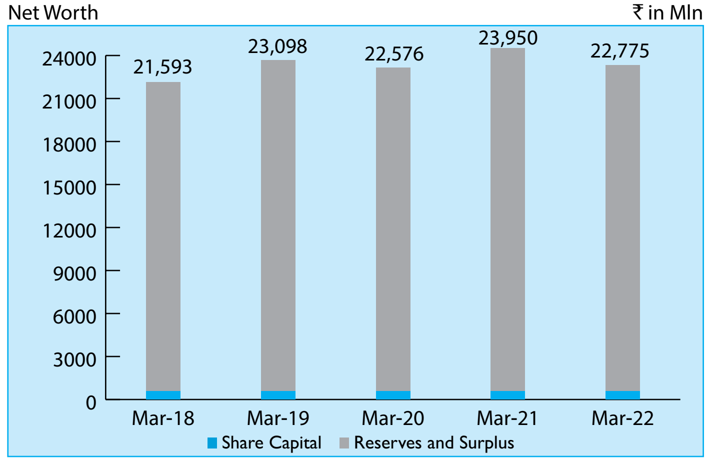
Sales by Activities- Apr 2021 - Mar 2022



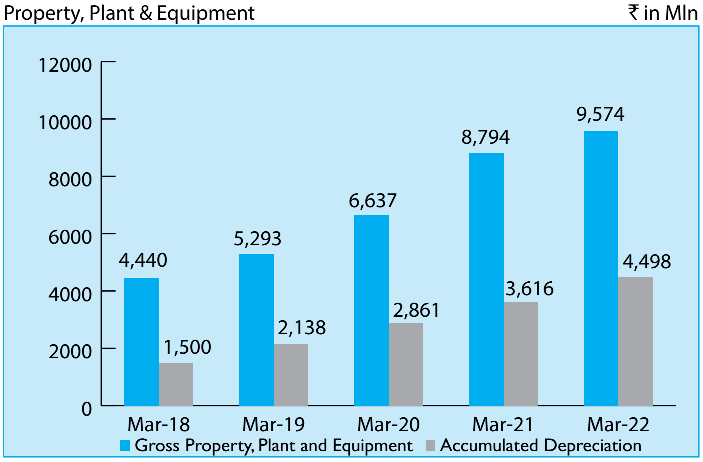
Profit Before Tax ₹ in Mln



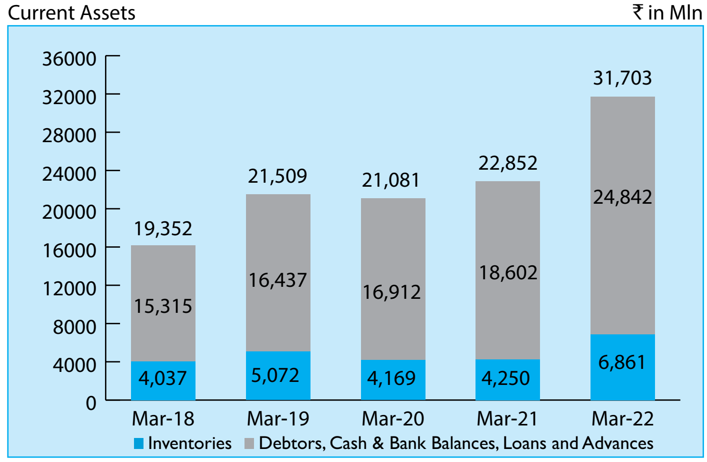
Net Worth ₹ in Mln



Property, Plant & Equipment ₹ in Mln



Current Assets ₹ in Mln



PHILIPS INDIA LIMITED

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Annual General Meeting on Friday, September 23, 2022 at 10.30 a.m.
through Video Conference (VC) / Other Audio Visual Means (OAVM)
For detailed procedure for joining the meeting through VC/OAVM and other relevant information, please refer to the AGM Notice that forms part of the Annual Report.

BOARD OF DIRECTORS

Chairman and Non-Executive Independent Director

S. M. Datta

Vice – Chairman and Managing Director

Daniel Mazon

Whole - Time Director and Company Secretary

Pooja Bedi

Whole - Time Director and Chief Financial Officer

Sudeep Agrawal

Non-Executive Independent Director

Geetu Gidwani Verma

STATUTORY AUDITORS

S. R. Batliboi & Co. LLP

Chartered Accountants

BANKERS

Citibank N.A.

Bank of America N.A.

State Bank of India

HDFC Bank Limited

BNP Paribas

REGISTERED OFFICE

3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road,

New Town (Rajarhat), Kolkata, West Bengal- 700156.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety-Second Annual General Meeting of PHILIPS INDIA LIMITED will be held on Friday, September 23, 2022 at 10.30 a.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat), Kolkata, West Bengal- 700156, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone Financial Statements of the Company for the financial year ended March 31, 2022, including the audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon.

2. To declare dividend for the financial year ended March 31, 2022.

3. To appoint a Director in place of Ms. Pooja Bedi (DIN 06934281), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. RE- APPOINTMENT OF MR. DANIEL MAZON (DIN 07954025) AS VICE-CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

   To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if required, the consent of the Company be and is hereby accorded to re - appoint of Mr. Daniel Mazon, as Managing Director of the Company with effect from October 1, 2022 to September 30, 2027 as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and or agreement in such manner as may be agreed to between the Board of Directors and Mr. Daniel Mazon.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Daniel Mazon holding office as Whole-time director, the remuneration and perquisites set out in explanatory statement annexed hereto, be paid or granted to Mr. Daniel Mazon, as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re- enactment(s) thereof.

   RESOLVED FURTHER THAT Mr. Daniel Mazon shall also serve as the Vice-Chairman of the Board.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

5. REVISION IN REMUNERATI ON OF MS. POOJA BEDI (DIN 06934281)

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED TH AT in partial modification of the resolution passed earlier by the shareholders at the 91st Annual General Meeting of the Company held on September 24, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Ms. Pooja Bedi, having DIN 06934281, Whole-time Director, designated as Company Secretary, to take effect from April 1, 2022, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Ms. Pooja Bedi.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in the Company in any financial year during the term of Ms. Pooja Bedi holding office as Whole-time Director, the remuneration and perquisites set out in the Explanatory

Statement annexed hereto, be paid or granted to Ms. Pooja Bedi as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

6. REVISION IN REMUNERATION OF MR. SUDEEP AGRAWAL (DIN 08056132)

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the 91st Annual General Meeting of the Company held on September 24, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Sudeep Agrawal, having DIN No. 08056132, Whole-time Director, designated as Director and CFO, to take effect from April 1, 2022, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sudeep Agrawal.

RESOLVED FURTH ER THAT in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Sudeep Agrawal holding office as Whole-time Director, the remuneration and perquisites set out in the Explanatory Statement annexed hereto, be paid or granted to Mr. Sudeep Agrawal as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTH ER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

7. APPROVAL OF REMUNERATION OF COST AUDITORS

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby approves the remuneration of Rs. 6,61,000/- (Rupees Six Lacs and Sixty-one Thousand) plus applicable taxes and out of pocket expenses payable to M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464 who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company for the year ending March 31, 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

By Order of the Board

Pooja Bedi
Director & Company Secretary
DIN 06934281

Date : July 27, 2022
Place : Mumbai

NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 19/2021 dated December 21,2021 , General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 and other applicable circulars, if any, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022. In accordance with, the said circulars, the 92nd AGM of the Company shall be conducted through VC / OAVM. Kfin Technologies Limited ('Kfintech') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in Notes below and is also available on the website of the Company at www.philips.co.in.

2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

3. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the certified Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the RTA at evoting@kfintech.com and read the other instruction given in point no. 10 (VIII)(2)(A).

4. The relevant Explanatory Statement pursuant in Section 102 of the Companies Act, 2013 in respect of the Ordinary & Special Businesses from Item no. 4 to 7 of the Notice, is annexed hereto.

5. The Share Transfer Books and the Register of Members of the Company will remain closed from September 17, 2022 to September 23, 2022 (both days inclusive).

6. Subject to provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared, at the meeting, will be paid within 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members as on the book closure/cut off date viz September 16, 2022. In respect of demat shares, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.

7. Members are requested to contact the Registrar and Share Transfer Agent, M/s Kfin Technologies Ltd. for all matters connected with Company's shares at

   Kfin Technologies Ltd,
   Selenium, Tower-B, Plot no.31-32, Gachibowli,
   Financial District, Nanakramguda, Hyderabad-500 032.
   Toll Free no. 18 00 3454 001,
   Telephone: +91 - 40 6716 2222/ 6716 1631
   Email id: ***einward.ris@kfintech.com***

   Kfin Technologies Ltd,
   Apeejay House, Block "C", 3rd Floor,
   15, Park Street, Kolkata 700 016, West Bengal,
   Tel. +91 033 66285900

8. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13).

9. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

   I. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 19/2021 dated December 21,2021 , General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022, issued by MCA, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the Depository Participant(s).

   II. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to KFintech at einward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member.

III. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants with whom they maintain their demat accounts.

IV. The Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.philips.co.in , and on the website of Fintech at https://evoting.kfintech.com or https://emeetings.kfintech.com

10. **PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:**

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

II. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

III. The remote e-voting period commences at 9.00 a.m. on 20th September, 2022 and end at 5.00 p.m. on 22nd September, 2022. The remote e-voting module will be disabled by KFintech for voting thereafter.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

VI. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

VII. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

1. **Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
2. **Step 2:** Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
3. **Step 3:** Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

1. Details on Step 1 are mentioned below:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** 1. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. 2. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. 3. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 4. Click on company name i.e.' Philips India Limited' or e-voting service provider i.e. KFin. 5. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period and voting during the AGM.

Type of shareholders	Login Method
	Those not registered under IDeAS: 1. Visit https://eservices.nsdl.com for registering. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. 4. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. 5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. 6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. 7. Click on company name i.e Philips India Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM. 8. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:** i. Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii. Click on New System Myeasi. iii. Login to MyEasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authenciation. **2. User not registered for Easi / Easiest** i. Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.

Type of shareholders	Login Method
	iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ' Philips India Limited' or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. II. Once logged-in, Members will be able to view e-voting option. III. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. IV. Click on options available against Philips India Limited or KFin. V. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

2. **Details on #Step 1 are mentioned below:**

   Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

   A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

      i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

      ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

      iii. After entering these details appropriately, click on "LOGIN".

      iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

      v. You need to login again with the new credentials.

      vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Philips India Limited - AGM" and click on "Submit"

      vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to Scrutinizer at asimsecy@gmail.com and the RTA at evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

3. Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i) Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech.

ii) After logging in, click on the Video Conference tab and select the EVEN of the Company.

iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

11. OTHER INSTRUCTIONS

I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from 19th September, 2022 (9:00 a.m.) to 21st September, 2022 (5.00 p.m.) Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open till 5.00 p.m. on Thursday 22nd September, 2022.

III. The Company reserves the right to restrict the number of questions and number of speakers,

IV. Facility for joining AGM though VC/ OAVM shall open atleast thirty (30) minutes before the commencement of the Meeting.

V. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

VI. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

VII. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at https://emeetings.kfintech.com./Questions / queries received by the Company till 5.00 p.m. on Thursday 22nd September, 2022, shall only be considered and responded during the AGM.

VIII. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

IX. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

X. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

However, the participation of large shareholders i.e. members holding 2% or more, promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

XI. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

XII. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

XIII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 16, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

XIV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .

XV. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

XVI. KPRISM- Mobile service application by KFin:

Members are requested to note that, our Registrar and Share Transfer Agents have launched a mobile application - KPRISM and a website https://kprism.kfintech.com/ for our investors. Now you can download the mobile app and see your portfolios serviced by KFINTECH. Check Dividend status , request for annual reports , change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRSIM". Alternatively you can also scan the QR code given below and download the android application.

Website - https://kprism.kfintech.com/

Play Store - https://play.google.com/store/apps/details?id=com.karvy.kprismv3 (Android mobile application)

12. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of Kfintech's website for e-voting: https://evoting@kfintech.comor call Kfintech on 1800 309 4001 (toll free).

13. Members are requested to note the following contact details for addressing e-voting grievances:

Mr. Anil Dalvi
Manager
KFin Technologies Private Limited
Selenium Tower B, Plot 31 - 32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Telephone: +91 - 40 6716 2222/ 6716 1631
E-mail: einward.ris@kfintech.com.

14. **PROCEDURE FOR INSPECTION OF DOCUMENTS:**

I. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on https://evoting.kfintech.com./

II. The Statutory registers of the Company maintained as per the provisions of the Companies Act 2013 and required to be kept open for inspection during AGM, will be available for for inspection by the Members electronically during the AGM.

15. **DIVIDEND RELATED INFORMATION:**

I. The Members, whose names appear in the Register of Members / list of Beneficial Owners as 16th September, 2022, i.e. the date prior to the commencement of book closure, being the cut-off date will be paid the Dividend for the financial year ended 31st March, 2022, as recommended by the Board, if approved at the AGM.

II. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of saving bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

III. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

IV. Members holding shares in physical form who have not registered/updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Services or any other means ("Electronic Bank Mandate"), can register/update their electronic Bank Mandate to receive dividends directly into their bank account electronically, by sending following details/documents in addition to the documents mentioned in the Note No. 9(II) above by sending email to KFintech at einward.ris@kfintech.com:

a. Name and Branch of Bank in which dividend is to be received and Bank Account type;

b. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;

c. 11 digit IFSC Code; and

d. Self attested scanned copy of cancelled cheque bearing the name of the Members or first holder, in case shares are held jointly.

In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of the postal services, dispatch the dividend warrant/bankers' cheque/demand draft to such shareholder by post.

V. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with, the provisions of the Income Tax Act, 1961.

a. For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% (plus applicable surcharge and cess) as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during financial year 2022-23 does not exceed ₹ 5,000. Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2022-23.

Separately, in cases where the individual shareholder provides Form 15G (applicable to individual, who is a resident in India) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

b. For Non-resident Shareholders, taxes are required to be withheld in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. However, as per Section 90(2) of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self-declaration, certifying the following points:

  i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;

  ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

  iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

  iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and

  v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

VI. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

VII. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Thursday, 15th September, 2022.

VIII. Kindly note that the aforementioned documents are required to be submitted to the RTA at einward.ris@kfintech.com on or before 15th September, 2022. in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post 15th September, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

IX. We shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend.

X. Members are requested to contact KFintech / Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account.

XI. Pursuant to Section 123 of the Companies Act 2013 (previously 205A (5) of the Companies Act, 1956), the unpaid dividend that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend No.	Date of Declaration	For the year ended	Tentative date for transfer to IEPF
68	28.09.2015	31.03.2015	05.11.2022
69	29.09.2016	31.03.2016	06.11.2023
70	15.09.2017	31.03.2017	22.10.2024
71	28.09.2018	31.03.2018	05.11.2025
72	20.09.2019	31.03.2019	27.10.2026
74	24.09.2020	31.03.2020	01.11.2027
75	24.09.2021	31.03.2021	01.11.2028

Pursuant to the provisions of the Companies Act, 2013 and the rules notified thereunder, the Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which have not been encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on September 24, 2021 (date of last Annual General Meeting) are available on the website of the Company http://www.philips.co.in/a-w/about- philips/investor-relations.html.

Members are requested to contact Kfin Technologies Pvt. Ltd. for encashing the unclaimed dividends standing to the credit of their account.

Members, who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ Registrar and Share Transfer Agent, for obtaining payments thereof at least 30 days before they are due for transfer to the said fund.

16. **Scrutinizer for AGM through VC/OAVM:**

I. Dr. Asim Kumar Chattopadhyay, Practising Company Secretary (FCS- 2303 & CoP- 880) has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the e-voting as well as remote e-voting process in a fair and transparent manner.

II. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of Kfintech immediately after the declaration of result by the Chairman or a person authorized by him in writing.

17. **GENERAL INFORMATION:**

I. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

II. The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, September 16, 2022, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

EXPLANATORY STATEMENT

Under Section 102 of the Companies Act, 2013

ITEM NO. 4

The Board of Directors, at their meeting held on July 27, 2022, had re-appointed Mr. Daniel Mazon as a non-retiring Director of the Company and subject to necessary approvals, as the Vice-Chairman and Managing Director of the Company, for a period of five years, with effect from October 1, 2022 and approved the terms and conditions of his re-appointment including remuneration. He will also remain to be as a member of the Banking and Other Operations Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the Board of the Company.

An abstract of the terms & conditions of re-appointment of Mr. Daniel Mazon, Vice-Chairman & Managing Director, as presently applicable, is given hereunder:

Remuneration:

Mr. Daniel Mazon shall be entitled to receive remuneration for his services by way of Salary, Variable Performance Linked Bonus and Perquisites as mentioned hereunder, to be paid to him in part in India in Indian Rupees and the balance in Home Country in US dollars, as the case may be, as per the option exercised by him, which is allowed by Philips for employees posted in India from overseas jurisdictions, as detailed below:

<table>
<tr><td>Salary</td><td>An amount totaling Rs. 4,38,26,782 /- per annum, as detailed below:</td></tr>
<tr><td>Amount to be paid in India in Indian Rupees</td><td>Rs. 1,02,704 per month, aggregating to Rs. 1,232,448 per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The aforesaid amount includes:
<table><tr><td>House Rent Allowance</td><td>Rs. 25,000 p.m.</td></tr><tr><td>Home leave Budget</td><td>Rs. 60,528 p.m.</td></tr><tr><td>Driver Salary</td><td>Rs. 17,176 p.m</td></tr></table></td></tr>
<tr><td>Amount to be paid in home country in US$:</td><td>US $ 29,444 per month, aggregating to US$ 353,328 per year, equivalent to Rs. 26,627,540 *
(* 1 US$ = Rs. 75.3621)</td></tr>
<tr><td>Variable Performance Linked Bonus</td><td>On target Annual Variable Performance Linked Bonus of 55 % of base salary of US$ 385,214 amounting to US$ 211,868, payable in home country.
The INR equivalent of the above amount is Rs.15,966,795 *
The aforesaid amount has been calculated at on target performance and may be higher based on the performance of the Company.</td></tr>
<tr><td>Perquisites</td><td>Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Daniel Mazon shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.</td></tr>
</table>

* The salary is gross up for all expatriate employees as per International mobility policy. The effective tax rate has been taken as 42.74% for the gross up calculations.

Part- A

Mr. Daniel Mazon has been granted LTI (Long Term Incentive) of an amount equivalent to Euro 3,50,000. The grant and the vesting of the LTI shall be in accordance with the Company's global LTI plan.

Mr. Daniel Mazon shall also be entitled to perquisites and allowances including but not restricted to club fees, medical insurance, personal accident insurance, Company's car for official duties and such other perquisites and allowances in accordance with the Rules of the Company as amended from time to time.

The perquisites and allowances as mentioned above, shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision for use of the telephone at residence shall not be included in the computation of perquisites.

Part-B

Company's contribution towards Provident Fund and Pension Fund not exceeding 12% of the basic salary plus other allowances or such other percentage as may be permitted in law from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and have been included in the remuneration amount mentioned above.

2. Minimum Remuneration: Notwithstanding anything hereinabove, where in any financial year during the term of office of Mr. Daniel Mazon, as the Vice-Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration as minimum remuneration by way of Salary, Variable Performance Linked Bonus and Perquisites. However, the total remuneration by way of salary, perquisites and any other allowance shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any re-enactment thereof.

3. Exchange rate differences: The aforesaid remuneration, some part of which is payable in foreign currencies - US or Euro, as the case may be, has been converted into Indian Rupees for the purposes of Board and regulatory approvals on the present exchange rates, as mentioned. The amounts of remuneration may vary based on fluctuations of the exchange rate, only to the extent of such exchange rate fluctuations/ differences, as applicable from time to time.

4. All the above perquisites and benefits would be subject to the applicable Company policy.

   Except Mr. Daniel Mazon, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

   In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.4 of the accompanying Notice for the approval of the Members.

ITEM NO. 5

The Board of Directors at their meeting held on June 30, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee, had appointed Ms. Pooja Bedi as a Whole-time Director & Company secretary of the Company, for a period of 5 years, with effect from July 01, 2021, which was approved by the shareholders of the Company at the Ninety – First Annual General Meeting of the Company held on September 24, 2021.

As per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, accorded on May 27, 2022, revision in remuneration payable to Ms. Pooja Bedi is proposed with effect from April 01, 2022, for the approval of the members.

1. The details of the present remuneration paid to Ms. Pooja Bedi, along with the proposed remuneration are as below:

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 1, 2022
Salary	Rs. 9,65,484.33/- per month, aggregating to Rs. 11,585,812/-per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of 9,65,484.33/- per month includes: Basic Salary: Rs. 3,37,919.5/-p.m. House Rent Allowance: 1,68,959.78/-p.m. Flexible Benefit Plan: 401,800.75/-p.m. Retrial Benefits: Rs. 56,804.30/- (as set out in Part B)	Rs. 10,37,896/- per month, aggregating to Rs. 1,24,54,752/-per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of 10,37,896/-per month includes: Basic Salary: Rs. 3,63,263/-p.m. House Rent Allowance: 1,81,632/-p.m. Flexible Compensation: 4,31,936/-p.m.. Retrial Benefits: Rs. 61,065/- (as set out in Part B)

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 1, 2022
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Ms. Pooja Bedi shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Ms. Pooja Bedi shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.

The resolution for revision in remuneration of Ms. Pooja Bedi is appropriate and in the best interests of the Company.

Except Ms. Pooja Bedi, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.5 of the accompanying Notice for the approval of the Members.

ITEM NO. 6

The Board of Directors at their meeting held on February 19, 2018 pursuant to the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Sudeep Agrawal as a Whole-time Director of the Company, with effect from February 19, 2018, which was approved by the shareholders of the Company at the Eighty – Eighth Annual General Meeting of the Company held on September 28, 2018.

Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on May 31, 2019 & June 30, 2021 the revision in remuneration of Mr. Sudeep Agrawal was approved by the shareholders of the Company at the Eighty-Nineth & Ninety – First Annual General Meetings of the Company held on September 20, 2019 & September 24, 2021 respectively.

As per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, accorded on May 27, 2022, revision in remuneration payable to Mr. Sudeep Agrawal is proposed with effect from April 1, 2022, for the approval of the members.

The details of the present remuneration paid to Mr. Sudeep Agrawal, along with the proposed remuneration are as below:

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 1, 2022
Salary	Rs.11,94,897/- per month, aggregating to Rs.1,43,38,759/- per annum or such higher amount as may be approved by the Board of Directors or any Committee thereof, from time to time. The remuneration amount of Rs. 11, 94,897/- per month includes: Basic Salary: Rs.418213.83 /-p.m. House Rent Allowance: Rs.2,09,107 /-p.m. Flexible Benefit Plan: Rs. 4,972,74.16 /-p.m. Retiral Benefits: Rs. 70,301.75/- p.m. (as set out in Part B)	Rs.13,50,233/- per month, aggregating to Rs.1,62,02,796 per annum or such higher amount as may be approved by the Board of Directors or any Committee thereof, from time to time. The remuneration amount of The remuneration amount of Rs.13,50,233/- per month includes: Basic Salary: Rs.4,72,582 /-p.m. House Rent Allowance: Rs.2,36,290 /-p.m. Flexible Compensation: Rs. 5,61,920 /-p.m. Retiral Benefits: Rs. 79,441/- p.m. (as set out in Part B)

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 1, 2022
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Sudeep Agrawal shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Sudeep Agrawal shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.

Part- A

a. Mr. Sudeep Agrawal shall also be entitled to perquisites and allowances including but not restricted to medical reimbursement for self and family, club fees, medical insurance, personal accident insurance, Company stock (as per the global LTI plan), Company's car for official duties and such other perquisites and allowances in accordance with the Rules of the Company, as amended from time to time.

b. The perquisites and allowances as mentioned above, shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision for use of the telephone at residence shall not be included in the computation of perquisites.

Part-B

i. Company's contribution towards Provident Fund and Pension Fund not exceeding 12% of the Basic Salary or such other percentage as may be permitted in law from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.

ii. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and have been included in the remuneration amount mentioned above.

2. Minimum Remuneration: Notwithstanding anything hereinabove, where in any financial year during the term of office of Mr. Sudeep Agrawal, as the Chief Financial Officer and Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration as minimum remuneration by way of Salary, Variable Performance Linked Bonus and Perquisites. However, the total remuneration by way of salary, perquisites and any other allowance shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any re-enactment thereof.

1. All the above perquisites and benefits would be subject to the applicable Company policy.

2. All other terms and conditions of Mr. Sudeep Agrawal, as approved earlier by the Board and the shareholders, shall remain unchanged.

The resolution for revision in remuneration of Mr. Sudeep Agrawal is appropriate and in the best interests of the Company.

Except Mr. Sudeep Agrawal, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.6 of the accompanying Notice for the approval of the Members.

ITEM NO. 7

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464, as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at item no. 8 of the notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 7 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at item no. 7 of the notice for approval by the members.

By Order of the Board

Pooja Bedi
Director & Company Secretary
DIN 06934281

Date : July 27, 2022
Place : Mumbai

DIRECTORS' REPORT

For the financial year ended March 31, 2022

To the Members,

Your Company's Directors are pleased to present the 92nd Annual Report of the Company, along with the Audited Annual Accounts for the financial year ended March 31, 2022.

I. FINANCIAL PERFORMANCE

1.1 RESULTS

₹ Million

	2021-22	2020-21
Gross Income	55,462	48,835
Profit before exceptional items and tax	2,333	2,531
Exceptional items	(1,309)	-
Profit before tax	3,642	2,531
Provision for current tax	(836)	(907)
Deferred tax – Credit / (Charge)	(147)	136
Profit after tax	2,659	1,760

1.2 SECTORWISE SALES

	2021-22	2020-21
Personal Health	8,985	13,459
Health Systems	27,719	19,461
Innovation Services	17,062	14,736
Others	524	414
Total	**54,290**	**48,070**

1.3 FINANCE & ACCOUNTS

Your Company has delivered positive net cash from operations in the financial year 2021-22. The company has not made any major borrowings in this year and has managed working capital requirements from internal cash generation.

During the year, capital expenditure was Rs. 1,429 million (vis – a – vis Rs. 2,880 million during Apr '20 – Mar '21) and were towards HIC expansion and IT equipment etc.

Your company continued to facilitate Healthcare sales with innovative financial solutions to support customers and business in keeping up pace with the market growth to the tune of Rs.1,940 million.

Your company has invested the surplus cash in fixed deposits with banks and is earning interest on the same.

An extract of the annual return in the prescribed format is uploaded on the website of the company at the link mentioned below:

https://www.philips.co.in/a-w/about-philips/investor-relations.html

2. DIVIDEND

Your Directors recommend payment of Rs. 3 /- per share as dividend on the fully paid equity shares for the financial year ended March 31, 2022. This will absorb cash of Rs. 173-million as dividend.

3. TRANSFER TO RESERVES

In the Financial year 2021 -22, your Company does not propose any transfer to General Reserve.

4. DEPOSITS

Your Company has not accepted/renewed any deposits from the public during the year.

5. BUSINESS PERFORMANCE

The Notes to the Profit and Loss Account for the year provide segment results. The required disclosure is made below for the Health Systems, Personal Health and Innovation Services business of your Company.

5.1 HEALTH SYSTEMS

During the year 2021-22, Health Systems business of your Company delivered another year of strong performance with overall revenue growth of above 60% driven by favorable market growth and customer requirements during the pandemic.

The addressable market has grown in high double digit in the range of 40% triggered by change in healthcare needs caused by the pandemic situation.

Your Company continues to do strong business with most of its strategic key accounts focusing on multi-modality deals and in government tenders.

There were a few products launched such as,

1. MR 5300 - Helium free 1.5 T MRI.
2. Spectral CT 7500 – Premium CT scan with dual detectors – making it the most advanced Philips CT scanner in CT portfolio.

These products help position Philips as a leading innovation focused healthcare company in the market. Your company during the year has also added to its portfolio the entire Respironics Range under Sleep and Respiratory Care (S&RC) with Global Manufacturing Footprints and dependency on multiple vendors across geography, pandemic has caused supply chain disruption which is expected to affect and may impact supply chain and Company performance in the medium term.

Your Company's global innovation strengths at Bangalore (PIC) along with global design and manufacturing at Pune (HIC) are delivering world-class "Made in India" medical equipment. The Affiniti series of ultrasounds (Afiiniti 30, Affiniti 50, Affiniti 70) are made in India and contributes to nearly half of Philips ultrasound business in India. Your Company has implemented a strong strategy for gaining its market share over the next 3 year.

5.2 PERSONAL HEALTH

Financial year 2021-22 witnessed rebounding of economic activities post pandemic however new challenges emerged including geopolitical tensions, inflationary headwinds as well as extended supply chain disruptions. Your company also completed the process of domestic appliances business dis-entanglement during the year.

Personal Health business continued its growth journey despite a volatile and dynamic macro environment and delivered 16.3% (excluding impact of domestic appliances business dis-entanglement) growth over the previous financial year. This growth was delivered in a highly competitive environment with low cost players and challenges due to increase in cost trends of the commodities and adverse currency fluctuations.

Keeping consumer centricity and innovation at the core, your company launched new range of products such as Beard Trimmer Power adapt, Sonicare electric toothbrushes and locally manufactured Value-segment Hair Dryer. With the aim to build brand relevance and preference, the Company utilized digital medium extensively to reach out to the young target consumers and enhanced the social presence. The company continues to engage Cricket stars, Bollywood Celebrities, and Influencers to drive engagement with the young consumers across the country. Your Company's efforts were acknowledged by industry experts and Philips Personal Health won the "Best Performance & Utility (Hatke) Gadget" of the Year award for the Philips Fresh Air Mask.

Your Company's strategic objective is to build a sustainable business for long term value creation. To achieve this objective, your company will continue to focus on being agile in highly dynamic environment, leveraging world class brands and product expertise and driving market development at scale to deliver value for its consumers and shareholders. It will further introduce and enrich portfolio with India relevant offerings and drive digital innovation to stay competitive against new entrants and low-cost players as well as maintain its leadership brand preference position amongst consumers.

5.3 INNOVATION CAMPUS

Philips Innovation Campus, Bengaluru (PIC-B) established in 1996 as a premier software research and development organisation of Royal Philips, today hosts 4500+ top-notch professionals working on developing products and innovative solutions across the healthcare continuum to improve people's health. It is one of the four major Philips innovation hubs globally.

The centre has extensive expertise in cutting-edge technologies and is working on solutions based on artificial intelligence and machine learning, smartphone and tablet enabled data analytics, AI-based radiology solutions, remote management of

ICUs and cloud-based solutions. The hub develops clinically relevant software products and solutions across the health continuum starting with healthy living, disease prevention to diagnosis, treatment and homebased care.

Creating experience-centric products and service innovations, Philips Innovation Campus Bengaluru has dedicated teams focused on harmonizing software through a common platform approach. They help businesses design, build and launch connected digital health solutions. The software and product innovations enhance global advancements in common platforms for various products in Precision Diagnosis, Connected Care, Personal Health and Interventional Guided Therapy clusters. A significant portion of Philips global healthcare platform: Health Suite Systems of Engagement is being designed here, with almost all businesses having their spectra at PIC-B, well represented in terms of global projects, challenges, roles and responsibilities.

In addition, PIC-B is also the innovation hub for Philips International Markets operating in Asia, MET etc. It engages with different markets and businesses in the regions helping them to conceive, build and deliver solutions. PIC-B has an established working model that leverages strengths across I&S and Business teams enabling value creation for our customers, readying us for the solutions and 'value-based care' journey at global level. This hub is ably supported by a front-end research team, creative design team and a strong Intellectual Property & Standards (IP&S) group that contributes to the global Philips IP&S portfolio.

PIC-B is also playing a vital role in addressing societal healthcare challenges by leveraging the ecosystem, combining the strength of Philips and our partners to co-create patient centric healthcare solutions. Working in tandem with hospitals and academic, it is leading the efforts to move from transactional business models to shared accountability models, where the quality, efficiency and costs are shared with providers to create value for patients.

As PIC-B celebrates twenty-five years, it is shifting gears from an acknowledged Software powerhouse to a Digital Solutions partner for the Businesses, Markets & customers, contributing to the solution journey of Philips.

Some relevant innovations at PIC

Health-suite Platform (HSP)

HSP team at PIC-B has been part of delivering some of the key platform components which is set to power great innovations for Philips using the AI capabilities of the platform. In the past year, HSP added 2 key AI enabler services for more efficient and scalable AI development and deployment. Firstly, the AI Inference service which is a multi-tenant and highly scalable service to register AI models and execute predictions on them. It offers asynchronous job-based CPU/GPU inference capabilities using AWS Sage maker as the execution engine in the background. Additionally, it also has support for short-lived (Task type) and long-lived (Service type) container-based models. The second service is AI Studio, also a multi-tenant web application that provides a user interface for the data scientist to develop and train AI models along with the associated AI project and experiment management.

Magnetic Resonance Imaging (MRI)

The MRI software R&D team at PIC-B has just delivered MR SmartSpeed, the AI based Image acquisition technique unleashes the power of AI and integrates intelligence, guidance and ease-of-use seamlessly into the radiology imaging workflow. The SmartSpeed can achieve >65% Productivity for our customers by speeding up the scans and at the same time increasing the Diagnostic Confidence by improving image resolution by 2x times that can be applied for >97% of all protocols across anatomies. The sustained innovation in MR Workspace and Predictive Serviceability has resulted in our customers benefiting a revolutionized UX and a higher uptime guarantee, faster deployment of software upgrades, increased productivity due to instant protocol updates and better trained staff due to remote transfer of large training packages. The team continues to have strong connect with India Key Markets and Key Opinion Leaders.

Ultrasound

Dhwani is a new product innovation that will deliver a new value segment product replacing the successful ClearVue family and will deliver significant additional revenue to Ultrasound business. This program exemplifies significant collaborations across different businesses driven from PIC-B. Examples include some of the premium functionalities such as Follicle Assist, TrueView, Auto Fetal Biometry, Touch Panel UI, and several other workflow features. The team continued work on Rhythm Platform and achieved milestones related to Blaze program. The team also made foray into Digital Platform domain through the work on Lumify Manager that would leverage Marketplace to enable SaaS (Software-as-a-Service) delivery of applications.

Hospital Patient Monitoring

Hospital Patient Monitoring software R&D team at PIC-B is a part of global R&D team of the business. Aligning with the business roadmap, this team owns design and development of key programs for the business such as Operations Management. Team plays a key role in developing platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments. Team scaled up during the year and has established a functional lab to ensure that Patient Safety, Quality & Integrity is demonstrated.

Personal Health (PH)

The solutions developed by the PH Digital team has helped in serving and supporting consumers in their health and wellbeing needs in every stage of their lives.

The team continued to deliver on Pregnancy+/Baby+ propositions, next generation Sonicare Prestige 9900 program which helps in personalization thru AI models, the Sleep mapper proposition based on consumer insights, the popular Lumea Device and Groom tribe thereby enhancing digital experiences and resulting in superior engagement enabled by the quality and value of the propositions.

The team also embarked on continuing the journey of PH digital next strategy, which acts as a guiding force in the coming years to further deepen and fasten the digital transformation in PH. The strategy will be realized thru six transformational streams namely co-create innovation, unleash the power of data, intelligently apply AI, develop ubiquitous interfaces, raise the bar and team of choice.

Image Guided Therapy (IGT)

Image Guided Therapy software R&D team at PIC-B is an important part of global team in the IGT business cluster. The focus of the team is customer first innovation building appropriate solutions and solving customer problems made possible by innovation centered on the people around us: Patients, Customers, and Business Partners.

In 2021 team played key role in release of Stent Boost Mobile, a product that enables access to vascular procedures earlier available only on fixed, high-end systems at optimum cost increasing the access to care.

The team also took on additional responsibility to own the releases for Allura product family of IGT Systems business to ensure continued value delivery and support to the 12000 plus Installed Base across the globe. The Centre for Excellence in Automation and the Data Analytics Team developing the IGT-Eye platform also started in Bangalore. PIC-B IGT team now has ownership in creating digital assets and infrastructure to create future assets towards cloud and AI based product solutions for IGT.

The team plays an anchoring role to achieve the business objective to treat one patient worldwide every second by combining our product offerings into integrated procedural solutions.

During the year, Sales (Export in Foreign Currency) amounted to INR 17.2 billion (as compared to INR 14.9 billion in 2020-21). PIC's average employee strength during 2021-22 was 3,946 (3,503 in 2020-21).

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

On June 25 2020, the Board of Directors of your Company have agreed to a proposed plan to separate the Domestic Appliances (DA) business and dispose of the investment in a subsidiary which is operating in the same segment in line with the global restructuring exercise. The Scheme of Arrangement (hereinafter 'Scheme') for demerger of Domestic Appliances Business (Demerged Undertaking) was approved by Board of Directors of your Company on September 11, 2020 and by the shareholders on February 19, 2021.

The Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, between "Philips India Limited" (Demerged Company) and "Philips Domestic Appliances India Limited" (Resulting Company), Preethi Kitchen Appliances Private Limited (Amalgamating Company) and their respective shareholders was approved by (a) The Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated 13 May 2021 and (b) The Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata vide order dated 14 June 2021.

In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021 and shareholders of the Company were allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company.

Domestic Appliances business including Preethi Kitchen Appliances wholly owned subsidiary has been carved out from our Business segment "Personal Health" as reported in Note 43 of the Financial Statements primarily involves sale of kitchen appliances (juicers, blenders, Air fryer, food processors), home care (vacuum cleaners, air purifiers), garment care (irons, steam generators) and coffee makers (appliances and accessories).

7. SIGNIFICANT AND MATERIAL ORDERS IMPACTING GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by regulators, Courts or Tribunals impacting the going concern status of the Company and its operations in the future.

8. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

Your Company had three wholly owned subsidiaries, Preethi Kitchen Appliances Private Limited ("Preethi"), Philips Domestic Appliances India Limited ("Philips Domestic Appliances") and Philips Home Care Services India Private Limited (Philips Home Care). Preethi and Philips Domestic Appliances wholly owned subsidiaries were carved out from the Business segment of your Company with effect from July 1, 2021.

Further, in the meeting of the Board held on December 19, 2019, the approval of the Board was accorded to make an application with ROC, Kolkata to Strike off the name of Philips Home Care as prescribed under section 248(2) of the Companies Act, 2013 and to waive off any outstanding amount due from Philips Home Care Services India Private Limited . Application to Strike off Philips Home Care was filed with Ministry of Corporate affairs (Ministry) on January 23, 2020 and the same was approved by Ministry on October 25, 2021

9. BUSINESS RESTRUCTURING

Except for segregation of the Domestic Appliances business of the Company there was no other Business Restructuring during financial year 2021-2022. An update on the disentanglement of Domestic Appliances business of the Company has already been provided in Point number 6 of this report.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year on July 1, 2021, Mr. Rajiv Mathur, Whole time Director and Company Secretary, resigned from his position on the Board and as Company Secretary of the Company. Your Directors wish to record their appreciation of the valuable contributions made by Mr. Rajiv Mathur to the Board's deliberations and proceedings during his term on the Board.

Further, the Board of Directors of the Company, on June 30, 2021, appointed Ms. Pooja Bedi (DIN: 06934281), as Wholetime Director and Company Secretary, with effect from July 1,2021, which was later approved by the shareholders of the Company in the Ninety First Annual General Meeting of the Company held on September 24, 2021.

Except for the above, during the year, there was no change in the constitution of the Board of Directors of your Company.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board were held 4 (four) times during the financial year, on June 30, 2021, September 23, 2021, December 21, 2021 and February 24, 2022, which were attended by all the Directors, no leave of absence was requested for any of the meetings held during the year by any Director.

12. BOARD EVALUATION

The Nomination and Remuneration Committee of the Company had earlier approved a Performance Evaluation Policy, which had been adopted by the Board of Directors. The key features of this Policy have been included in the report. The Policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board and Independent Directors.

The Board has carried out an evaluation of its own performance, Board Committees and Individual Directors, on an annual basis, pursuant to the provisions of the Act. The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning for the Board and composition of committees, effectiveness of committee meetings, etc. for the Committees of the Board.

In a separate meeting of the Independent Directors held on July 27, 2022, performance of Non- Independent Directors, performance of the Board as a Whole and performance of the Chairman was evaluated, taking into account the views from Executive Directors. The discussion was also made on the Committees of the Board and Individual Directors of the Company.

The results of the evaluation were shared with the Board, Chairpersons of respective Committees and individual Directors and noted by them.

13. COMMITTEES OF THE BOARD

13.1 AUDIT COMMITTEE

Audit Committee of the Board is responsible for monitoring and providing an effective supervision of the management`s financial reporting, to ensure accurate and timely disclosures, with highest levels of transparency, recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing the annual financial statements before submission to the Board for approval.

The powers of Audit Committee include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtain professional advice from external sources and have full access to information contained in the records of the Company, approval or any subsequent modification of any transactions of the Company with related parties, review and monitor the auditor's independence and performance and effectiveness of audit process, scrutiny of inter corporate loans and investments.

The committee also mandatorily reviews information such as internal audit reports related to internal control weakness and analysis of financial condition and results of operations.

During the year there was no change in the constitution of the Audit Committee. The Audit Committee presently comprises of the following members:

•	Mr. S M Datta, Non-Executive Director	Chairman
•	Mr. Sudeep Agrawal, Director	Member
•	Ms. Geetu Gidwani Verma, Non-Executive Director	Member
•	Ms. Pooja Bedi. Director	Secretary

During the year, the Committee 4 (four) times during the financial year, on June 30 2021 September 23, 2021, December 21, 2021 and February 24, 2022. All the meetings were attended by all the Directors. No leave of absence was sought.

Mr. S M Datta, attended the Annual General Meeting of the Company held on September 24, 2021 to Chair the Meeting and to respond to the shareholders' queries.

13.2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee was set up to oversee the corporate social responsibility and other business related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee. The Committee adopted a Corporate Social Responsibility (CSR) policy to perform the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013 and the amount of expenditure to be incurred on the same.

During the year there was no change in the constitution of the Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee presently comprises of the following members:

•	Ms. Geetu Gidwani Verma, Non-Executive Director	Chairperson
•	Mr. Daniel Mazon, Managing Director	Member
•	Ms. Pooja Bedi, Director	Member & Secretary
•	Mr. Sudeep Agrawal, Director	Member

During the year, the meetings of the Committee were held 3 (Three) times i.e. on June 30 2021, September 23, 2021, and December 21, 2021, which were attended by all the Directors.

Your Company was engaged in Corporate Social Responsibility (CSR) Projects, during the year 2021-22, the details of which are set out in Annual Corporate Social Responsibility report attached as Annexure I to the Board's report.

13.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted by the Board of your Company as per the provisions of Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee oversees, inter-alia, the redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, exchange of share certificates, recording dematerialization/rematerialization of shares and related matters.

During the year there was no change in the constitution of the Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee presently comprises of the following members: -

•	Mr. S M Datta, Non-Executive Director	Chairman
•	Mr. Daniel Mazon, Managing Director	Member
•	Ms. Pooja Bedi, Director	Member & Secretary
•	Mr. Sudeep Agrawal, Director	Member

During the year, the meetings of the Committee were held once i.e. on September 23, 2021 which was attended by all the Directors.

13.4 NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board the remuneration for the directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors, the Board and Committees of the Board, developing on diversity of Board of Directors and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.

During the year there was no change in the constitution of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee presently comprises of the following members: -

•	Mr. Daniel Mazon, Managing, Director	Chairman
•	Mr. S M Datta, Non-Executive Director	Member
•	Ms. Geetu Gidwani Verma, Non-Executive Director	Member
•	Ms. Pooja Bedi, Director	Member & Secretary

The broad terms of reference of the nomination and Remuneration Committee are as under:

- Recommend to the Board, the set up and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee)
- Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "formulation of criteria for evaluation of Independent Directors and the Board" as per Performance Evaluation Policy of the Company.
- Recommend to the Board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- Recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

During the year, the meetings of the Committee were held twice i.e. on June 30, 2021 and December 21, 2021, which were attended by all the Directors.

14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received a declaration from each of the Independent Directors under Section 149 (7) of the Companies Act, 2013, to the effect that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act 2013. In opinion of the Board, Independent Directors fulfil the conditions specified in the Act, rules made thereunder and are Independent of the management. However, the online proficiency self-assessment test is yet to be given by the Independent Directors.

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company remains committed to maintaining internal controls designed to safeguard the efficiency of operations and security of its assets. Accounting records are adequate for preparation of financial statements and other financial information. Through its internal audit processes at the sectoral and corporate levels, both the adequacy and effectiveness of internal controls across your Company's various businesses and compliance with laid-down systems and policies are regularly monitored. A trained internal audit team also periodically validates the major IT-enabled business applications for their integration, control and quality of functionality. The Audit Committee of the Board considered periodically during the year, the review of internal control systems as well as financial disclosures.

16. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in their design or operation was observed.

17. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company focuses on the workforce for tomorrow with the purpose to improve people's health and well-being through meaningful innovation. Inclusion, drive for personal development and being customer centric. The three core pillars of People Strategy namely – Developing our workforce for the future, shaping an inclusive environment and enabling and empowering our people have focused on offering innovative programs and solutions to your employees in the year 2021-22.

Develop Workforce for the Future:

In line with the vision of becoming a Health Technology player providing solutions to your customers, we made changes to the organization design and added capabilities in line with the Philips Business System. In 2021, we brought in the District Leadership to better lead the businesses and connect with your customers. Also to pave the path to unlock growth, capabilities such as Professional Services and Solutions Delivery, Lifecycle Value, Channel Management and Inside Sales were added. Steps were taken to strengthen and ensure a future ready Personal Health Business by adding capabilities in marketing for emerging categories and localization. We continued to strengthen the strategic workforce plan and have focused on a build & buy strategy for strategic capabilities of Digital (AI and Data Science, Cloud, Dev Ops), Solutions via Need Seeker mindset, Informatics skills and Platform & Architecture There is a special focus on encouraging and developing internal talent to take on diverse and bigger roles. In order to achieve this, all job openings are shared through a mailer 'Internal Job postings' with internal employees first. Moreover, we have programs like Accelerated Leadership Program (ALP), Pinnacle, Development Center Leading Teams, License to Lead and Leading Adaptively, to groom top talent in your company to take up bigger roles. We saw your leaders taking global roles in areas such as AI & data Science, IT Architecture and Platform, SW CoE as we drive leadership shift by developing your leaders to role model Digital leadership.

All leadership programs are for top talent to give them an opportunity and groom them to take up larger roles in future. These programs are designed with a blend of virtual sessions, classroom sessions, coaching and action learning projects to provide an integrated learning journey around key skills including Strategic Thinking, Business acumen, Enterprise mindset, People Leadership, Storytelling and Influencing skills. Friday Features and Learning Summit are other initiatives where on we focus on topics emerging from Individual Development Plans.

You would be pleased to note that your company won the Golden Peacock National Training Award 2021 for excellence and Brandon Hall Gold award for Flagship programs in learning and development

The overall build strategy has resulted in 19% of your employees changing roles last year in line with the Philosophy of providing opportunities for growth to your internal talent. Your Company has created a diverse team in Talent Acquisition with capabilities like Talent Intelligence, Talent Research and Recruitment Marketing which helps it to have a robust hiring and On-boarding process and ensures that it hires great talent who fit well in the organization. This has resulted in lower offer decline rate due to strong employer value proposition including our mission and vision to impact lives. We launched various programs for your hiring managers like License to hire to enhance the candidate experience and the quality of hire.

We also introduced long service award for your employees reaching various work milestones every 5 years to retain talent.

Shape An Inclusive Environment:

Beginning of 2021 saw the second wave of Covid sweep through the country. Challenges around Oxygen concentrators, hospital beds and vaccination were rising across the country. Your company stood up to the challenge by delivering on our triple duty of care while balancing your employee's health and safety. Vaccination camps were organized across the country and ~2600 employees and their dependent family members got vaccinated early on, in a safe environment. Balancing the unprecedented demand for Oxygen Concentrators from all across, we managed with a small stock of Oxygen Concentrators and a 24*7 team was able to successfully touch 650+ lives of your employees and their families on rotation basis.

On Women's Day, your company made a promise, to stop all talk and take real action towards empowering our women folk and providing them a safe platform to be, grow and lead.

To mark this day as a celebration of the courage and commitment exhibited by women at Philips, your company proudly launched the 'ISC Philips Women's League'. An initiative designed to create a collective of strong women leaders, building a stronger community on the pillars of Health & Wellbeing, Professional Development, Inclusive Culture and Recruiting & Hiring for your employees. Diversity improvement initiatives like Bias at work, DM Board, Earmarking of roles, External social branding, Leadership role modelling help enhance the overall diversity hiring for your organization. Your company is also Partnering with 'Pride Circle,' a Diversity & Inclusion firm empowering LGBT community to foster an inclusive organization. Our commitment to Gender Diversity continued unabated. 70% of General Management roles filled in 2021 in the Commercial Business were women candidates. Career Planning and on the job project based career development sessions were held across the Commercial Businesses. Your company overall gender diversity is at 27% with 22% in the management roles.

HIC Pune collaboration with the Government, created a talent pipeline of 100+ apprentices per year in Chakan factory.

Your company continues to drive awareness and focused steps around Mental Health and Wellness through the #togetherforward campaign for your employees.

Recognition is a key component of our discussions in these times – especially wherever possible involving families. Your Company also took the opportunity to reward and recognize its top talents across the business verticals at Pan-India level through CEO Awards which was conducted virtually.

Your employee engagement scores show that 90% of your employees feel proud to work with Philips and 85% feel a sense of belonging and that we collaborate to more effectively meet the customer needs. Well-Being and Work Life Rhythm scores have improved by 200+ basis points across India and the Psychological Safety has been increasing steadily by 100 basis points to 79%+

We introduced Hello hybrid, through which we have redesigned how your employees work together in 3 core ways - Being at your best, embracing flexibility and collaborating impactfully. This helped to build differentiated & categorized roles into different personas based on role requirement for your employees. We have also invested in ensuring workplace safety, more open & collab spaces in offices for your employees. Benefit like Home office set-up and connectivity policy continue to support your employees to perform their task under the hello hybrid model.

Enable and Empower our People:

In 2021, we deployed the new Performance Assessment Framework and extensively worked with the Leaders to have them take better decisions on assessment of Performance not just on the what of the performance but also the how thereby driving stronger differentiation of talent.

We also deployed the new Talent Assessment Framework and focused on time – bound steps on our Explore Fit talent.

Strong Focus was laid on Internal Growth and Development. 70-20-10 approach, in which 70 stands for On the Job measurable project to ensure and assess development was driven across the company. These projects helped many of our promising talent to learn the subject matter as well as organizational navigation ability making them ready for their next roles.

We introduced Thrive – a pilot program to empower your Leaders and equipping them with the programs and tools that will help them address their own wellbeing so they can develop skills to role-model and practice inclusive behaviours, & foster a culture of psychological safety, trust and belonging within the organization.

We introduced One Doc solution in our HR systems to automate the entire hire to retire processes thereby proving seamless candidate and employee experience through an automated interface and digitized documentation. Our efforts to move the social security trust to government managed EPFO resulted in potential saving of monthly INR 25 Mn. We also supported in the set-up and migration of Philips Domestic Appliances to ensure seamless transition of your employees to the newly formed Domestic Appliances company.

Overall, all the HR initiatives are aligned with the three priorities which again are linked with business vision, mission and strategy and our focus is to create an inclusive, high performing and future ready organization.

18. CONSERVATION OF ENERGY, FOREIGN EXCHANGE OUTGO AND TECHNOLOGY ABSORPTION

Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo, required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies(Accounts) Rules, 2014, is provided in Annexure II to this Report.

19. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

The Company's Health Innovation Campus (HIC) has been actively involved in implementing Philips Eco Vision program. Safety of employees is the foremost concern at HIC and working towards providing a safe and accident free working environment is a culture here. Regular trainings and awareness sessions are carried out on Behaviour Based Safety (BBS), Machine Safety for the employees to achieve zero accidents in the factory. National Safety and World Environment day are celebrated every year in the plant to spread awareness.

20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements, which form part of the Company's Annual Report.

21. RELATED PARTY TRANSCATIONS

Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure III in Form AOC-2 and the same forms part of this report.

22. STATEMENT OF RISK MANAGEMENT

Risk management forms an integral part of the business planning and review cycle followed by your Company. The Company's risk management initiatives are designed to overview the main risks known to your Company, which could hinder it in achieving its strategic and financial business objectives. The objectives are met by integrating management control into the daily operations, actively working and monitoring on risk mitigation initiatives identified by the business leadership for the risks emanating from the external business environment through a regular cadence, by ensuring compliance with legal requirements and by safeguarding the integrity of the company's financial reporting and its related disclosures like businesses, objectives, revenues, income, assets, liquidity or capital resources. Your Company's risk management approach is embedded in the areas of corporate governance, Philips Business Control Framework and Philips General Business Principles and Risk Management framework.

23. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge confirm that:

i. In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;

ii. 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 on March 31, 2022 and of the profit of the Company for the year ended March 31, 2022;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

iv. The Directors have prepared the annual accounts on a going concern basis.

v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. AUDITORS

At the Annual General Meeting of the Company held on September 24, 2021, M/s S.R. Batliboi & Co. LLP, Chartered Accountants had been re- appointed as Statutory Auditors of the Company, for a further period of 5 years.

Vide notification dated May 7, 2018, issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of Statutory Auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in notice of the Ninety second Annual General Meeting of the Company.

25. DIRECTORS RESPONSE TO AUDITORS REMARKS

Due to Reconciliation issues which in turn were impacted by COVID 19 induced disruptions, the amount standing to the credit of the unpaid / unclaimed dividend account, in respect of shareholder folios / accounts wherein, the dividend has remained unclaimed for the period of seven years, which was required to be transferred to the account of Investor Education and Protection Fund account in terms of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, was delayed.

26. COST AUDITORS

Your Company is required to carry out an audit of the Company's cost accounts in respect of healthcare equipment. Pursuant to the provisions of Section 148 of the Companies Act, 2013, your Directors have approved the appointment of M/s Nanabhoy & Company, a firm of cost accountants, to conduct the Cost Audit for the year ending March 31, 2023, at a remuneration of Rs. 6,61,000 (Rupees Six Lacs Sixty one thousand only) plus applicable taxes and out of pocket expenses, subject to the confirmation of such remuneration by the members of the Company at its Annual General Meeting.

27. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company adhered to the provisions of applicable Secretarial Standards 1 & 2 during the financial year 2021- 22.

28. PREVENTION, PROHIBITION AND REDRESSAL AGAINST SEXUAL HARASSMENT OF WOMEN EMPLOYEES AT WORKPLACE POLICY

In compliance of the law laid down by Hon'ble Supreme Court of India in Vishakha v State of Rajasthan and in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ("Act"), Philips circulated a Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees at Workplace Policy ("Policy"). The Company has, accordingly, established a Core Complaints Redressal Committee at the Corporate Office in Gurugram and Site Complaint Redressal Committees in Pimpri, Chakan, Bangalore, Mumbai, Chennai and Kolkata.

During the year, 1 complaint of sexual harassment was received, which was resolved. Appropriate action was taken against the employee (s), where the allegations made against them were found to be correct.

ACKNOWLEDGEMENT

The Directors thank the Customers, Vendors, Investors and Bankers for their continued support during this year. We appreciate the contribution made by our employees at all levels. The growth of the Company is made possible by their hard work, solidarity, co-operation and support.

The Directors also thank the Government of various countries, Government of India, the governments of various states in India and concerned government departments/ agencies for their co-operation.

The Directors appreciate and value the contributions made by every member of the Philips family.

On behalf of the Board of Directors
For Philips India Limited

Place : Mumbai
Date : July 27,2022

S.M. Datta (Chairman)
DIN: 00032812

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES

FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL 1, 2021

1. **A brief outline of the company's CSR policy, including an overview of projects or programmes to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

   Since April 2014, the CSR focus of the Company has been healthcare and related issues. A focused programme linked to UN SDGS. The attention has been on creating awareness on healthy living, preventive healthcare especially of mother, child and providing access to basic but quality and preventive healthcare facilities to the underprivileged. Through the Philips CSR initiatives, the Company continues to pledge its support to the health and welfare of general population especially women and children across different locations in India.

   During the reporting year, the focus of the Company's CSR programs has been mostly on improving maternal and child health and related mental health issues, nutrition of sick newborns and school students from economically weaker backgrounds, accessibility of affordable health care and reducing childhood pneumonia through setting Global Benchmarks for Pneumonia Management in India. Through the community-based health awareness initiatives, mobile medical vans, setting up comprehensive lactation management centers, developing detailed recording and reporting system and supporting disaster relief operations, the Company has worked towards providing better access to primary healthcare and focuses on improving reproductive, maternal, newborn, child and adolescent health.

   The Company is working closely with NGOs **named Smile Foundation, Oxfam India, Centre for International Development Services, Piramal Swasthya Management and Research Institute, Wish Foundation, ZMQ, Lotus Petals Foundation, Buddy4Study and SSG** and adopting a strategic and holistic approach to ensure positive outcomes for its social investment programs.

   The CSR Policy of the Company is accessible on its website by following the link:

   https://www.philips.com/c-dam/corporate/about-philips-n/investor-relations/india/csr-policy.pdf

2. **Composition of the CSR Committee**

   The Company has constituted a CSR Committee of the Board with four directors, as named below:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Geetu Gidwani Verma	Non-Executive Independent Director	3	3
2.	Mr. Daniel Mazon	Managing Director	3	3
3.	Mr. Sudeep Agrawal	Director	3	3
4	Ms. Pooja Bedi	Director	3	3

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   Details of the Philips' CSR policy are available on the below-given link:

   CSR Policy: https://www.philips.com/c-dam/corporate/about-philips-n/investor-relations/india/csr-policy.pdf

   CSR Project and Committee: https://www.philips.co.in/healthcare/resources/landing/csr

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ in million)	Amount required to be set-off for the financial year, if any (in ₹ in million)
1	Not Applicable	Not Applicable	Not Applicable
	Total	Not Applicable	Not Applicable

The amount available for set-off shall be required from FY 2021-2022.

6. Average net profit of the company as per section 135 (5).

Financial year (as per Section 198)	2018-19	2019-20	2020-21
Net profit for the year (₹ in million)	2682	2396	2607

The average net profit for the last three financial years is ₹ **2562 millions**

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ **51 million**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year ₹ **0**

(c) Amount required to be set off for the financial year, if any ₹ **0**

(d) Total CSR obligation for the financial year (7a+7b+7c). ₹ **51 million**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Million)	Amount Unspent (in ₹) (in million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount. (in ₹ Million)	Date of transfer	Name of the fund	Amount	Date of Transfer
23	28	29.04.22	Not Applicable	0	Not Applicable

Note: the total amount spent in the financial year 2021-22 is INR 32.1 Million which includes INR 9.1 Million spent from the CSR unspent account of financial year 2020-21.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (₹ in Million)	Amount spent in the current FY (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Million)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Philips Scholarship Program - Scholarship Support To 23 Students belonging to Scheduled Tribes	Item (ii)	yes	Rajasthan Delhi Gujarat Manipur Meghalaya Arunachal Pradesh		3 years	3.05	0.057	0	No	Buddy4Study	CSR00000121
2	India Reverses Diabetes Type2	Item (i)	yes	Rajasthan Assam	All districts of the states	2 years	3.7	0*	0	No	Piramal Swasthaya Management and Research Institute	CSR00000217
3.	Vishwas	Item (i)	yes	Rajasthan Uttar Pradesh	Tonk Bahraich	2 years 4 months	34.4	0*	Nil in FY 2021-22	No	Save the Children	CSR00000065
4.	SNEHI	Item (i)	yes	Maharashtra Uttar Pradesh	Lucknow Mumbai	3 year 7 months	65	0*	Nil in FY 2021-22	No	CIDS Path	CSR00004757
5.	COVID Care Center	Item (i)	yes	Haryana	Badshahpur, Gurgaon	1year 8 months	20.2	10.8	9.4	No	LEHS/WISH Foundation	CSR00001042
6.	Mobile Telemedicine	Item (i)	yes	Karnataka Maharashtra Tamil Nadu Haryana	Gadag, Shirur, Virudhunagar, Mewat.	3 years	24.19	0	5.3	No	Smile Foundation	CSR00001634

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (₹ in Million)	Amount spent in the current FY (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Million)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
7.	Essential Equipment and Medical Supplies	Item (i)	yes	Maharashtra Karnataka Delhi Tamil Nadu	Pune Chennai Bangalore Mandya East Delhi, central Delhi	1 year	10	6.13	3.87	No	Oxfam	CSR00000839
	Total						**160.54**	**16.857**	**18.57****			

Note:

* The projects shown as ongoing projects without any amount spent during current financial year are due to no cost extensions. The amounts with respect to these projects were already disbursed to the implementing partners from the CSR budget of 2019-20 (including voluntary provision created by the company, if any), however, the partners are still in the process of implementing the same. The delay in implementation of these projects is due to outbreak of Covid – 19 (pandemic).

** Amount INR 18.57 million is the amount transferred to the CSR unspent account for FY 2021-22, towards the allocated projects, however, the total unspent amount for FY 2021-22 was INR 28 million.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Women & Child Health & Safety Outreach with Gurugram Police	Item (i)		Haryana		4.5	No	Society for Safe Gurgaon	CSR00008331
	Total					4.5			

(d) Amount spent in Administrative Overheads

₹ 1.4 millions

(e) Amount spent on Impact Assessment, if applicable

NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 23 millions

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	51
(ii)	Total amount spent for the Financial Year	23
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-2019	-	-	-	-	-	-
2.	2019-2020	-	-	-	-	-	-
3.	2020-2021	19.40	9.1	NA	NA	NA	10.3
	Total	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SL No	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total Amount allocated for the project (in ₹ Million)**	**Amount spent on the project in the reporting financial year (in ₹ Million)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹ Million)**	**Status of the project –Completed/ Ongoing.**
1.	-	Har Saans Mein Zindagi, Childhood Pneumonia Campaign	FY 2021-22****	9 months	3.8	1.9	1.9	Ongoing
2.	-	Mobile Telemedicine	FY2021-22****	3 years	24.2	7.2	7.2	Ongoing
3.	FY31.03.2021_8	India Reverses Diabètes Type2	FY 2020-21	1 year 11 months	3.7	0	3.7	Ongoing
4.	FY31.03.2021_7	Philips Scholarship Program - Scholarship Support To 23 Students belonging to Scheduled Tribes(Buddy4Study)	FY2019-20	3 years	3.1	0.057	0.057	Ongoing
5.	-	SNEHI	FY 2019-20	3 Year 7 Months	65	0	27.60***	Completed
6.	FY31.03.2021_4	Vishwaas	FY 2019-20	2 Year 4 months	34.45	0	34.48	Completed
7.	FY31.03.2021_10	Childhood Pneumonia Campaign	FY 2019-20	2 Year	35	0	31.19***	Completed
	TOTAL				**169.25**	**9.157**	**106.12**	

Note: Financial figures reported in column (6) doesn't include the M&E cost and in column (7) reported financial figures includes the M&E cost.

*** The Projects were decided to be implemented according to the annual budget plans of FY 2017-18, 2018-19 & FY 2019-20, however, due to outbreak of Covid -19, Pandemic, the projects were terminated.

**** The funds with respect to the aforestated projects were allocated in FY 20-21, however, due outbreak of Covid – 19, pandemic, the projects were commenced during FY 2021-2022.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)-

a) Date of creation or acquisition of the capital asset(s). -

b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company was unable to spend the entire CSR fund due to various factors which includes Outbreak of Covid -19 Pandemic, which led discontinuation of various on going CSR projects, further, due to external restrictions the company was unable to find a viable project for allocation and implementation of CSR activities. The Company has transferred the entire unspent amount of INR 28 million to the CSR unspent account for FY 21-22.

Geetu Gidwani Verma
Non- Executive Director
Chairperson, CSR Committee
(DIN: 00696047)

Pooja Bedi
Director and Company Secretary
Member, CSR Committee
(DIN: 06934281)

Daniel Mazon
Vice Chairman and Managing Director
Member, CSR Committee
(DIN: 07954025)

Date: July 27, 2022
Place: Mumbai

Annexure - II

Information in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 3 1 st March 2022

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2021-22:

I. Steps taken or impact on conservation of energy

(i) Energy Conservation teams in place to identify & implement energy saving projects like tighter control on light usage, HVAC temperature settings etc.

(ii) Expansion of factory in Pune taking into account energy conservation principles.

(iii) Motion sensors installed across the new factory and office in Pune.

2. Steps taken by the Company for utilizing alternate sources of energy

For the last few years, your Company, at its Healthcare Innovation Campus (HIC), Pune, has been using the solar powered lights to light up the streets. This has helped your Company to conserve resources and make its contribution to the environment. Further, your Company has set up and made operationalize roof solar plant for capacity of 350 KW, which has helped the company to save more energy. Your Company has further planned for another roof top solar plant for capacity of 500 KW DC which will be completed in FY 2022 – 23.

3. the capital investment on energy conservation equipment

During the year, your company has spent and has planned to spend a considerable amount towards investment on energy conservation equipment which has benefited and will be benefiting your company in the coming years.

B. RESEARCH & DEVELOPMENT (R & D)

I. Your Company continues to derive the sustainable benefits from the strong foundation and long tradition of Research and development. During the year, your Company continued to focus on the development of its products to preserve and strengthen its competitive position in various product segments. Your Company's R & D laboratories have been instrumental in providing it with a sustainable competitive advantage through application of Science and Technology.

2. Benefits derived as a result of above efforts:

Some of the products/ solutions developed by your Company, utilizing its R&D capabilities are as below:

Health-suite Platform (HSP)

HSP team at PIC-B has been part of delivering some of the key platform components which is set to power great innovations for Philips using the AI capabilities of the platform. In the past year, HSP added 2 key AI enabler services for more efficient and scalable AI development and deployment. Firstly, the AI Inference service which is a multi-tenant and highly scalable service to register AI models and execute predictions on them. It offers asynchronous job-based CPU/GPU inference capabilities using AWS Sage maker as the execution engine in the background. Additionally, it also has support for short-lived (Task type) and long-lived (Service type) container-based models. The second service is AI Studio, also a multi-tenant web application that provides a user interface for the data scientist to develop and train AI models along with the associated AI project and experiment management.

Magnetic Resonance Imaging (MRI)

The MRI software R&D team at PIC-B has just delivered MR SmartSpeed, the AI based Image acquisition technique unleashes the power of AI and integrates intelligence, guidance and ease-of-use seamlessly into the radiology imaging workflow. The SmartSpeed can achieve >65% Productivity for our customers by speeding up the scans and at the same time increasing the Diagnostic Confidence by improving image resolution by 2x times that can be applied for >97% of all protocols across anatomies. The sustained innovation in MR Workspace and Predictive Serviceability has resulted in our customers benefiting a revolutionized UX and a higher uptime guarantee, faster deployment of software upgrades, increased productivity due to instant protocol updates and better trained staff due to remote transfer of large training packages. The team continues to have strong connect with India Key Markets and Key Opinion Leaders.

Ultrasound

Dhwani is a new product innovation that will deliver a new value segment product replacing the successful ClearVue family and will deliver significant additional revenue to Ultrasound business. This program exemplifies significant collaborations across different businesses driven from PIC-B. Examples include some of the premium functionalities such as Follicle Assist, TrueView, Auto Fetal Biometry, Touch Panel UI, and several other workflow features. The team continued work on Rhythm Platform and achieved milestones related to Blaze program. The team also made foray into Digital Platform domain through the work on Lumify Manager that would leverage Marketplace to enable SaaS (Software-as-a-Service) delivery of applications.

Hospital Patient Monitoring

Hospital Patient Monitoring software R&D team at PIC-B is a part of global R&D team of the business. Aligning with the business roadmap, this team owns design and development of key programs for the business such as Operations Management. Team plays a key role in developing platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments. Team scaled up during the year and has established a functional lab to ensure that Patient Safety, Quality & Integrity is demonstrated.

Personal Health (PH)

The solutions developed by the PH Digital team has helped in serving and supporting consumers in their health and wellbeing needs in every stage of their lives.

The team continued to deliver on Pregnancy+/Baby+ propositions, next generation Sonicare Prestige 9900 program which helpsin personalization thru AI models, the Sleep mapper proposition based on consumer insights, the popular Lumea Device and Groom tribe thereby enhancing digital experiences and resulting in superior engagement enabled by the quality and value of the propositions.

The team also embarked on continuing the journey of PH digital next strategy, which acts as a guiding force in the coming years to further deepen and fasten the digital transformation in PH. The strategy will be realized thru six transformational streams namely co-create innovation, unleash the power of data, intelligently apply AI, develop ubiquitous interfaces, raise the bar and team of choice.

Image Guided Therapy (IGT)

Image Guided Therapy software R&D team at PIC-B is an important part of global team in the IGT business cluster. The focus of the team is customer first innovation building appropriate solutions and solving customer problems made possible by innovation centered on the people around us: Patients, Customers, and Business Partners.

In 2021 team played key role in release of Stent Boost Mobile, a product that enables access to vascular procedures earlier available only on fixed, high-end systems at optimum cost increasing the access to care.

The team also took on additional responsibility to own the releases for Allura product family of IGT Systems business to ensure continued value delivery and support to the 12000 plus Installed Base across the globe. The Centre for Excellence in Automation and the Data Analytics Team developing the IGT-Eye platform also started in Bangalore. PIC-B IGT team now has ownership in creating digital assets and infrastructure to create future assets towards cloud and AI based product solutions for IGT.

3. Future plan of action

Continue to engage in design & development for various imaging products like IGT- Systems, CT AMI, Diagnostic X-Ray, Ultrasound.

4. Expenditure incurred on R&D

During the year, your Company has incurred an expenditure of INR 1,637 Million on activities related to research and development.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The details of some of the steps taken by your Company for absorption of technology, adapting to the same in its operations and the innovations made during the year, have been included in the R&D section above.

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

During the year, total inflows (on cash basis) in foreign exchange was INR 24,865 Million and total outflows (on cash basis) in foreign exchange was INR 25,698 Million.

Annexure - III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (I) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or Transactions entered into during the year ended March 31, 2022, which were not on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:#

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Value of Transactions during the year ended March 31, 2022 (₹ Millions)
Philips Consumer Lifestyle B.V. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	5,292
Philips Electronics Nederland B.V Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	4,680
Koninklijke Philips Electronics N.V. Parent company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	2,580
Philips Electronics North America Corporation Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,210
Philips Electronics North America Corporation Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,455
Philips Electronics Singapore Pte Ltd Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,095

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Value of Transactions during the year ended March 31, 2022 (₹ Millions)
Philips Healthcare Informatics, Inc. Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,344
Philips Medical Systems (Cleveland), Inc. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,281
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Sale of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	2,668
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Sale of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	5,921
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,584
Philips Ultrasound, Inc. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,022
Respironics, Inc. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	4,086

Please note that transactions with related parties of value INR 1000 Million or more have been taken into account while preparing this form. The complete list of related party transactions forms part of Notes to the financial statements, forming part of this Annual Report

For and on behalf of the Board

S. M. Datta
Chairman
(DIN: 00032812)

Annexure - IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

PHILIPS INDIA LIMITED,
{CIN: U31902WB1930PLC006663},
3rd Floor, Tower A, DLF IT Park,
08 Block AF Major Arterial Road,
Town (Rajarhat) Kolkata,
West Bengal – 700156.

SECRETARIAL AUDIT REPORT

I have conducted the Secretarial Audit of the compliances for the Financial Year ended March 31, 2022 of the applicable statutory provisions and the adherence to good corporate practices by Philips India Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of all applicable laws and regulations.

Auditor's Responsibility

My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

I have not verified the correctness and appropriateness of financial records and Books of Account of the Company. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency and effectiveness with which the management has conducted the affairs of the Company.

Limitation

Due to inherent limitation of an audit including internal, financial and operating control, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by the Institute of Company Secretaries of India (ICSI).

Further, I conducted the Secretarial Audit by examining the secretarial records including minutes, documents, registers, other records and returns related to applicable laws on the Company etc. The management has confirmed that the records submitted to us are true and correct. I have also relied upon the representation given by the management of the Company for the certain areas which otherwise require physical verification.

Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period 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 subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and Rules made there under read with notifications, exemptions and clarifications thereto;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder- Not Applicable to the Company during the year under review;
- The Depositories Act, 1996 and the regulations and Bye-Laws framed thereunder; to the extent applicable to the Company during the year under review;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - to extent applicable to the Company during the year under review;
- The Income Tax Act, 1961 and Rules made there under;
- The Central Goods and Service Act, 2017 and the Integrated Goods and Service Act, 2017 and Rules made thereunder-to the extent applicable;

The following regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time-Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time -Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 -Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as amended from time to time - Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 –to the extent applicable to the Company during the year under review;
- The Securities and Exchange Board of India ((Share Based Employee Benefits and Sweat Equity) Regulations, 2021 -Not applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021- Not Applicable to the Company being unlisted;
- The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; Not Applicable to the Company being unlisted;
- Other laws specifically applicable to the Company during the year under review:

A. Sectoral Laws:

1) The Legal Metrology Act, 2009;

B. Commercial and other Laws:

2) The Water (Prevention and Control of Pollution) Act, 1974;

3) The Air (Prevention and Control of Pollution) Act, 1981;

4) The Environment (Protection) Act, 1986;

5) The Shops and Establishment Act, 1953;

6) The Indian Contract Act, 1872;

7) The Competition Act, 2002;

8) The Entry Tax Act;

9) The Professional Tax Act.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Section 118(10) of the Companies Act, 2013 with respect to General and Board Meetings.

Based on my examination and verification of records produced to me and according to the information and explanations given to us by the Company, in my opinion, the Company has complied with the provisions of the Companies Act, 2013 (the Act) and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

(a) Maintenance of various statutory registers and documents and making necessary entries therein;

(b) Filing of the requisite forms and returns with the Registrar of Companies and Central Government within the time prescribed or within the extended time with additional fee as prescribed under the Act and Rules made there under;

(c) Service of Documents by the Company on its Members, Auditors, Directors and the concerned Registrar of Companies;

(d) Convening and holding of the meetings of Directors and Committees of the Directors;

(e) Convening and holding of the 91st Annual General Meeting of the Company on September 24, 2021;

(f) Minutes of the proceedings of General Meeting,Board Meetings and Committees Meetings were properly recorded in loose leaf form, which are being bound in a book form at regular intervals;

(g) Appointment, re-appointment and retirement of Directors including the Managing Director and Executive Directors and payment of remuneration to them;

(h) Form of Balance Sheet as prescribed under Part I , form of Statement of Profit and Loss as prescribed under Part II and disclosures to be made therein as per the revised Schedule III to the Act;

(i) Board's Report under Section 134 of the Act for the Financial Year ended March 31, 2021;

(j) Appointment/Ratification and Payment of Remuneration of Statutory Auditors;

(k) Appointment of Internal Auditor as per the provisions of Section 138 of the Act;

(l) Appointment of Secretarial Auditor as per the provisions of Section 204 of the Act;

(m) Appointment of Cost Auditor as per the provision of Section 148 of the Act;

(n) There were no charges registered, modified and satisfied during the year under review;

(o) During the year under review the Company Secretary of the Company, Mr. Rajiv Mathur resigned as the Company Secretary and Whole Time Director of the Company effective July 01, 2021 and Ms. Pooja Bedi was appointed as Company Secretary and Whole Time Director of the Company effective July 01, 2021.

The Company has the following Key Managerial Personnel as per the Act;

(1) Mr. Sudeep Agarwal, Chief Financial Officer

(2) Mr. Daniel Mazon, Managing Director

(3) Ms Pooja Bedi, Company Secretary (effective July 01, 2021)

I further report that

(1) The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act;

(2) Adequate notice is given to all theDirectors to convene the Board Meeting(s), agenda and detailed notes on agenda were 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(s) and for meaningful participation at the meeting(s).

(3) All the decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agendaitems during the Financial Year under review;

(4) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;

(5) The Company was not required to obtain any approvals under the various provisions of the Act, during the year under review;

(6) As reported during the Financial Year 2016-17, we observed that the Company is focusing on recovery of the amount. The Award of the Arbitrator was received by the Company to recover INR 21,284,754 from the Channel Partner. The Company has already filed the Execution petition for the arbitration award at the Court in Chennai, in response to which the other party has filed a petition to set aside the arbitration award in the Court in Gurgaon. The decision of the Hon'ble Court is awaited on the above matter.

Further, a cheque bouncing case had also been filed in Delhi, against the Channel Partner, as 2 cheques issued by it to the Company had bounced, the matter is pending before the Court as on the date of this Report.

(7) The Company has not paid any fines/penalties, under any other applicable laws except in the cases as given below:

- As reported earlier, during FY 2017-2018 a provision was created in the books of accounts for Rs. 3.25 Crores and also the Penalty for Rs 2.25 Crores was paid against the Order of the Tribunal. The appeal was filed by the Company before Hon'ble High Court, Mumbai, is still pending for hearing as on the date of this Report;

(8) As reported earlier, in July, 2020, during management reconciliations, it was detected that few employees (current and former) colluded with the vendors to fraudulently record and pay service and maintenance bills without services being provided by vendors. The fraud committed by the accused on the Company, pertains to period January 1, 2018 to June 30, 2020 amounting to Rs. 28 Crores (including Rs.1.9 Crore for the period April 1, 2020 to June 30, 2020). The Company appointed independent third party to investigate the matter and has taken action against the accused employees (including the former employees involved in the fraud) by formally separating them from the services of the Company and initiating criminal proceedings against all the accused, including the vendors involved. The management not only took instance cognizance on governance efforts but also made remarkable recovery in this case.

(9) During the year under review the Company has spent Rs. 23 million towards its Corporate Social Responsibility (CSR) obligation in terms of Section 135 of the Act and the amount Rs. 28 million remained unspent for the Financial Year under review, amount being related to the on-going projects undertaken by the Company in pursuance of its Corporate Social Responsibility Policy has been transferred to the Unspent CSR Account within the prescribed time

(10) There was delay in transferring amounts, required to be transferred, to the IEPF by the Company for year ended March 31, 2014 amounting to INR 1.49 million. The Company has duly transferred applicable dues to IEPF as on the date of this report

I further report that there are adequate systems and processes in the commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific laws, under both Central and State legislations, reliance has been placed on the Company's Compliance Management.

I further report during the Audit Period, the following events having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. The Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, between "Philips India Limited" (Demerged Company) and "Philips Domestic Appliances India Limited" (Resulting Company), Preethi Kitchen Appliances Private Limited (Amalgamating Company) and their respective shareholders was approved by (a) The Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated 13 May 2021 and (b) The Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata vide order dated June 14, 2021.

   In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021 and shareholders of the Company were allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company on or before the Effective date and all the post demerger compliances were duly completed.

2. Consequent upon the aforesaid Demerger, investment of Rs. 500,000 (Five lakhs only) in terms of 50,000 Equity Shares of Rs. 10/- each issued by Philips Domestic Appliances India Limited to the Company at the time of incorporation was cancelled.

3. The Dividend at the rate of 30% amounting to Rs. 3 per share amounting to Rs. 172.60 million was declared and paid for the Financial Year ended March 31, 2021 during the year under review.

CS Ashok Tyagi
Company Secretaries
FCS No: 2968
C P No: 7322
UDIN: F002968D000691361

Place: New Delhi
Date: July 27, 2022

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

ANNEXURE - A

The Members,
Philips India Limited
{CIN: U31902WB1930PLC006663}
3rd Floor, Tower A, DLF IT Park,
08 Block AF Major Arterial Road,
New Town (Rajarhat) Kolkata,
West Bengal - 700156

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provided me a reasonable basis for my opinion.
3. I conducted the Secretarial Audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. The management has confirmed that the records submitted to me are the true and correct. I have also relied upon representation given by the management of the company for certain areas which otherwise requires physical verification.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the random test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Ashok Tyagi
Company Secretaries
FCS No: 2968
C P No: 7322
UDIN: F002968D000691361

Place: New Delhi
Date: July 27, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Philips India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Philips India Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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, as amended ("the Act") 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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Those Board of Directors are 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 exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify 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, misrepresentations, or the override of internal control.
- Obtain 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 (b) to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. Following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ("IEPF") by the Company:

Description of delay	Date of Payment	Amount involved (₹ millions)
Delay in transferring amounts, required to be transferred, to the IEPF by the Company for year ended March 31, 2014	July 15, 2022	1.49

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169ANRXJW1236
Place of Signature: Gurugram
Date: July 27, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PHILIPS INDIA LIMITED

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order 2020

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory except for inventory lying with third parties at reasonable intervals during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate Inventories lying with third parties have been confirmed by them as at March 31, 2022. There are no discrepancies of 10% or more in aggregate for each class of inventory.

(ii) (b) The Company has not been sanctioned any working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Healthcare Products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	**Nature of the dues**	**Amount of demand without netting of amount paid under protest (INR in million)**	**Amount paid under protest and provided (INR in million)**	**Recourse* (INR in million)**	**Net Amount (INR in million)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Central Sales Tax Act, 1956 and Individual State Sales Tax Act	Sales Tax including Interest and penalty	1,493	187	902	404	1987-88 to 2017-18	Appellate Authority upto commissioner (Appeals)
		292	29	245	18	1986-87 to 2014-15	Tribunal
		54	9	44	1	1998-99 to 2006-07	High Court
The Finance Act, 1994	Service tax including interest and penalty where applicable	8	-	-	8	Above 7 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	27	-	-	27	Above 7 years	Appellate Authority upto commissioner (Appeals)
Custom Act, 1962	Custom duty including interest and penalty where applicable	252	117	-	135	2012-13 and 2013-14	Appellate Authority upto commissioner (Appeals)

Name of the statute	Nature of the dues	Amount of demand without netting of amount paid under protest (INR in million)	Amount paid under protest and provided (INR in million)	Recourse* (INR in million)	Net Amount (INR in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Disallowances and transfer Pricing additions including Interest and Penalty where applicable	3,166	278	16	2,872	AY 2004-05 to AY 2018-19	Appellate Authority upto commissioner (Appeals)
		1,605	15	267	1,323	AY 2004-05 to AY 2015-16	Tribunal
		78	70	-	8	AY 2003-04	Supreme Court

* The Company demerged its Lighting business, approved by Hon'ble High Court of Calcutta vide order dated January 7, 2016. These amounts represent the contingent liability in respect of the Lighting business, which as per Memorandum of Undertaking (MOU) is recoverable from Philips Lighting India Limited ("PLIL").

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix) (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 27 to the financial statements.

(xx) (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 27 to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture and accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169ANRXJW1236
Place of Signature: Gurugram
Date: July 27, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PHILIPS INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to these financial statements of Philips India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of these 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements 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, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169ANRXJW1236
Place of Signature: Gurugram
Date: July 27, 2022

Balance Sheet As at 31 March, 2022

Amounts in ₹ Mln

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	**3,441**	3,929
Capital work-in-progress	2	**269**	414
Investment property	3	**1,366**	836
Financial assets			
Trade receivables	5	**1,186**	1,304
Investments	5	**-**	-
Other financial assets	5	**409**	454
Deferred tax assets (net)	6	**384**	846
Advance income tax (net of provision)		**3,629**	3,122
Other non-current assets	7	**665**	686
		11,349	11,591
Current assets			
Inventories	8	**6,861**	4,250
Contract assets	4	**587**	380
Financial assets			
Trade receivables	9	**7,501**	5,741
Investments	5	**53**	-
Cash and cash equivalents	9	**13,159**	9,313
Other financial assets	9	**415**	186
Other current assets	10	**3,127**	2,967
		31,703	22,837
Assets classified as held for sale	11	**-**	14
Assets directly associated with discontinued operations	42	**-**	8,967
TOTAL ASSETS		**43,052**	43,409
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**575**	575
Other equity	13	**22,200**	23,375
Equity attributable to equity shareholders		**22,775**	23,950
LIABILITIES			
Non-current liabilities			
Contract liabilities	4	**1,248**	906
Financial liabilities			
Lease liabilities	14	**1,204**	1,584
Other non-current liabilities	15	**45**	165
Provisions	16	**2,378**	2,435
		4,875	5,090
Current liabilities			
Contract liabilities	4	**4,137**	2,282
Financial liabilities			
Lease liabilities	17	**708**	721
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	17	**11**	12
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	**7,063**	5,509
Other financial liabilities	17	**368**	316
Other current liabilities	18	**1,855**	1,682
Provision for taxation (net of advances)		**306**	127
Provisions	16	**954**	1,885
		15,402	12,534
Liabilities directly associated with discontinued operations	42	**-**	1,835
TOTAL EQUITY AND LIABILITIES		**43,052**	43,409
Basis of preparation, measurement and significant accounting policies	1		

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached
For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

SANJAY VIJ
Partner
Membership No.: 095169

Place: Gurugram
Date: July 27, 2022

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — POOJA BEDI (DIN: 06934281)

Place: Gurugram
Date: July 27, 2022

Statement of Profit and Loss for the year ended 31 March 2022

Amounts in ₹ Mln

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	19	54,814	48,427
Other income	20	648	412
Total income		55,462	48,839
Expenses			
Cost of raw materials consumed	21	3,905	3,098
Purchases of stock-in-trade	22	24,205	18,348
Changes in inventories of work-in-progress, finished goods and stock-in-trade	23	(1,557)	212
Employee benefits expense	24	16,590	14,603
Finance costs	25	272	252
Depreciation and amortization expense	26	1,384	1,343
Other expenses	27	8,330	8,452
Total expense		53,129	46,308
Profit before exceptional items and tax		2,333	2,531
Exceptional items (net) Loss/(Profit)	33	(1,309)	-
Profit before Tax		3,642	2,531
Profit/(loss) from continuing operations		3,572	2,396
Tax expense			
Current tax	6	(818)	(864)
Deferred tax expenses - credit/(charge)	6	(161)	113
Profit/(loss) after tax from continuing operations		2,593	1,645
Profit/(loss) from discontinued operations		70	135
Tax expense			
Current tax	6	(18)	(43)
Deferred tax expenses - credit/(charge)	6	14	23
Profit/(loss) after tax from discontinued operations		66	115
Profit for the year (A)		2,659	1,760
Other Comprehensive Income for the year (B)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	28	399	(305)
Income tax effect on defined benefit plans	6	(301)	90
		98	(215)
Total comprehensive income for the year (A+B)		2,757	1,545
Earnings per equity share			
Basic and diluted earnings per equity share of ₹10 each (in ₹)	40	46.23	30.61
Basis of preparation, measurement and significant accounting policies	1		

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached
For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

SANJAY VIJ
Partner
Membership No.: 095169

Place: Gurugram
Date: July 27, 2022

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — POOJA BEDI (DIN: 06934281)

Place: Gurugram
Date: July 27, 2022

Statement of Changes in Equity for the year ended 31 March 2022

Amounts in ₹ Mln

A. EQUITY SHARE CAPITAL

Equity shares of ₹10 each issued, subscribed and fully paid up	Number of shares	Amount
As at 1 April 2020	**57,517,242**	575
Changes in equity share capital during the year	-	-
As at 31 March 2021	**57,517,242**	575
Changes in equity share capital during the year	-	-
As at 31 March 2022	**57,517,242**	**575**

B. OTHER EQUITY

Particulars	**Reserves and Surplus**		**Items of OCI**	**Total**
	General reserve	**Retained earnings**	**Remeasurement***	
As at 1 April 2020	2,315	20,209	(522)	**22,002**
Profit for the year	-	1,761	-	**1,761**
Remeasurement benefit of defined benefit plans	-	-	(215)	**(215)**
Total Comprehensive Income for the year	-	1,761	(215)	**1,546**
Reductions during the year				
Dividend	-	(173)	-	**(173)**
Total	-	(173)	-	**(173)**
At 31 March 2021	**2,315**	**21,797**	**(737)**	**23,375**
Profit for the year	**-**	**2,659**	**-**	**2,659**
Remeasurement benefit of defined benefit plans	**-**	**-**	**98**	**98**
Total Comprehensive Income for the year	**-**	**2,659**	**98**	**2,757**
Reductions during the year				
Transfer As per Composite Scheme of Arrangement	**(2,315)**	**(1,442)**	**(2)**	**(3,759)**
Dividend	**-**	**(173)**	**-**	**(173)**
Total	**(2,315)**	**(1,615)**	**(2)**	**(3,932)**
At 31 March 2022	**-**	**22,841**	**(641)**	**22,200**

* Refer note 13

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached
For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

SANJAY VIJ
Partner
Membership No.: 095169

Place: Gurugram
Date: July 27, 2022

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — POOJA BEDI (DIN: 06934281)

Place: Gurugram
Date: July 27, 2022

Cash Flow Statement for the year ended 31 March 2022

Amounts in ₹ Mln

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash generated from operating activities			
Profit before tax from continuing operations		**3,572**	2,396
Profit before tax from discontinued operations		**70**	135
Exceptional items		**(1,309)**	-
Profit before tax and exceptional items		**2,333**	2,531
Adjusted for			
Write off & other adjustment of Property, Plant & Equipment		**2**	6
Depreciation and amortization		**1,384**	1,343
Unrealized foreign exchange (gain) and loss (net)		**5**	2
Allowances for doubtful trade receivables & loans & advances		**24**	233
Liabilities no longer required written back		**(79)**	(7)
Interest on advances, current accounts and deposits		**(454)**	(407)
Lease Rental Income		**(51)**	(34)
Finance costs		**272**	252
		1,103	1,388
Operating profit before working capital changes		**3,436**	3,919
Changes in			
Trade receivables and other loans & advances		**(1,745)**	706
Inventories		**(3,309)**	(657)
Trade payables and other liabilities		**3,781**	4,146
		(1,273)	4,195
Cash generated from operations		**2,163**	8,114
Income tax paid (net of refunds)		**(846)**	(977)
Net Cash generated from operating activities		**1,317**	7,137
B. Cash flow from investing activities			
Purchase of Property, Plant and Equipment		**(1,574)**	(2,847)
Proceeds from sale of Property, Plant & Equipment		**1,040**	-
Investment in subsidiaries		**-**	(1)
Cash Received from subsidiary on Capital Reduction		**4,066**	-
Lease Rental Income		**51**	34
Investments made during the year		**(171)**	-
Interest received		**270**	356
Net cash flows used in investing activities		**3,682**	(2,458)
C. Cash flow from financing activities			
Finance costs		**(272)**	(252)
Principal repayment of lease liabilities		**(708)**	(527)
Dividend paid		**(173)**	(173)
Net cash used in financing activities		**(1,153)**	(952)
Increase / (Decrease) in cash and cash equivalents (A+B+C)		**3,846**	3,727

Cash Flow Statement for the year ended 31 March 2022 (Contd.)

Amounts in ₹ Mln

Particulars		Notes	Year ended 31 March 2022	Year ended 31 March 2021
D.	**Cash and cash equivalents - Opening Balance**	9		
	Cash and cash equivalents		**180**	91
	Unpaid dividend		**15**	13
	Deposits with Banks		**9,118**	5,482
	Total		**9,313**	5,586
E.	**Cash and cash equivalents - Closing Balance**	9		
	Cash and cash equivalents		**2,524**	180
	Unpaid dividend		**15**	15
	Deposits with Banks		**10,620**	9,118
	Total		**13,159**	9,313
	Net increase/(decrease) in cash and cash equivalents (E-D)		**3,846**	3,727

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) - Statement of Cash Flows.

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached
For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

SANJAY VIJ
Partner
Membership No.: 095169

Place: Gurugram
Date: July 27, 2022

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — POOJA BEDI (DIN: 06934281)

Place: Gurugram
Date: July 27, 2022

Notes to Financial Statements for the year ended March 31, 2022

CORPORATE INFORMATION

Philips India Limited (the 'Company') is a public limited Company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business segments comprise of (a) Healthcare Systems (b) Personal Health, and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra and Software Development centre in Bangalore. The Company sells its products primarily in India through independent distributors and modern trade. The Financial statements for the year ended 31 March 2022 were authorized by the Board of Directors for issue in accordance with resolution passed on 27 July 2022.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirement of Division II of schedule III to the Companies Act, 2013, (Ind. AS compliant schedule III) and other relevant provisions of the Act.

These financial statements have been prepared and presented under the historical cost convention,on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the years in these financial statements except where newly issued accounting standard is initially adopted.

Recent Accounting Developments

(i) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

(ii) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Current / Non-Current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations - Note 28
- Measurement and likelihood of occurrence of provisions and contingencies - Note 16
- Recognition of deferred tax assets - Note 6
- Measurement of Lease liabilities and Right of Use Asset - Note 2 and 41

(b) Property, Plant and Equipment

Property, plant and equipment if any, is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses if any consequent to transition to IND AS. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on the original cost on a straight line method as per the useful lives of the assets as estimated by the management which are equal to the useful lives prescribed under Schedule II of the Companies Act, 2013. Depreciation on medical equipment's given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease or their estimated useful life, whichever is shorter.

(c) Investment Properties:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, they are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight line method over their estimated useful lives based on lease terms.

Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(d) Capital work in progress and Capital Advances

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

(e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight- line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

- Computer Software - 3 years
- Non-Compete fees - 3 years

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(f) Investments in Subsidiaries and Associates:

Investments in subsidiaries and associates are carried at cost as per Ind AS 27 and tested for impairment as per Ind AS 36. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(g) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. In case of medical equipment's / systems, cost is determined on the basis of "First in First Out" method and inventories for ongoing projects are valued at specific identification of cost method due to nature of the business. For all other items, cost is determined on the basis of the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress include appropriate proportion of costs of conversion. Obsolete, defective and unserviceable stocks are duly provided for.

(h) Non-current assets classified as held for sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the Statement of Profit and Loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet and once classified as held-for-sale, Property, Plant and Equipment, Investment Property and Other Intangible Assets are no longer depreciated or amortized.

(i) Cash and Cash equivalents:

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

(j) Financial Instruments:

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

(i) Financial Assets:

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost

Initial Recognition and Measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

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

- Debt instruments at fair value through profit and loss (FVTPL)
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortised cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
- the Company has transferred the rights to receive cash flows from the financial assets or
- the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); The Company follows "simplified approach" for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 116

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

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

(ii) Financial Liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money, liabilities towards services, sales incentives and other payables.

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

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 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 recognized initially at fair value and subsequently measured at amortised cost using EIR method.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties.

A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

(k) Provisions & Contingencies:

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(l) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, Goods and Service tax and amount collected on behalf of third parties.

- **Sale of goods**

  Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. Revenue is usually recognized when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

The consideration expected by the Company may include fixed and/or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Transfer of control varies depending on the individual terms of the contract of sale.

- **Variable Consideration**

  A variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Such assessment is performed on each reporting date to check whether it is constrained. For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available revenue recognition is postponed until the return period has lapsed. Return policies are typically based on customary return arrangements in local markets.

- **Significant financing component**

  Generally, the Company receives advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be as per terms of contract.

- **Warranty obligations**

  A provision is recognized for assurance-type product warranty at the time of revenue recognition and reflects the estimated costs of replacement and free-of-charge services that will be incurred by the Company with respect to the products sold. For certain products, the customer has the option to purchase the warranty separately, which is considered a separate performance obligation on top of the assurance-type product warranty. For such warranties which provide distinct service, revenue recognition occurs on a straight-line basis over the extended warranty contract period. In the case of loss under a sales agreement, the loss is recognized immediately.

- **Contract Balances**

  Contract assets:

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. A receivable represents the Company's right to an amount of consideration that is unconditional.

  Contract liabilities:

  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

- **Assets and Liabilities arising from rights of return**

  Right of return assets:

  Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

  Refund Liabilities:

  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

- **Rendering of Services**

  Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

  Income from annual maintenance service contracts is recognized on a straight-line basis over the period of contracts and income from other service contracts is recognized on completion of the service rendered.

  Revenue from assets given on operating leases is recognized as per terms and conditions of the agreements.

  Revenue from software development services is billed to clients on cost plus basis as per the terms of the specific contracts. Cost and earnings in excess of billings are classified as unbilled revenue.

- **Export benefit**

  Income from export incentives such as duty drawback, merchandise export incentive scheme and service export incentive scheme are recognized in accordance with their respective underlying scheme at fair value of consideration received or receivable.

- **Interest Income**

  Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest

- **Rental Income**

  Rental income arising is accounted as per agreement over the lease term.

(m) Employee Benefits:

Short-term obligations

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

Defined Contribution Plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined Benefit Plans

Liability for defined benefit plan is provided on the basis of actuarial valuation carried out by an independent Actuary at year end using the Projected Unit Credit Method. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Termination benefits are recognized as and when incurred.

The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Liability with respect to the Gratuity plan, determined on basis of actuarial valuation as described above, and any differential between the fund amount as per the trust and the liabilities as per actuarial valuation is recognized as an asset or liability. Annual contributions are made to the employee's gratuity fund, established with the insurance company based on an actuarial valuation carried out by the insurance company as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Post-Retirement Medical benefit plan

The Company operates a defined post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Share-based payments

Certain employees are given stock option plans of Ultimate Holding Company. The cost of stock option plans is calculated by the Ultimate Holding Company using the Black and Scholes option pricing model. The cost calculated using this method is recognized as an employee benefits expense over the vesting period of the options.

(n) Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro-rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognized in the Statement of Profit and Loss account.

(o) Income Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or other comprehensive income.

Current Tax:

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Deferred Tax:

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

Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(p) Leases:

As a lessee

The Company mainly has lease arrangements for vehicles and buildings (office premises).

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

The Company recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of-use assets are determined on the same basis as those of property and equipment. In addition, the right of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability is accounted at amortized cost. The lease liabilities are adjusted for the lease payments made by the Company. Lease payments are allocated between principle and finance cost. Finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In case of changes in the future lease payments due to renegotiation, changes of an index or rate, the lease liability is re-measured (with a corresponding adjustment to the related right-of-use asset).

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets. The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option)."

(q) Foreign Currencies:

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The estimated fair value amounts of forward exchange contracts as at March 31,2022 have been measured as at that date. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

(r) Fair value measurement of Financial Instruments:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- **Level 1:** Quoted prices for identical instruments in an active market;
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and
- **Level 3:** Inputs which are not based on observable market data.

(s) Exceptional items:

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets.

(t) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

(u) Government Grants:

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions for receiving such grant have been and will be fulfilled. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(v) Operating Segments :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(w) Dividend :

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Notes to Financial Statements for the year ended March 31, 2022

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value						Accumulated Depreciation						Net book value
	As at March 31 2021	Reclassification	Additions	Disposals	Discontinued Operations	As at March 31 2022	As at March 31 2021	Reclassification	Additions	Disposals	Discontinued Operations	As at March 31 2022	As at March 31 2022
Owned Assets													
Leasehold Land	182	(102)	-	-	-	**80**	10	-	1	-	-	**11**	**69**
Buildings	267	-	1	-	-	**268**	40	-	8	-	-	**48**	**220**
Leasehold Improvements	709	-	119	(55)	-	**773**	521	-	103	(42)	-	**582**	**191**
Plant & Equipment	1,944	(42)	217	(160)	-	**1,959**	1,111	(17)	344	(160)	-	**1,278**	**681**
Plant & Equipment (given on operating lease)	152	-	120	(2)	-	**270**	86	-	24	-	-	**110**	**160**
Office Equipment	405	56	132	(34)	-	**559**	282	27	85	(34)	-	**360**	**199**
Furniture	373	(14)	19	(40)	-	**338**	215	(10)	47	(40)	-	**212**	**126**
Right of Use (ROU) Assets													
Vehicles	542	-	206	(107)	-	**641**	333	-	122	(86)	-	**369**	**272**
Buildings	2,947	-	293	(250)	-	**2,990**	996	-	612	(141)	-	**1,467**	**1,523**
Total	**7,521**	**(102)**	**1,107**	**(648)**	**-**	**7,878**	**3,594**	**-**	**1,346**	**(503)**	**-**	**4,437**	**3,441**

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value						Accumulated Depreciation						Net book value
	As at March 31, 2020	Reclassification	Additions	Disposals	Discontinued Operations	As at March 31, 2021	As at March 31, 2020	Reclassification	Additions	Disposals	Discontinued Operations	As at March 31, 2021	As at March 31 2021
Owned Assets													
Leasehold Land	182	-	-	-	-	182	3	-	7	-	-	10	172
Buildings	267	-	-	-	-	267	31	-	9	-	-	40	227
Leasehold Improvements	1,062	(366)	32	(19)	-	709	428	(6)	113	(14)	-	521	188
Plant & Equipment	2,120	-	232	(1)	(407)	1,944	1,078	-	368	-	(337)	1,109	835
Plant & Equipment (given on operating lease)	125	-	27	-	-	152	70	-	17	-	-	87	65
Office Equipment	407	-	-	(1)	(1)	405	230	-	54	(1)	(1)	282	123
Furniture	374	-	4	(5)	-	373	176	-	45	(5)	-	216	157
Right of Use (ROU) Assets													
Vehicles	613	-	123	(181)	(12)	543	355	-	131	(148)	(6)	332	211
Buildings	1,240	-	1,785	(78)	-	2,947	490	-	583	(77)	-	996	1,951
	6,390	**(366)**	**2,203**	**(285)**	**(420)**	**7,522**	**2,861**	**(6)**	**1,327**	**(245)**	**(344)**	**3,593**	**3,929**

Capital Work in Progress	**As at March 31 2022**	As at March 31 2021
Book value	**269**	414

Capital Work in Progress As at 31 March, 2022 includes assets under construction due to expansion work in Company's Plant at Pune and Software Development Centre at Bengaluru.

CWIP Ageing Schedule		**Particulars**	**(1) Projects in progress**	**(2) Projects temporarily suspended**
As at	31-03-21	Less than 1 year	414	-
	31-03-22		269	-
As at	31-03-21	1 - 2 years	-	-
	31-03-22		-	-
As at	31-03-21	2 - 3 years	-	-
	31-03-22		-	-
As at	31-03-21	More than 3 years	-	-
	31-03-22		-	-
As at	31-03-21	Total	414	-
	31-03-22		269	-

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

3 Investment property

Particulars	As at 31 March 2022	As at 31 March 2021
Gross Carrying Amount		
At the beginning of the year	**858**	-
Additions	**467**	492
Disposals	**-**	-
Reclassification	**102**	366
End of the year	**1,427**	858
Accumulated Depreciation At the beginning of the year	**22**	-
Additions	**38**	16
Reclassifications	**1**	6
Disposals	**-**	-
Accumulated Depreciation At the end of the year	**61**	22
Net Block	**1,366**	836

The investment property consists of land, building and leasehold improvements held by the Company located in the State of Maharashtra given on long term lease. The fair value of investment property is ₹ 1,373 and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorized as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes assets that are subleased and rental income of ₹ 51 (Previous year ₹34) has been recognized in the Statement of Profit and Loss.

4 Contract balances

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Contract assets	**587**	**-**	380	-
Contract liabilities	**4,137**	**1,248**	2,282	906

"Contract assets" represent "Unbilled Revenue" for which revenue is earned but not billed to the customers due to different periodical billing cycles. Receipt of consideration is conditional to billing for maintenance contracts and on billing, the amounts recognized as contract assets are reclassified to "Trade Receivables". They are unsecured and are derived from revenue earned from customers.

"Contract liabilities" include (a) advances received from customers and (b) income received in advance.

Amounts in ₹ Mln

5 Non-current Financial assets

(a) Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	**1,186**	1,304
Total	**1,186**	1,304

Break up for security details

Trade receivables	As at 31 March 2022	As at 31 March 2021
Trade receivables - Secured, considered good	**1,186**	1,304
Trade receivables - Unsecured, considered good	**-**	-
Trade Receivables which have significant increase in credit risk	**-**	-
Trade Receivables - credit impaired	**60**	110
	1,246	1,414
Less: Allowance for Trade Receivable - credit impaired	**(60)**	(110)
	1,186	1,304

Non-Current Trade Receivables Ageing Schedule 31 March 2022	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Outstanding for following periods from due date of payment							
(1) Undisputed Trade receivables – considered good	1,186	-	-	-	-	-	1,186
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	-	-	60	-	-	60
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	1,186	-	-	60	-	-	1,246

Notes to Financial Statements for the year ended March 31, 2022

5. Non-Current Financial Assets Trade Receivables (contd.)

Amounts in ₹ Mln

Non-Current Trade Receivables Ageing Schedule 31 March 2021	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Outstanding for following periods from due date of payment							
(1) Undisputed Trade receivables – considered good	1,304	-	-	-	-	-	1,304
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	-	-	110	-	-	110
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	1,304	**-**	**-**	**110**	**-**	**-**	**1,414**

(b) Investments Non Current and Current

	Face value per Unit	As at 31 March 2022 Units	As at 31 March 2021 Units	As at 31 March 2022	As at 31 March 2021
Non-current :					
Investment at FVTPL					
Quoted:					
IL&FS Financial Services Limited					
Secured Non-convertible debentures	1,000	206,611	-	46	-
Unsecured Non-convertible debentures	1,000	60,261	-	14	-
IL&FS Limited					
Secured Non-convertible debentures	1,000,000	38	-	10	-
Secured Non-convertible debentures	1,000	245,741	-	48	-
Less: Provision for Impairment	-	-	-	(118)	-
Total Non-current					
Aggregate book value of quoted investments	-	-	-	118	-
Aggregate market value of quoted investments	-	-	-	-	-

	Face value per Unit	As at 31 March 2022 Units	As at 31 March 2021 Units	As at 31 March 2022	As at 31 March 2021
Current :					
Investment at FVTPL					
Quoted:					
Piramal Capital and Housing Finance Limited					
Secured Non-convertible debentures	975	65,996	-	53	-
Total Current	-	-	-	53	-
Aggregate book value of quoted investments	-	-	-	53	-
Aggregate market value of quoted investments	-	-	-	53	-

5. Non-Current Financial Assets - Others

Amounts in ₹ Mln

(c) Others

	As at 31 March 2022	As at 31 March 2021
Security Deposits		
- Security Deposits Considered good	**409**	454
- Security Deposits Credit impaired	**-**	-
- Less: Allowances for Security Deposits - credit impaired	**-**	-
	409	454

6 Deferred Tax Assets (Net)

a. Components of Income Tax Expense

	Year ended 31 March 2022	Year ended 31 March 2021
(i) Tax expense recognised in Statement of Profit and Loss		
- Current Tax Continuing operations	**(818)**	(864)
- Current Tax Discontinued operations	**(18)**	(43)
	(836)	(907)
* includes ₹332 (Previous Year ₹130) recognized due to impact of Appendix C to Ind AS 12		
Deferred tax expenses - credit / (charge)		
- Relating to origination and reversal of temporary differences continuing operations	**(161)**	113
- Relating to origination and reversal of temporary differences discontinued operations	**14**	23
	(147)	136
(ii) Tax on Other Comprehensive Income		
Deferred tax		
- Gain / (Loss) on measurement of net defined benefit plans continuing operations	**(301)**	90
Total	**(1,284)**	(681)

(b) Reconciliation of Tax expense and the accounting profit for the year is as under:

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Profit before tax	**4,041**	2,531
Income tax calculated @%	**25.168%**	25.168%
Computed tax expense	**1,017**	637
Differences due to:		
- Expenses not deductible for tax purposes	**20**	(13)
- Others	**247**	147
Income tax charged to Statement of Profit and Loss at effective tax rate of 31.72% (Previous year - 30.46%)	**1,284**	771
Income tax expense reported in Statement of Profit and Loss	**1,284**	771

Notes to Financial Statements for the year ended March 31, 2022

6. Deferred Tax Assets (Net) (contd.)

Amounts in ₹ Mln

(c) Components of Deferred Tax Assets (net) are as follows:

Particulars	Balance Sheet		Recognized in Statement of Profit and Loss		Recognised in General Reserve on account of Discontinued operations	
	As at 31 March 2022	As at 31 March 2021	**For Year ended 31 March 2022**	For Year ended 31 March 2021	**For Year ended 31 March 2022**	For Year ended 31 March 2021
Net deferred tax assets/ (liabilities)						
- Provision for employee benefits	**162**	243	**(69)**	54	**12**	-
- Doubtful trade receivables and advances	**178**	234	**(40)**	41	**16**	-
- Difference between book and tax depreciation	**(245)**	(236)	**(14)**	(4)	**(5)**	-
- Other timing differences	**321**	359	**(38)**	45	**-**	-
Total (A)	**416**	600	**(161)**	136	**23**	-
Re-measurement (gains) / losses on defined benefit plans (B)	**(32)**	269	**(301)**	90	**-**	-
Less: Net deferred tax assets attributable to discontinued operations (C)	**-**	(23)	**-**	(23)	**(23)**	-
Net deferred tax assets/ (liabilities) (A+B+C)	**384**	**846**	**(462)**	**203**	**-**	**-**

d. Reconciliation Deferred Tax Assets / (Liabilities) - Net

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance as of 1 April	**846**	643
Tax income/(expense) during the year recognized in profit and loss	**(161)**	136
- Gain / (Loss) on measurement of net defined benefit plans continuing operations	**(301)**	90
Less: Net deferred tax assets attributable to discontinued operations	**-**	(23)
Closing balance as at 31 March	**384**	846

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Rentals	**60**	70
Capital Advances	**13**	18
VAT credit receivable	**67**	65
Deposits against legal cases	**525**	533
Considered doubtful		
Deposits against legal cases	**17**	17
Special additional duty receivables and drawback claims	**56**	56
Claims receivables	**87**	92
Less: Allowances for doubtful other loans and advances		
Deposits against legal cases	**(17)**	(17)
Special additional duty receivables and drawback claims	**(56)**	(56)
Claims receivables	**(87)**	(92)
	665	686

Amounts in ₹ Mln

8 Inventories (at lower of cost and net realizable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw Materials	1,189	949
Raw Materials-in-Transit	49	81
Work-in-Progress	2,448	1,330
Finished Goods	-	35
Stock-in-Trade (goods purchased for re-sale)	2,030	1,556
Stock-in-Trade (goods purchased for re-sale) - In Transit	1,130	287
Stores and spares	15	12
	6,861	4,250

9 (a) Current Financial assets - Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	4,703	3,210
Trade Receivables from other related parties (Note 31)	2,798	2,531
	7,501	5,741

Break up for security details

Trade receivables	As at 31 March 2022	As at 31 March 2021
Trade receivables -Secured, considered good **	754	558
Trade receivables - Unsecured, considered good	6,747	5,183
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	444	585
	7,945	6,326
Allowances for Trade Receivables - credit impaired	(444)	(585)
	7,501	5,741

"No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables other than finance lease receivables are non-interest bearing.

** Additional disclosure relating to finance lease receivables:

Secured trade receivables includes finance lease receivables amounting to ₹1,016 (31 March 2021 - ₹943) relating to medical equipment leased out by the Healthcare division of the Company. The lease term varies between 5-7 years. The total minimum lease payments for assets given on finance lease is ₹1,461 (31 March 2021 - ₹1,388) which includes unearned interest of ₹445 (31 March 2021 - ₹445). The maturity profile of finance lease receivable is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Minimum lease payments		
Receivable within 1 year	293	333
Receivable between 1-5 years	897	837
Receivable after 5 years	271	218
Total	1,461	1,388
Present value		
Receivable within 1 year	157	182
Receivable between 1-5 years	627	588
Receivable after 5 years	232	173
Total	1,016	943
Unearned interest	445	445

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

9 Current Financial Assets - Trade Receivables (Contd..)

Current Trade Receivables Ageing Schedule 31 March 2022	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Outstanding for following periods from due date of payment							
(1) Undisputed Trade receivables – considered good	**6,482**	**887**	**38**	**86**	**7**	**1**	**7,501**
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	-	**4**	**115**	**55**	**83**	**257**
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	**187**	-	-	**187**
	6,482	**887**	**42**	**388**	**62**	**84**	**7,945**

Current Trade Receivables Ageing Schedule 31 March 2021	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Outstanding for following periods from due date of payment							
(1) Undisputed Trade receivables – considered good	4,873	742	90	28	-	8	5,741
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	-	29	196	51	136	412
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	173	-	-	173
	4,873	**742**	**119**	**397**	**51**	**144**	**6,326**

Amounts in ₹ Mln

9 **(b) Cash and cash equivalents**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
– On current accounts	**756**	143
– Deposits with original maturity of less than three months **	**10,620**	9,118
– Exchange Earners' Foreign Currency Account	**1,741**	-
Cheques/ drafts on hand	**17**	37
	13,134	9,298
Other Bank Balances		
Unpaid dividend accounts	**15**	15
Unspent CSR account	**10**	-
** Refer Note 9 (c)		
	13,159	9,313

Changes in Liabilities arising from financing activities

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liabilities		
Opening balance as of 1April	2,305	1,128
Cash Flows during the year		
Cash Flows	(393)	1,177
Closing balance as of 31 March	1,912	2,305
Break up of Cash Flows during the year		
Additions during the year	467	1,899
Deletions during the year	(152)	(52)
Payment of lease liabilities (Principal)	(708)	(670)
Total	(393)	1,177

(c) Current Financial Assets - Others

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on deposits with banks	**154**	51
Government grants	**244**	96
Allowances for Government Grants - Credit impaired	**(2)**	-
Security Deposits		
(Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good	**19**	39
Security Deposits Credit impaired	**10**	23
Allowances for Security Deposits - credit impaired	**(10)**	(23)
	415	186

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

10 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	**As at 31 March 2022**	As at 31 March 2021
Advance Rentals	**26**	40
Advance to suppliers (other than related party)	**383**	476
CENVAT credit receivable	**147**	279
GST Input tax credit receivable	**1,164**	472
VAT credit receivable	**2**	2
Special additional duty receivables and drawback claims	**67**	31
Prepaid expenses	**52**	404
Claims receivables	**1,279**	1,254
Advances to employees	**7**	9
Considered doubtful		
Advance to suppliers	**27**	27
Claims receivables	**-**	6
Special additional duty receivables and drawback claims	**13**	13
Allowances for doubtful other loans and advances		
Advance to suppliers	**(27)**	(27)
Claims receivables	**-**	(6)
Special additional duty receivables and drawback claims	**(13)**	(13)
	3,127	2,967

11 Assets Classified As Held For Sale

Particulars	**As at 31 March 2022**	As at 31 March 2021
Property, plant and equipment		
Assets retired from active use (refer note below)	**-**	14
	-	14

Consequent to identification and evaluation of potential buyers for the properties located in the states of Maharashtra during the previous years, the Company has completed sale of the said property during the current year and profit on such sale has been disclosed as "Exceptional Item" (Refer Note 33)

Amounts in ₹ Mln

12 Equity Share Capital

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Authorised Share Capital				
Equity shares of ₹ 10 each	**92,000,000**	**920**	92,000,000	920
Non-convertible cumulative preference shares of ₹ 10 each	**20,000,000**	**200**	20,000,000	200
Total	**112,000,000**	**1,120**	112,000,000	1,120
	No. of shares	**Amount**	No. of shares	Amount
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each	**57,517,242**	**575**	57,517,242	575
Total	**57,517,242**	**575**	57,517,242	575

(a) Reconciliation of the number of equity shares outstanding

	Number of shares	Equity share capital
As at March 31 2020	**57,517,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2021	**57,517,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2022	**57,517,242**	**575**

(b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share (31 March 2021 : ₹10/- per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(c) Shares held by holding and the ultimate holding company

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Koninklijke Philips N.V (KPNV)				
55,290,182 (March 31 2021 - 55,290,182) Equity shares of 10 each	**55,290,182**	**553**	55,290,182	553

Details of shareholders holding more than 5% shares of the Company and Promoter's holding

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**% holding**	No. of shares	% holding
Koninklijke Philips N.V (KPNV)	**55,290,182**	**96.13**	55,290,182	96.13

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

13 Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve		
As at the beginning of the year	**2,315**	2,315
Transfer as per Composite Scheme of Arrangement	**(2,315)**	-
General reserve (a)	**-**	2,315
Retained Earnings (b)		
As at the beginning of the year	**21,060**	19,687
Add: Profit for the year	**2,659**	1,761
Less: Reductions during the year		
Dividend	**(173)**	(173)
Transfer as per Composite Scheme of Arrangement	**(1,442)**	-
Items of Other Comprehensive Income (OCI) recognized directly in retained earnings		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	**96**	(215)
	22,200	21,060
Total (a+b)	**22,200**	23,375

The disaggregation of changes in OCI by each type of reserves in equity is disclosed below:

Particulars	As at 31 March 2022	As at 31 March 2021
Re-measurement gains / (losses) on defined benefit plans	**399**	(305)
Income tax effect on defined benefit plans	**(301)**	90
	98	(215)

A. Summary of Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
General Reserve	**-**	2,315
Retained Earnings	**22,841**	21,797
Items of OCI	**(641)**	(737)
Total other Equity	**22,200**	23,375

B. Description of nature and purpose of each reserve

(i) General Reserve and Retained Earnings

These represent the accumulated profit the Company has. These are free reserves for the Company. The Company can declare dividend or retain it for future use (Refer Note 42).

(ii) Re-measurement of Net Defined Benefit Plans

This represents (a) differences between the interest income on plan assets and return actually achieved and (b) any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plan, recognized in Other Comprehensive Income (OCI) and subsequently not reclassified to the Statement of Profit and Loss.

14 Non-current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	**1,204**	1,584
	1,204	1,584

Amounts in ₹ Mln

15 Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Employee related payables	**45**	165
	45	165

16. Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Provision for employee benefits				
Gratuity (refer note 28)	**88**	597	-	70
Compensated absences	**366**	246	59	35
Post-employment medical benefits	**-**	-	3	4
Defined Benefit Plan	**-**	-	-	1,116
Others				
Warranty (Refer Note 16a)	**-**	-	269	74
Legal and Regulatory (Refer Note 16a)	**1,924**	1,592	506	528
Miscellaneous (Refer Note 16a)	**-**	-	117	58
Total	**2,378**	2,435	954	1,885

Additional disclosure relating to provisions

a. Movement in provisions:

Particulars	Class of provisions			
	Warranty	**Legal and Regulatory**	**Miscellaneous**	**Total**
Balance at 31 March 2020	216	2,044	44	2,304
Less: Closing balance attributable to discontinued operations	(90)	(2)	(9)	(101)
Add: Accruals / Reclassification during the year	192	158	44	394
Less: Utilisation / Reclassification during the year	(244)	(80)	(21)	(345)
Balance at 31 March 2021	74	2,120	58	2,252
Add: Accruals / Reclassification during the year	**475**	**370**	**59**	**904**
Less: Utilisation / Reclassification during the year	**(280)**	**(18)**	**-**	**(298)**
Less: Write back during the year	**-**	**(42)**	**-**	**(42)**
Balance at 31 March 2022	**269**	**2,430**	**117**	**2,816**

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

17. Current Financial Liabilities

(a) Lease Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	**708**	721

(b) Trade Payables

Particulars		As at 31 March 2022	As at 31 March 2021
Trade Payables			
Dues to others		**4,357**	3,926
Dues to related parties		**2,706**	1,583
Dues to Micro, Small and Medium Enterprises			
a.	Principal amount remaining unpaid to any supplier as at end of the year	**11**	12
b.	Interest due on the above amount	**-**	-
c.	Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year	**-**	-
d.	Amount of interest due and payable for the period of delay in making the payment but without adding the interest specified under this Act	**-**	-
e.	Amount of interest accrued and remaining unpaid at the end of the year	**-**	-
f.	Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises	**-**	-
		7,074	5,521

31 March 2022

Trade Payables due for payment Ageing Schedule	Dues to MSME	Dues to Others	Disputed Dues to MSME	Disputed Dues to Others	Total
Outstanding for following periods from due date of payment					
Less than 1 year	**11**	**699**	**-**	**-**	**710**
1 - 2 Years	**-**	**4**	**-**	**-**	**4**
More than 3 years	**-**	**3**	**-**	**5**	**8**
Not Due	**-**	**6,352**	**-**	**-**	**6,352**
	11	**7,058**	**-**	**5**	**7,074**

(b) Trade Payables (contd.)

Amounts in ₹ Mln

31 March 2021

Trade Payables due for payment Ageing Schedule	**Dues to MSME**	**Dues to Others**	**Disputed Dues to MSME**	**Disputed Dues to Others**	**Total**
Outstanding for following periods from due date of payment					
Less than 1 year	12	158	-	-	170
1 - 2 Years	-	3	-	-	3
More than 3 years	-	12	-	5	17
Not Due	-	5,331	-	-	5,331
	12	5,504	-	5	5,521

Trade payables are non-interest bearing and are normally settled on sixty day terms.

The Company has identified enterprises which have provided goods and services and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The details of overdue amount and interest payable are set out above.

(c) Other financial liabilities

Particulars	**As at 31 March 2022**	As at 31 March 2021
Unpaid dividend	**15**	15
Book overdraft	**260**	199
Other payables:		
Payables for purchase of fixed assets (other than micro and small enterprises)	**93**	102
	368	316

18. Other current liabilities

Particulars	**As at 31 March 2022**	As at 31 March 2021
Employee related payables	**914**	727
Statutory dues	**941**	955
	1,855	1,682

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

19 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of goods	**28,617**	25,085
Sale /rendering of services	**25,673**	22,985
Revenue from contracts with customers	**54,290**	48,070
Other operating revenues*	**524**	357
Total	**54,814**	48,427

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
*** Breakup of other operating revenues:**		
Liabilities no longer required written back	**79**	7
Finance income - leases	**129**	98
Duty drawback and export incentives	**103**	184
Miscellaneous @	**213**	68
	524	357

@ Includes Lease rental income on Investment Property ₹ 51 (Previous Year ₹ 34)

19 (a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2022				
	Personal Health	Innovation Services	Health Systems	Other Unallocable	Total
Type of goods or service					
Sale of Goods	8,979	-	19,638	-	28,617
Sale of Services	6	17,062	8,081	524	25,673
Revenue from contracts with customers	**8,985**	**17,062**	**27,719**	**524**	**54,290**
Geography					
Within India	8,976	1	21,944	106	31,027
Outside India	9	17,061	5,775	418	23,263
Revenue from contracts with customers	**8,985**	**17,062**	**27,719**	**524**	**54,290**
Timing of revenue recognition					
Goods transferred at a point in time	8,979	-	19,638	-	28,617
Services transferred over time	6	17,062	8,081	524	25,673
Revenue from contracts with customers	**8,985**	**17,062**	**27,719**	**524**	**54,290**

Particulars	For the year ended 31 March 2021				
	Personal Health	Innovation Services	Health Systems	Other Unallocable	Total
Type of goods or service					
Sale of Goods	13,433	-	11,652	-	25,085
Sale of Services	26	14,736	7,809	414	22,985
Revenue from contracts with customers	13,459	14,736	19,461	414	48,070
Within India	13,166	32	13,590	12	26,800
Outside India	293	14,704	5,871	402	21,270
Revenue from contracts with customers	13,459	14,736	19,461	414	48,070
Timing of revenue recognition					
Goods transferred at a point in time	13,433	-	11,652	-	25,085
Services transferred over time	26	14,736	7,809	414	22,985
Revenue from contracts with customers	13,459	14,736	19,461	414	48,070

Amounts in ₹ Mln

19 (b) Reconciliation of the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	**58,009**	52,956
Adjustments		
Extended warranties	**(2,080)**	(2,894)
Significant financing component	**(71)**	(47)
Sales returns	**(591)**	(361)
Rebates	**(977)**	(1,584)
Revenue from contracts with customers	**54,290**	48,070

19 (c) Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods.

Sales of services:

The performance obligation in respect of installation services is satisfied upon completion of installation and acceptance of customer. In respect of maintenance services, performance obligation is satisfied over a period of time and acceptance of the customer.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation-gross) pertaining to sales of services as at March 31, 2022 is as follows:-

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	**3,297**	2,280
More than one year	**720**	906
	4,017	3,186

Note: The remaining performance obligation expected to be recognized in more than one year relates to extended warranty and maintenance charges received from customer that is to be satisfied over the period of one to twelve years. All other remaining performance obligation are expected to be recognized within one year.

20 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income (other than on investments)	**373**	214
Interest on income-tax refund	**21**	103
Interest income on defined benefit plan	**29**	31
Interest income on Security Deposits	**21**	59
Other non-operating income	**204**	5
	648	412

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

21 Cost of raw materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of raw materials at the beginning of the year	949	651
Add: Purchases	4,145	3,396
Less: Inventory of raw materials at the end of the year	1,189	949
Cost of raw materials consumed	**3,905**	**3,098**

22 Purchases of stock-in-trade (goods purchased for resale)

	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade (goods purchased for resale)	**24,205**	18,348

23 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Stock at the beginning of the year		
Finished goods	**35**	20
Work-in-Progress	**1,330**	1,091
Stock-in-trade (goods purchased for resale)	**1,556**	2,022
Total	**2,921**	3,133
Stock at the end of the year		
Finished goods	**-**	35
Work-in-Progress	**2,448**	1,330
Stock-in-trade (goods purchased for resale)	**2,030**	1,556
	4,478	2,921
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(1,557)**	212

24 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	**15,131**	13,278
Contribution to provident and other funds	**551**	558
Defined benefit plan expense	**174**	156
Expense on Employee Stock Option Schemes	**167**	192
Staff welfare expenses	**567**	419
	16,590	14,603

25 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	**121**	143
Net interest on the net defined benefit liability	**93**	107
Other interest expense	**57**	1
Total interest expense	**271**	251
Unwinding of discount and effect of changes in discount rate on provisions	**1**	1
Total finance costs	**272**	252

Amounts in ₹ Mln

		Year ended 31 March 2022	Year ended 31 March 2021
26	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (Refer note 2)	**612**	691
	Depreciation on Investment Properties (Refer note 3)	**38**	16
	Depreciation of Right of Use Assets (Refer note 2)	**734**	636
		1,384	1,343

		Year ended 31 March 2022	Year ended 31 March 2021
27	**Other expenses**		
	Power and fuel	**165**	130
	Packing, freight and transport	**760**	965
	Rent	**188**	259
	Repairs to buildings	**7**	9
	Repairs to plant and machinery	**3**	5
	Insurance	**128**	173
	Rates and taxes	**5**	-
	Travelling and conveyance	**350**	244
	Legal and professional fees	**167**	145
	Publicity	**1,669**	2,399
	IT and Communication	**1,436**	1,404
	Fees for services from a Fellow Subsidiary Company	**375**	397
	Allowances for doubtful debts and advances	**24**	233
	Warranty	**475**	192
	Net loss on foreign currency transaction and translation	**32**	36
	Miscellaneous expenses	2,546	1,861
		8,330	8,452

	Year ended 31 March 2022	Year ended 31 March 2021
Legal and professional includes payments to auditors as given below:		
Statutory audit fees	**5.9**	5.3
Tax audit fees	**2.5**	2.0
Certification fees	1.1	.6
Miscellaneous include:		
Undepreciated value of property, plant and equipment written-off / provided for	**2**	6
Handling charges	**102**	56
Royalty	**272**	392
Commission	**67**	28
Corporate Social Responsibility Expense	**29**	37
Software Development Outsourcing Cost	**1,014**	451

	Year ended 31 March 2022	Year ended 31 March 2021
Details of CSR Expenditure:		
a) Gross amount required to be spent by the Company during the year	**51**	52
b) Amount spent during the year ending on 31st March, 2022:		
i) For Purposes mentioned below:		
- In Cash	**23**	37
- Yet to be paid in Cash	**28**	15
ii) On purposes other than (i) above		
- In Cash	**-**	-
- Yet to be paid in Cash	**-**	-

In terms of the provisions of Section 135 of the Companies Act, 2013, for the financial year 2021-2022, the Company was required to spend an amount of ₹ 51 (Previous Year ₹ 52) towards CSR activities and the Company has spent ₹ 23 (Previous Year ₹ 37) against the same. The Company, on 30 April 2022, has deposited ₹ 32 (Previous Year ₹ 19) comprising of CSR unspent amount for the year 2021-22 ₹ 28 and for the year 2020-2021 ₹ 4 in "Unspent CSR Account" as per Section 135(6) and the same shall be utilized on account of CSR programs that are in progress for which invoices are yet to be received.

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

27 Other expenses (contd.)

		Year ended 31 March 2022	Year ended 31 March 2021
(a)	amount required to be spent by the company during the year	51	52
(b)	amount of expenditure incurred	23	37
(c)	shortfall at the end of the year	28	15
(d)	total of previous years shortfall	14	9

28 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits)

The Company has a defined gratuity benefit plan which is governed by Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at the retirement age. The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Plan assets comprise of contribution to Group Gratuity Scheme of Insurance companies in case of gratuity and investments under Philips India Limited Employees' Provident Fund Plan in case of Provident Fund. During the year, the Company has transferred from PF Trust to Government managed Provident Fund. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)

Particulars	Gratuity	
	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	174	153
Interest cost on benefit obligation	69	59
Expected return on plan assets	(29)	(31)
Net actuarial (gain)/ loss recognised in the year	(129)	66
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	85	247

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity				Provident Fund	
	Year ended 31 March 2022		Year ended 31 March 2021		Year ended 31 March 2022	Year ended 31 March 2021
	Funded	Unfunded	Funded	Unfunded		
A. Present value of obligations as at beginning of the year	1172	-	782	206	7971	7167
(1) Current service cost	174	-	121	32		431
(2) Interest cost	69	-	47	12	211	463
(3) Benefits settled	(105)	-	(51)	(10)	(234)	(1086)
(4) Settlements	-	-	-	-	-	-
(5) Actuarial (gain) / loss	(75)	-	59	(20)	69	127
(6) Actuarial (gain) / loss due to interest rate guarantee	-	-	-	-	-	-
(7) Employees' contribution	-	-	-	-		590
(8) Acquisition/Business Combination/ Divestiture	(51)	-	(25)	18	(231)	-
(9) Change in reserves	-	-	-	-	-	-
(10) Transfer in	(7)	-	-	-	89	279
(11) Settlement gain	-	-	-	-	(340)	-
(12) Transfer to RPFC	-	-	-	-	(7535)	-
Present value of obligations as at end of the year	1177	-	933	239	-	7,971

Amounts in ₹ Mln

28 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits) (contd.)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022

Particulars	Gratuity				Provident Fund	
	Year ended 31 March 2022		Year ended 31 March 2021		**Year ended 31 March 2022**	Year ended 31 March 2021
	Funded	**Unfunded**	Funded	Unfunded		
B. Change in Plan Assets						
Plan assets as at beginning of the year	**455**	**-**	483	-	**6854**	6,371
(1) Expected return on plan assets	**29**	**-**	31	-	**188**	411
(2) Contributions	**610**	**-**	19	-	**-**	-
(3) Benefits settled	**(59)**	**-**	(51)	-	**-**	-
(4) Employer and Employee contribution	**-**	**-**	-	-	**505**	992
(5) Transfer in	**-**	**-**	-	-	**88**	279
(6) Benefit payments	**-**	**-**	-	-	**(234)**	(1,086)
(7) Asset gain / (loss)	**54**	**-**	(27)	-	**339**	(113)
(8) Settlements	**-**	**-**	-	-		-
(9) Acquisition/Business Combination/ Divestiture	**-**	**-**	-	-	**(205)**	-
(10) Change in the reserves					**(7535)**	
Plan assets as at end of the year	**1089**	**-**	455	-	**-**	6,854
Surplus / (Deficit)	**-**	**-**	-	-	**-**	(1,116)
C. Actual return on plan assets	**-**	**-**	-	-	**-**	-
(D) Reconciliation of present value of the obligation and the fair value of the plan assets:						
(1) Present value of obligations at end of the year	**(1177)**	**-**	(933)	(239)	**-**	-
(2) Fair value of Plan assets	**1089**	**-**	455	-	**-**	-
Liability recognized in Balance Sheet	**(88)**		(478)	(239)	**-**	-
E. Components of Employer Expense:						
(1) Current service cost	**174**	**-**	121	32	**-**	-
(2) Interest cost	**69**		47	12	**-**	-
(3) Expected return on plan assets (estimated)	**(29)**	**-**	(31)	-	**-**	-
(4) Curtailments	**-**	**-**	-	-	**-**	-
(5) Past service cost	**-**	**-**	-	-	**-**	-
(6) Actuarial (gain) / loss	**(128)**		85	(20)	**-**	-
Total expense recognized in Statement of Profit and Loss	**86**	**-**	223	24	**-**	-

The gratuity expense has been recognized in "Employee benefits expenses" under note 24 to the Financial Statements.

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

28 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits) (contd.)

F. Experience Adjustments

Particulars	Gratuity (Funded)				
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Defined Benefit Obligations	**1177**	933	782	563	566
Plan Assets	**1089**	455	483	351	282
Surplus / (Deficit)	**(88)**	(478)	(299)	(212)	(284)
Experience adjustments on Plan assets/ liabilities (gain)/loss	**-**	-	46	46	(75)

Particulars	Gratuity (Unfunded)				
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Defined Benefit Obligations	**-**	239	206	150	154
Plan Assets	**-**	-	-	-	-
Surplus / (Deficit)	**-**	(239)	(206)	(150)	(154)
Experience adjustments on Plan assets/ liabilities (gain)/loss	**-**	-	6	6	54

Particulars	Provident Fund				
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Defined Benefit Obligations	**-**	7,971	7,167	5,678	5,145
Plan Assets	**-**	6,854	6,371	6,403	5,337
Surplus / (Deficit)	**-**	(1,117)	(796)	725	192
Experience adjustments on Plan assets/ liabilities (gain)/loss	**-**	113	731	(140)	(637)

G. Assumptions

Gratuity	Financial Assumptions			Demographic Assumptions		
	Discount Factor	**Estimated rate of return on Plan Assets**	**Salary Increase**	**Mortality**	**Attrition Rate**	**Retirement Age**
Year ended 31 March 2022	**7.07%**	7.07%	7%	PIL IALM (2006-08)	10%	60 years
Year ended 31 March 2021	**6.45%**	6.45%	7%	IALM (2012-14)	Management -14%, PMS - 15%, Innovation Services - 13% Healthcare Invovation Campus - Nil	HIC - 58 years, Others - 60 years

Amounts in ₹ Mln

28 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits) (contd.)

Provident Fund	**Financial Assumptions**			**Demographic Assumptions**				
	Yield on Assets based on the Market Value	Outstanding term of the liabilities	Govt of India - Bond Yield for the outstanding term of liabilities	Interest Rate Guarantee	Expected Return on the Exempt Fund as per GN 29 methodology	Mortality	Employee Turnover	Retirement Age
Year ended 31 March 2022	**8%**	8.11 years	6.50%	8.50%	8.50%	IALM (2012-14)	Management -13%, PMS-11% Innovation Services - 13% HIC - Nil	Management & Innovation Services - 60 years, Others - 58 years
Year ended 31 March 2021	**7.73%**	8.11 years	6.45%	8.50%	8.50%	IALM (2012-14)	Management -14%, PMS-15% Innovation Services - 13% HIC - Nil	HIC - 58 years, Others - 60 years

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

28 Gratuity and other post-employment benefit plans (As per Ind AS 19 Employee Benefits) (contd.)

h. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	As at 31 March 2022	As at 31 March 2021
Discount rate		
a. Discount rate - 100 basis points	**1,268**	1,255
b. Discount rate + 100 basis points	**1,098**	1,095
Salary increase rate		
a. Rate - 100 basis points	**1,102**	1,095
b. Rate + 100 basis points	**1,261**	1,254

(i) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Within the next 12 months (next annual reporting period)	**111**	120
Between 1 and 5 years	**631**	493
Between 5 and 10 years	**1,197**	507
Total expected payments	**1,939**	1,120

29 Employees' Share-based Payments

Certain employees of the Company are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with the guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India (ICAI) in respect of the grants made on or after 1 April 2005, the following disclosures are made:

(a) Method adopted for valuation

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Options" and amortised over the vesting period. The "Fair Value of the Options" is determined using "Black-Scholes" option pricing model.

(b) Nature and extent of Employee Share-based Payment Plans:

As from 2003 onwards, the Ultimate Holding Company (KPNV) issued restricted share rights that vest in equal annual instalments over a three-year period. Restricted shares are KPNV's shares that the grantee will receive in three successive years, provided the grantee is still with the Company on the respective delivery dates. If the grantee still holds the shares after three years from the delivery date, Philips will grant 20% additional (premium) shares, provided the grantee is still with Philips. As from 2002, the Ultimate Holding Company granted fixed stock options that expire after 10 years. Generally, the options vest after 3 years; however, a limited number of options granted to certain employees of acquired businesses contain accelerated vesting. In prior years, fixed and variable (performance) options were issued with terms of ten years, vesting one to three years after grant.

In 2013, a new Plan has been introduced which consists of performance shares only. The performance is measured over a three-year performance period. The performance shares vest three years after the grant date. The number of performance shares that will vest is dependent on achieving performance conditions, which are equally weighted, and provided that the grantee is still employed with the Company. Restricted shares exclude 20% additional (premium) shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

Amounts in ₹ Mln

29 Employees' Share-based Payments (contd.)

(c) Method and assumptions for arriving at the Fair Value of Restricted Shares

The fair value of restricted shares is equal to the Fair Value of the stock at grant date net of the present value of dividends which will not be received up to the vesting date. The expected dividend used is the dividend of the preceding year.

(d) Method and assumptions for arriving at the Fair Value of Performance Shares

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions:

1. Risk free interest rate -0.69%
2. Expected share price volatility 28%

(e) Number and weighted average grant-date fair value of Stock Options (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31 March 2022	Exercisable
April 18, 2011	20.90	3,450	-	-	-	(3,450)	-	-
July 18, 2011	17.20	1,500	-	-	-	(1,500)	-	-
January 30, 2012	15.24	5,000	-	-	-	(5,000)	-	-
April 23, 2012	14.82	8,400	-	-	-	(4,200)	**4,200**	**4,200**
		18,350	-	-	-	(14,150)	**4,200**	**4,200**
Previous Year	-	22,880	-	-	-	(4,530)	18,350	18,350

(f) Number and weighted average grant-date fair value of Stock Options (USD)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Exercised
	-	-	-	-	-	-

(g) Number and weighted average grant date fair value of Restricted Shares (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2022
April 29, 2016	24.00	1	-	-	(1)	-	**-**
July 28, 2017	38.14	480	-	2	10	(492)	**-**
October 27, 2017	42.20	993	-	(53)	(17)	(532)	**391**
April 27, 2018	33.34	21,224	-	81	429	(21,735)	**(1)**
May 6, 2019	37.20	19,701	-	(2,333)	(1,139)	-	**16,229**
April 30, 2020	39.72	22,895	-	(1,253)	(928)	-	**20,714**
July 7,2020	44.61	1,325	-	(72)	(33)	(462)	**758**
July 24, 2020	44.61	1,149	-	-	-	(573)	**576**
July 30,2021	38.89	-	2,612	-	-	-	**2,612**
October 22,2021	41.03	-	759	-	-	-	**759**
January 28,2022	41.03	-	1,560	-	-	-	**1,560**
April 30, 2021	46.88	-	23,106	(1,291)	(755)	-	**21,060**
June 9,2021	38.89	-	1,245	(71)	(72)	(11)	**1,091**
		67,768	29,282	(4,990)	(2,506)	(23,805)	**65,749**
Previous Year		65,847	21,300	(23,911)	4,532	-	67,768

Amounts in ₹ Mln

29 Employees' Share-based Payments (contd.)

(h) Number and weighted average grant date fair value of Restricted Shares (USD)

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2022
April 27, 2018	36.30	4,209	-	-	-	(4,209)	**-**
June 6, 2018	44.43	95	-	-	-	(95)	**-**
May 6, 2019	41.64	3,519	-	-	1,100	-	**4,619**
June 13, 2019	46.99	188	-	-	26	(103)	**111**
July 7, 2020	51.78	163	-	-	46	(89)	**120**
April 30, 2020	36.30	-	-	-	1,128	-	**1,128**
April 30, 2021	46.88	-	-	-	791	-	**791**
June 9,2021	38.89	-	68	-	57	-	**125**
		8,174	68	-	3,148	(4,496)	**6,894**
Previous year	-	8,174	163	(152)	(11)	-	8,174

Restricted shares exclude 20% additional (premium) shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

(i) Number and weighted average grant date fair value of Performance Shares (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2022
April 27, 2018	35.31	10,523	-	-	-	(10,523)	**-**
June 6, 2018	38.14	238	-	-	-	(238)	**-**
May 6, 2019	37.20	7,144	-	-	1,100	-	**8,244**
June 13, 2019	42.20	431	-	-	26	(259)	**198**
April 30, 2020	39.72	-	-	-	1,128	-	**1,128**
July 7, 2020	44.61	372	-	-	46	(224)	**194**
April 30, 2021	24.00	-	-	-	791	-	**791**
June 9, 2021	32.98	-	139	-	57	-	**196**
		18,708	139	-	3,148	(11,244)	**10,751**
Previous Year	-	16,294	327	(194)	2,281	-	18,708

Amounts in ₹ Mln

29 Employees' Share-based Payments (contd.)

(j) Number and weighted average grant date fair value of Performance Shares (USD)

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2021	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2022
April 27, 2018	42.75	29,662	-	102	536	(30,300)	**-**
June 6, 2018	44.43	671	-	2	12	(685)	**-**
May 6, 2019	41.64	22,673	-	(2,156)	(2,045)	-	**18,472**
June 13,2019	46.99	1,272	-	(49)	(36)	(742)	**445**
April 30, 2020	36.11	29,949	-	(1,253)	(1,917)	-	**26,779**
July 7,2020	51.78	1,710	-	(68)	(70)	(644)	**928**
April 30,2021	46.88	-	28,398	(1,291)	(1,228)	-	**25,879**
June 9,2021	38.89	-	1,501	(71)	(117)	-	**1,313**
July 30,2021	38.89	-	1,038	-	-	-	**1,038**
		85,937	30,937	(4,784)	(4,865)	(32,371)	**74,854**
Previous Year	-	75,999	26,654	(28,030)	11,314	-	85,937

(k) Expense recognition

Particulars	31 March 2022	31 March 2021
Expense recognised on account of "Employee Share -Based Payment"	**167**	192
Carrying liability as at 31 March	**45**	165

(l) Employee Share Purchase Plan:

Under the terms of Employee Share Purchase Plan established by the Holding Company, substantially all employees are eligible to purchase a limited number of KPNV shares at discounted prices through payroll withholdings, of which the maximum range is 10% of total salary. Generally, the discount provided to the employees is in the range of 10% to 20%.

Particulars	31 March 2022	31 March 2021
Number of shares bought during the year by the employees	**43,205**	25,560
Average purchase plan (in Euro)	**38.66**	42.80

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

30 Commitments and contingencies

Particulars			31 March 2022	31 March 2021
a	**Commitments**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for		**502**	520
b	**Contingent liabilities**			
	(i)	Relating to Philips India Limited		
		Disputed Excise demands	**11**	11
		Income Tax demands	**8,023**	6,109
		VAT	**1,793**	2,032
		Service Tax demands	**8**	7
		Customs Duty	**62**	62
	(ii)	Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
		Income Tax demands	**283**	252
		VAT	**1,191**	1,318

As per the MOU (Memorandum of Understanding) dated 31 March 2016 signed between Philips India Limited and Philips Lighting India Limited at the time of demerger of lighting business, the tax cases up to the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

In respect of suppliers' / customers' demands and certain tenancy / customs / sales tax / service tax disputes for which the liability is not ascertainable. It is not practicable to estimate the timing of cash outflows, if any, in respect of above, pending resolution of the legal proceedings.

Amounts in ₹ Mln

31 Related party transactions (contd.)

(a) Enterprises exercising control:

Holding and ultimate holding company: **Koninklijke Philips N.V (KPNV)**

(b) Enterprises where control exists:

Subsidiary companies **Preethi Kitchen Appliances Private Limited***
Philips Domestic Appliances India Limited*

Ceased to be subsidiary companies effective July 1 2021.

(c) Other Related Parties with whom transactions have taken place during the year:

(i) Fellow Subsidiary Companies (as per list given below)

China Shenzhen Goldway
Lifeline Systems Company
PH CL Poland SO/CO
Philips Consumer Lifestyle B.V.
Philips Electronics Middle East & Africa B.V
Philips Electronics Nederland B.V.
Philips Electronics North America Corporation
Philips Electronics Singapore Pte Ltd
Philips Global Business Services LLP
Philips GmbH Innovative Technologies
Philips Healthcare (Suzhou) Co., Ltd.
Philips Healthcare Informatics, Inc.
Philips Healthcare Saudi Arabia Ltd
Philips Image Guided Therapy Corp
Philips International B.V.
Philips Japan, Ltd.
Philips Lanka Solutions (Private) Limited
Philips Medical Systems (Cleveland), Inc.
Philips Medical Systems DMC GmbH
Philips Medical Systems LTDA
Philips Medical Systems MR, Inc.
Philips Medical Systems Nederland B.V.
Philips Medical Systems Technologies Ltd.
Philips Medizin Systeme Böblingen GmbH
Philips Nederland B.V.
Philips Oral Healthcare BV
Philips Oregon EGI
Philips Oy
Philips Ultrasound (Shanghai) Co. Ltd.
Philips Ultrasound, Inc.
Philips VitalHealth Software India Pvt. Ltd
Respironics California Inc.
Respironics, Inc.
Spectranetics Corporation
VISICU, Inc.
Volcano Europe, B.V.B.A.

(ii) Employee Trusts

Philips India Ltd Management Staff Provident Fund Trust
Philips Employees Group Gratuity Scheme

(iii) Key Management Personnel

Executive Directors:
Mr.Daniel Mazon
Mr.Rajiv Mathur*
Mr.Sudeep Agrawal
Ms.Pooja Bedi**

Non-Executive Directors:
Mr.S.M.Datta
Ms.Geetu Gidwani Verma

Company Secretary:
Mr. Rajiv Mathur*
Ms.Pooja Bedi**

*Ceased to be Executive Director & Company Secretary effective July 1 2021.
** effective July 1 2021

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

31 Related party transactions (contd.)

	Ultimate Holding Company		Subsidiary Companies		Fellow Subsidiary Companies		Key Management Personnel		Employee Trusts	
Particulars	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**	**31 March 2022**	**31 March 2021**
Purchases										
Goods	**-**	-	**1**	10	**20,962**	13,543	**-**	-	**-**	-
Property, Plant and Equipment	**-**	-	**-**	-	**17**	22	**-**	-	**-**	-
Services	**20**	31	**10**	96	**1,639**	1,419	**-**	-	**-**	-
Reimbursements	**167**	192	**-**	-	**164**	104	**-**	-	**-**	-
Others	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Sales	**-**		**-**			-	**-**		**-**	
Goods	**-**	-	**-**	-	**3,169**	3,301	**-**	-	**-**	-
Services	**2,581**	1,984	**-**	-	**17,704**	15,359	**-**	-	**-**	-
Reimbursements	**-**	-	**-**	-	**-**	63	**-**	-	**-**	-
Deputation of personnel	**-**		**-**		**-**		**-**		**-**	
Charge	**-**	-	**-**	-	**-**	-	**-**		**-**	
Recovery	**-**	-	**-**	-	**-**	-	**-**		**-**	
Managerial Remuneration	**-**		**-**		**-**		**-**		**-**	
Mr.Daniel Mazon			**-**	-	**-**	-	**163**	134	**-**	
Mr.Rajiv Mathur	**-**	-	**-**	-	**-**	-	**12**	32	**-**	-
Mr.Sudeep Agrawal	**-**	-	**-**	-	**-**	-	**26**	21	**-**	-
Mr.S.M.Datta	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-
Ms.Pooja Bedi	**-**	-	**-**	-	**-**	-	**14**	-	**-**	-
Mrs.Geetu Gidwani Verma	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-
Finance	**-**		**-**		**-**		**-**		**-**	
Dividend Paid	**166**	166	**-**	-	**-**	-	**-**		**-**	
Others - Purchase of Investments	**-**	-	**-**	1	**-**	-	**-**	-	**-**	-
Return of Capital	**-**	-	**4,066**	-	**-**	-	**-**	-	**-**	-
Contributions to Employees' Benefit Plans	**-**	-	**-**	-	**-**	-	**-**	-	**504**	963
Outstandings	**-**		**-**		**-**		**-**			-
Payable	**314**	76	**-**	-	**2,390**	1,703	**-**	-	**-**	-
Receivable	**65**	184	**-**	-	**2,732**	2,531	**-**	-	**-**	-

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and will be settled in cash.

(iv) Compensation of key management personnel of the Company

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Short-term employee benefits	211	183
Post-employment benefits*	6	6
	217	**189**

*Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - "Employee Benefits" in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Amounts in ₹ Mln

32 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

(a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(ii) Revenue from contract with customers

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the apportion of the transaction price to goods bases on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Company has used a combination of most likely amount method and expected value method. Further, in respect of long term contracts, the Company has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Company and its customer.

(b) Estimates and assumptions

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

(i) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships

Amounts in ₹ Mln

32 Significant accounting judgements, estimates and assumptions (contd.)

and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(ii) Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 28.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 further disclosures.

(iv) Warranty

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

(v) Provision for decommissioning

As part of the identification and measurement of assets and liabilities, the Company recognizes provision for decommissioning obligations associated with Leasehold Improvements. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and the expected timing of those costs. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The carrying amount of the provision as at 31 March 2022 is ₹ 54 (31 March 2021: ₹ 13). The Company estimates that the costs would be realised upon the expiration of the lease period.

Amounts in ₹ Mln

33 Exceptional items

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit on sale of property	969	-
Gain on settlement of provident fund Liability *	340	-
Total	1,309	-

* The Company had a Trust i.e. Philips India Limited Management Staff Provident Fund Trust" through which it managed its Provident Fund Liability for its employees. The provident fund liability was considered as a defined benefit plan as per relevant accounting standards. Basis the actuarial valuation report as at 31 March 2021, the Company had recognized a deficit of ₹ 1116.

During the current year, the Company has transferred ₹ 504 to Government managed Provident Fund as on 31 August 2021 and recognized remeasurement gain ₹ 269 in "Other Comprehensive Income" basis the valuation. Consequently, the Company is therefore no longer required to provide interest and principal guarantee under PF regulations. Accordingly plan is now classified as a Defined Contribution plan.

Pursuant to the Actuarial Valuation carried out for the purpose of settlement as on date of such transfer, the Company has recognized settlement gain of ₹ 340 (Previous Year - ₹ Nil) as per relevant accounting standards since the Company is no longer liable for future interest rate guarantee shortfalls.

34 Forward Contracts

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on forward contracts is as follows:

(a) Forward contracts outstanding

Details	USD Currency				Euro Currency			
	As at 31 March 2022		As at 31 March 2021		As at 31 March 2022		As at 31 March 2021	
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	6,089	80,339	3,014	41,231	187	2,212	91	1,058
Payables	3,393	44,765	4,124	56,405	233	2,773	285	3,323

(b) Foreign exchange currency exposures not covered by Forward Contracts

Details	As at 31 March 2022		As at 31 March 2021		As at 31 March 2022		As at 31 March 2021	
	USD Exposure				Euro Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	1,860	21,696
Payables	-	-	-	-	344	4,085	1,041	12,140

Details	SGD Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-
Payables	-	-	5.49	100.95

Details	AUD Exposure				GBP Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-
Payables	0.83	14.58	2	37	-	-	-	-

Details	CNY Exposure				MYR Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	23	2,472	-	-	-	-
Payables	14	1,229	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

35 Financial instruments - Financial assets and financial liabilities

Financial Assets	FVTPL		Amortised cost		Total carrying value		Total fair value	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Trade Receivables (Non-Current)	**-**	-	**1,186**	1,304	**1,186**	1,304	**1,186**	1,304
Other Financial Assets (Non-Current)	**-**	-	**409**	454	**409**	454	**409**	454
Trade Receivables (Current)	**-**	-	**7,501**	5,741	**7,501**	5,741	**7,501**	5,741
Investments (Current)	**53**	-	**-**	-	**53**	-	**53**	-
Cash and Cash Equivalents	**-**	-	**13,159**	9,313	**13,159**	9,313	**13,159**	9,313
Other Financial Assets (Current)	**-**	-	**415**	186	**415**	186	**415**	186
Total	**53**	**-**	**22,670**	**16,998**	**22,723**	**16,998**	**22,723**	**16,998**

Financial Liabilities	FVTPL		Amortised cost		Total carrying value		Total fair value	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Lease Liabilities (Non-Current)	**-**	-	**1,204**	1,584	**1,204**	1,584	**1,204**	1,584
Lease Liabilities (Current)	**-**	-	**708**	721	**708**	721	**708**	721
Trade Payables(Current)	**-**	-	**7,074**	5,521	**7,074**	5,521	**7,074**	5,521
Other Financial Liabilities(Current)	**-**	-	**368**	316	**368**	316	**368**	316
Total	**-**	**-**	**9,354**	**8,142**	**9,354**	**8,142**	**9,354**	**8,142**

Amounts in ₹ Mln

36 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(a) The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

Financial assets are valued at FVTPL	Level 1		Level 2		Level 3		Total	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Investments	**53**	-	**-**	-	**-**	-	**53**	-

(b) Assets and Liabilities that are disclosed at Amortised Cost (refer note 35) for which Fair values are disclosed are classified as Level 3.

Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

37 Dividend Paid and Proposed

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Dividend declared and paid during the year		
Dividend paid for the year ended 31 March 2021 ₹ 3/- per share (31 March 2020: ₹ 3/- per share)	**173**	173
Proposed Dividend on equity shares		
Dividend for the year ended 31 March 2022 ₹ 3/- per share (31 March 2021: ₹ 3/- per share)	**173**	173

Amounts in ₹ Mln

38 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31 March 2022, the Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans

Particulars	**For the Year ended 31 March 2022**	For the Year ended 31 March 2021
Earnings Before Interest And Tax (before exceptional items)	**2,029**	2,278
Capital Employed	**22,775**	23.950
Return on Capital Employed (ROCE)	**8.9%**	9.5%

39 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by Board of Directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31 2022 . The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31,2022.

Amounts in ₹ Mln

39 Financial risk management objectives and policies (contd.)

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Change in US$ rate	Effect on profit before tax		Effect on total equity	
	Year ended 31 March 2022	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
5%	**(12.69)**	40.83	**(8.82)**	28.39
-5%	**12.69**	(40.83)	**8.82**	(28.39)
Change in Euro rate	**Effect on profit before tax**		**Effect on total equity**	
	Year ended 31 March 2022	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
5%	**115.49**	16.60	**80.31**	11.54
-5%	**(115.49)**	(16.60)	**(80.31)**	(11.54)

(b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance as at March 31,2022.

Our historical experience of collecting receivables is that credit risk is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Hence, trade receivables are considered to be a single class of financial assets.

Amounts in ₹ Mln

39 Financial risk management objectives and policies (contd.)

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits. The limits are set to minimise the consultation of risk and therefore mitigate financial loss through counterparty potential failure to make payments.

The Company maintains exposure in cash and cash equivalents and term deposits with banks, The Company has set counter-party's limits based on multiple factors including financial position, credit rating etc. The Company's maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 is the carrying value of each class of financial assets as illustrated in note 5 and 9

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March 2022 and 31 March 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(i) Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Undiscounted Amount							
	Carrying Amount		Payable within 1 year		More than 1 year		Total	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Lease Liabilities (Non-current)	**1,204**	1,584	**-**	-	**1,204**	1,584	**1,204**	1,584
Lease Liabilities (Current)	**708**	721	**708**	721	**-**	-	**708**	721
Trade Payables (Current)	**7,074**	5,521	**7,074**	5,521	**-**	-	**7,074**	5,521
Other Financial Liabilities (Current)	**368**	316	**368**	316	**-**	-	**368**	316

Amounts in ₹ Mln

40 Earnings per share (EPS)

Calculation of earnings per share	**Year ended 31 March 2022**	Year ended 31 March 2021
Weighted average number of equity shares outstanding during the year *	**57,517,242**	57,517,242
Profit after tax attributable to equity share holders	**2,659**	1,760
Basic and diluted earnings per equity share (in ₹)	**46.23**	30.61

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

41 Leases:

Consequent to adoption of Ind AS 116 - Leases, the Company assesses whether a lease contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

The Company recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discontinued using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has lease contracts for vehicles and office buildings. Lease terms of vehicles vary between 3-5 years, while other leases have lease terms between 5-7 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Consequently, the Company recording the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid accrued lease payments previously recognized.

The Company also has leases of low value and applies the 'lease of low-value assets' recognition exemptions for these leases.

Amounts in ₹ Mln

41 Leases (contd.)

Following is carrying value of Right of Use assets and the movements thereof during the year.

Particulars	31 March 2022	31 March 2021
Right-of-use asset		
Opening balance	**2,159**	1,007
Additions / Remeasurements during the year	**499**	1,907
Deletions during the year	**(129)**	(34)
Depreciation for the year	**(734)**	(714)
Less: Closing balance attributable to discontinued operations	-	(7)
Closing balance	**1,795**	2,159
Lease Liabilities		
Opening balance	**(2,305)**	(1,135)
Additions / Remeasurements during the year	**(467)**	(1,899)
Deletions during the year	**152**	52
Interest cost accrued during the year	**(121)**	(143)
Payment of lease liabilities (Principal)	**708**	670
Payment of lease liabilities (Interest)	**121**	143
Less: Closing balance attributable to discontinued operations	**-**	7
Lease Liabilities at the end of the year	**(1,912)**	(2,305)
Current	**(708)**	(721)
Non-Current	**(1,204)**	(1,584)
Total	**(1,912)**	(2,305)
Recognised in the Statement of Profit and Loss		
Depreciation for the year	**734**	714
Interest cost accrued during the year	**121**	143
Expenses relating to leases of low value assets	**239**	163
Total cash outflows from leases during the year	**1,094**	1,020

42 Discontinued operations and Compliance with approved Composite Scheme of Arrangement

Koninklijke Philips N.V. ("KPNV") announced in 2020, that it will review its options for future ownership of its Domestic Appliances business ("DA Business") and has disentangled the DA Business to a separate legal structure within the Philips Group on 01 July 2021.

On June 25 2020, the Board of Directors of the Company have agreed to a proposed plan to separate the Domestic Appliances (DA) business and dispose off the investment in a subsidiary which is operating in the same segment in line with the global restructuring exercise announced by (KPNV) Ultimate Holding Company.The Composite Scheme of Arrangement (hereinafter 'Scheme') for demerger of Domestic appliances Business (Demerged Undertaking) was approved by Board of Directors of the Company on 11 September 2020 and by the shareholders on 19 February 2021.

Pursuant to the proposal stated above, a Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, between "Philips India Limited" (Demerged Company) and "Philips Domestic Appliances India Limited" (Resulting Company) and Preethi Kitchen Appliances Private Limited (Amalgamating Company) and their respective shareholders was approved by (a) The Hon'ble National Company Law Tribunal, Mumbai Bench, Court - 5 vide order dated 13 May 2021 and (b) The Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata vide order dated 14 June 2021. Pursuant to the Scheme becoming effective from the Appointed date 01 July 2021, and in accordance with the Court Orders, the assets and liabilities pertaining to Domestic Appliance business stand transferred to and vested with Philips Domestic Appliances India Limited. The shareholders of the Demerged Company are allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Demerged Company.

Amounts in ₹ Mln

42 Discontinued operations and Compliance with approved Composite Scheme of Arrangement (contd.)

Further, consequent to the said Demerger:

a) The assets and liabilities of the Demerged Company are reduced at their book value.

b) The difference between the Book Value of assets and Book Value of liabilities of the Demerged Undertaking stands adjusted against the "General Reserve" and "Retained Earnings".

c) Share capital of the Resulting Company stands credited with the aggregate face value new equity shares - 57,517,242 of ₹10 each, being the equity shares issued by it to the members of the Demerged Company.

In view of the aforesaid Demerger with effect from 01 July 2021, figures for the current year are not comparable with those of the previous year.

Domestic Appliances business which primarily involves sale of kitchen appliances (juicers, blenders, Air fryer, food processors), home care (vacuum cleaners, air purifiers), garment care (irons, steam generators) and coffee makers (appliances and accessories) is carved out from the Business segment "Personal Health" as reported in Note 43 of the Financial Statements. In line with requirements of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations, the financials of Domestic Appliances business has been presented as discontinued operations. Consequently, results from the Domestic Appliances business are no longer included in the results of continuing operations.

In compliance with Approved Composite Scheme of Arrangement, the Company has completed demerger of its Domestic Appliances operations during the financial year 2021-22. All identified assets and liabilities of the Demerged Company are reduced at their book value. The difference between the book value of assets and book value of liabilities of the Demerged Undertaking is adjusted against the General Reserve and Retained Earnings. Share capital of the Resulting Company stands credited with the aggregate face value new equity shares 57,517,242 of ₹ 10 each, being the equity shares issued by it to the members of the Demerged Company

Financial performance of Domestic Appliances operations:

	April 2021- June 2021	April 2020 - March 2021
Revenue from operations	**1,563**	7,065
Operating expenses	**1,493**	6,930
Pre tax profit/(loss) from operating activities	**70**	135
Income tax expense	**(18)**	(43)
Deferred tax - Credit/(Charge)	**14**	23
Profit/(loss) after tax	**66**	**115**

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

42 Discontinued operations and Compliance with approved Composite Scheme of Arrangement (contd.)

The carrying amounts of the assets and liabilities of Domestic Appliances operations:

	30 June 2021	31 March 2021
Assets		
Non-current assets		
Property, Plant and Equipment	**91**	77
Capital work-in-progress	**27**	22
Investments*	**7,432**	7,432
Deferred tax assets (net)	**37**	23
Current assets		
Inventories	**1,274**	575
Financial assets		
Trade receivables	**1,061**	818
Other current assets	**56**	20
	9,978	**8,967**
Equity		
Other Equity (Other Comprehensive Income)	**2**	-
Non-current liabilities		
Lease liabilities	**-**	2
Other non-current liabilities	**-**	19
Provisions	**-**	14
Current liabilities		
Contract liabilities	**-**	1
Lease liabilities	**7**	5
Trade payables	**1,911**	1,621
Other current liabilities	**42**	20
Provisions	**191**	153
	2,153	1,835

*Pursuant to the Composite Scheme of Arrangement amongst "Philips India Limited (PIL), Preethi Kitchen Appliances Private Limited (PKAPL) and Philips Domestic Appliances India Limited (PDAIL) and their respective shareholders", PKAPL had returned to PIL an amount of INR 42.72 per fully paid up equity share of face value of INR 10, aggregating to INR 4066 (95,187,940 * 42.72). Balance amount of INR 3365 and the equity Investment in PDAIL INR 0.5 is adjusted through General Reserve and Retained Earnings of the Company. (Refer Note 13 "Other Equity"). The accounting is done as per Appendix C to IND AS103 business combination under common control.

Amounts in ₹ Mln

42 Discontinued operations and Compliance with approved Composite Scheme of Arrangement (contd.)

The net cash flows attributable to the Domestic Appliances operations are as follows:

	April -June 2021	31 March 2021
Net cash inflow/(outflow) from operating activities	**134**	255
Net cash inflow/(outflow) from Investing activities	**-**	(13)
Net cash (outflow)/inflow	**134**	**242**

Adjustment of Net assets as per Composite Scheme of Arrangement

		As at 30 June 2021
a.	Assets	**9,978**
b.	Liabilities	**2,153**
c.	Net Assets (a-b)	**7,825**
d.	Cash received from PKAPL on capital reduction	**4,066**
e.	Adjusted through General reserve	**2,315**
f.	Adjusted through Retained Earnings	**1,442**
g.	Adjusted through Other Comprehensive Income	**2**
h.	Net assets as at Jun 30 2021 (e+f+g)	**3,759**
i	Total adjustment / realisation (d+e+f+g)	**7,825**

Movement in Net Assets

Particulars	April - Jun 2021
Net assets as at Mar 31 2021	**7,132**
Cash received from PKAPL on capital reduction	**4,066**
Net assets post cash received from PKAPL on capital reduction	**3,066**
Working capital infusion by PIL in DA Business from Apr - Jun 21	**627**
Profit of DA business for Apr - Jun 2021	**66**
Net assets as at Jun 30 2021	**3,759**

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

43 Segment Information (As per Ind AS 108 Operating Segments)

i. PRIMARY SEGMENT INFORMATION:

	Year ended 31 March 2022	Year ended 31 March 2021
(1) Segment Revenue		
a. Personal Health	**9,026**	13,460
b. Innovation services	**17,094**	14,768
c. Health Systems	**28,156**	19,784
TOTAL	**54,276**	48,012
(2) Inter Segment Revenue		
a. Personal Health	**-**	-
b. Innovation services	**-**	-
c. Health Systems	**-**	-
TOTAL	**-**	-
(3) Other Unallocable Income	**538**	415
REVENUE FROM OPERATIONS (NET) (1+3)	**54,814**	48,427
(4) Segment Result		
a. Personal Health	**41**	276
b. Innovation services	**1,486**	1,571
c. Health Systems	**806**	97
TOTAL	**2,333**	1,944
(5) Finance Cost	**(272)**	(252)
(6) Other Unallocable Expenditure Net of Income	**272**	839
(7) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (4+5+6)	**2,333**	2,531
(8) Exceptional Items		
a. Personal Health	**-**	-
b. Innovation services	**(231)**	-
c. Health Systems	**(109)**	-
d. Other unallocable	**(969)**	-
TOTAL	**(1,309)**	-
(9) Profit Before Tax	**3,642**	2,531
TOTAL PROFIT	**3,642**	2,531
(10) Tax Expense		
a. Current tax	**(836)**	(907)
b. Deferred Tax Release / (Charge)	**(147)**	136
TOTAL	**(983)**	(771)
(11) PROFIT FOR THE YEAR	**2,659**	**1,760**

Amounts in ₹ Mln

43 Segment Information (As per Ind AS 108 Operating Segments) (contd.)

	Year ended 31 March 2022	Year ended 31 March 2021
OTHER INFORMATION		
(12) Segment Assets		
a. Personal Health	**2,589**	2,743
b. Innovation services	**5,562**	6,101
c. Health Systems	**16,194**	11,855
d. Other unallocable	**18,707**	22,710
TOTAL	**43,052**	**43,409**
(13) Segment Liabilities		
a. Personal Health	**2,289**	3,121
b. Innovation services	**4,006**	5,170
c. Health Systems	**10,694**	7,291
d. Other unallocable	**3,288**	3,877
TOTAL	**20,277**	**19,459**
(14) Capital Expenditure		
a. Personal Health	**173**	94
b. Innovation services	**387**	1,795
c. Health Systems	**1,015**	636
TOTAL	**1,575**	**2,525**
(15) Depreciation and Amortisation Expense		
a. Personal Health	**22**	43
b. Innovation services	**1,040**	1,003
c. Health Systems	**253**	193
d. Other unallocable	**69**	104
TOTAL	**1,384**	**1,343**
(16) Non-Cash Expenses other than Depreciation and Amortisation Expense		
a. Personal Health	**-**	42
b. Innovation services	**4**	38
c. Health Systems	**21**	152
d. Other unallocable	**-**	7
TOTAL	**25**	**239**

Notes to Financial Statements for the year ended March 31, 2022

Amounts in ₹ Mln

43 Segment Information (As per Ind AS 108 Operating Segments) (contd.)

ii SECONDARY SEGMENT INFORMATION:

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue		
a. Within India	**31,027**	26,800
b. Outside India	**23,263**	21,270
TOTAL	**54,290**	**48,070**
Assets		
a. Within India	**40,255**	40,878
b. Outside India	**2,797**	2,531
TOTAL	**43,052**	**43,409**
Capital Expenditure		
a. Within India	**1,575**	2,525
b. Outside India	**-**	-
TOTAL	**1,575**	**2,525**

The secondary segment revenue and assets in the geographical segments considered for disclosure are as follows:

(1) Revenue and assets within India.

(2) Revenue and assets outside India.

iii OTHER DISCLOSURES:

Inter segment revenue / result:

- Inter-segment revenue has been recognized at competitive prices.
- Allocation of corporate expenses to other segments is at cost.
- All profits / losses on inter segment transfers are eliminated at Company level.

Types of products and services in each business segment

Business Segments	Type of products / services
a. Personal Health	Domestic Appliances, Health and Wellness products and Personal care products
b. Innovation services	Development of embedded software
c. Health Systems	Medical electronics equipments

Amounts in ₹ Mln

43 Segment Information (As per Ind AS 108 Operating Segments) (contd.)

(iv) Reconciliations to amounts reflected in the financial statements

	Year ended 31 March 2022	Year ended 31 March 2021
Segment profit	**2,333**	2,465
Finance cost	**(272)**	(252)
Other unallocable expenditure net of unallocable income	**272**	275
Exceptional items	**1,309**	-
Tax expense	**(983)**	(728)
Profit for the year	**2,659**	1,760

(v) Reconciliation of assets

	As at 31 March 2022	As at 31 March 2021
Segment operating assets	**43,052**	43,409
Total Assets	**43,052**	**43,409**

(vi) Reconciliation of liabilities

Segment operating liabilities	**20,277**	19,459
Total liabilities	**20,277**	**19,459**

Amounts in ₹ Mln

44 Significant Ratios

	Particulars	Numerator	Denominator	As at 31-03-22	As at 31-03-21	% Variance
(a)	Current ratio (in times)	Current assets	Current liabilities	2.1	1.8	13.0
(b)	Debt - Equity ratio	Total Debt	Equity	N.A	N.A	N.A
(c)	Debt Service coverage ratio	Earnings available for Debt service	Total Debt service	N.A	N.A	N.A
(d)	Return on equity ratio (in%) @	Net profit-preferred dividends	Average Shareholder equity	11.6	7.8	42.8
(e)	Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory	4.8	5.2	-7.1
(f)	Trade receivables turnover ratio (in times)	Net Sales	Average Trade receivables	6.9	6.0	14.8
(g)	Trade payables turnover ratio (in times)	Net Purchases	Average trade Payables	4.6	3.8	19.8
(h)	Net capital turnover ratio (in times) $	Net sales	Working capital	3.3	4.7	-28.9
(i)	Net profit ratio (in %)	Net Profit	Net Sales	4.9	3.7	19.4
(j)	Return on capital employed (in %)	Earnings before Interest and tax	Capital Employed	8.9	9.5	-6.2
(k)	Return on investment (in%) #	Net Profit	Investment	6.2	4.3	43.2

@ Basis profit due to exceptional items

$ Basis change in working capital

Basis profit due to exceptional items

Amounts in ₹ Mln

45 Disclosure of transactions with Struck Off Companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

46 There are no transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule 3.

1. Crypto Currency or Virtual Currency
2. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
3. Registration of charges or satisfaction with Registrar of Companies
4. Relating to borrowed funds:
    - Wilful defaulter
    - Utilization of borrowed funds & share premium
    - Borrowings obtained on the basis of security of current assets
    - Discrepancy in utilization of borrowings
    - Current maturity of long term borrowings

47 Reporting amount

All amounts are in ₹ Million, figures in this financial statements below ₹1 Million are shown as blank.

48 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached
For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

SANJAY VIJ
Partner
Membership No.: 095169

Place: Gurugram
Date: July 27, 2022

For and on behalf of the Board

Chairman	S.M.DATTA (DIN: 00032812)
Managing Director	DANIEL MAZON (DIN: 07954025)
Director & CFO	SUDEEP AGRAWAL (DIN: 08056132)
Director & Company Secretary	POOJA BEDI (DIN: 06934281)

Place: Gurugram
Date: July 27, 2022

TEN YEAR REVIEW

Amounts in ₹ Mln

PARTICULARS	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Income and Dividends										
Sales	53,674	58,387	63,755	62,819	36,723	38,562	42,398	44,970	48,070	**54,290**
Profit before exceptional items and tax	1,752	3,096	5,600	6,503	3,252	2,667	2,959	2,346	2,531	**2,333**
As percentage of sales	3.3	5.3	8.8	10.4	8.9	6.9	7.0	5.2	5.3	**4.3**
Profit before tax	1,858	3,170	6,275	6,278	3,252	2,667	2,607	2,488	2,531	**3,642**
As percentage of sales	3.5	5.4	9.8	10.0	8.9	6.9	6.1	5.5	5.3	**6.7**
Profit after tax	1,228	2,099	4,235	3,975	2,064	1,681	1,760	1,515	1,761	**2,659**
As percentage of sales	2.3	3.6	6.6	6.3	5.6	4.4	4.2	3.4	3.7	**4.9**
As percentage of net worth	11.1	16.1	24.8	22.1	10.3	7.8	7.6	6.7	7.4	**11.7**
Earnings per equity share (in INR)	21.35	36.49	73.63	69.11	35.88	29.22	30.60	26.34	30.61	**46.23**
Dividend per equity share (in INR)	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	**3.0**
Assets and Liabilities										
Property, Plant and Equipment	4,280	4,295	3,937	2079	2526	2940	3,155	3,416	4,343	**3,710**
Investment property	-	-	-	-	-	-	-	360	836	**1,366**
Investments	1,000	1,000	1,000	4,797	7,605	7725	7,579	7,431	-	**-**
Deferred tax assets - net	437	496	809	510	572	746	540	642	846	**384**
Inventories	5,637	6,293	6,504	4,542	4,554	4037	5,072	4,169	4,250	**6,861**
Debtors, loans & advances and cash & bank balances	15,142	17,725	22,025	18,837	16,735	19212	21,228	22,078	24,167	**30,731**
Assets directly associated with discontinued operations	-	-	-	-	-	-	-	-	8,967	**-**
Current liabilities & provisions	14,737	15,277	16,578	12,531	11,282	12,385	13,800	15,520	17,624	**20,277**
Liabilities directly associated with discontinued operations	-	-	-	-	-	-	-	-	1,835	**-**
Net current assets	6,042	8,741	11,951	10,848	10,007	10,864	12,500	10,727	17,925	**17,315**
Net Investment	11,759	14,532	17,697	18,234	20,710	22,275	23,774	22,576	23,950	**22,775**
Represented by										
Equity share capital	575	575	575	575	575	575	575	575	575	**575**
Other reserves	10,495	12,459	16,486	17,398	19,450	21,018	22,523	22,001	23,375	**22,200**
Shareholders' interest (net worth)	11,070	13,034	17,061	17,973	20,025	21,593	23,098	22,576	23,950	**22,775**
Borrowings	689	1,498	636	261	685	682	676	-	-	**-**
Total	11,759	14,532	17,697	18,234	20,710	22,275	23,774	22,576	23,950	**22,775**
General										
Exports (F.O.B)	1,933	2,541	3,068	3,002	2,467	2,556	3,884	2,592	3,234	**2,937**
Employee Benefit Expense	7,427	8,314	10,169	11,214	9,989	11,181	12,369	13,514	14,603	**16,590**
Debt : Equity Ratio	6:94	10:90	4:96	1:99	3:97	3:97	3:97	0:100	0:100	**0:100**
Number of employees at year end	5,617	5,830	5,507	3,283	3,727	4,167	4,569	4,944	5,395	**5,840**

Form AOC-I

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

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

Part "A": Subsidiaries - The Company as on March 31, 2022 did not have any subsidiary.

(Information in respect of each subsidiary to be presented)

Sr No. 1

Sl. No.	Particulars	
1.	Name of the subsidiary	**Preethi Kitchen Appliances Private Limited**
2.	The date since when the subsidiary was acquired	**April 07, 2011**
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
5.	Share capital	**NA**
6.	Reserves & surplus	**NA**
7.	Total assets	**NA**
8.	Total Liabilities	**NA**
9.	Investments	**NA**
10.	Turnover	**NA**
11.	Profit before taxation	**NA**
12.	Provision for taxation	**NA**
13.	Profit after taxation	**NA**
14.	Proposed Dividend	**NA**
15.	% of shareholding	**100**

Sr No. 2

Sl. No.	Particulars	
1.	Name of the subsidiary	**Philips Domestic Appliances Limited**
2.	The date since when the subsidiary was acquired	**July 17, 2020**
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
5.	Share capital	**NA**
6.	Reserves & surplus	**NA**
7.	Total assets	**NA**
8.	Total Liabilities	**NA**
9.	Investments	**NA**
10.	Turnover	**NA**
11.	Profit before taxation	**NA**
12.	Provision for taxation	**NA**
13.	Profit after taxation	**NA**
14.	Proposed Dividend	**NA**
15.	% of shareholding	**100**

Sr. No. 3

Sl. No.	Particulars	
1.	Name of the subsidiary	**Philips Home Care Services India Private Limited**
2.	The date since when the subsidiary was acquired	**May 25, 2016**
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
5.	Share capital	**NA**
6.	Reserves & surplus	**NA**
7.	Total assets	**NA**
8.	Total Liabilities	**NA**

9.	Investments	**NA**
10.	Turnover	**NA**
11.	Profit before taxation	**NA**
12.	Provision for taxation	**NA**
13.	Profit after taxation	**NA**
14.	Proposed Dividend	**NA**
15.	% of shareholding	**100**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year: Preeti Kitchen Appliances Private Limited and Philips Domestic appliances India Limited ceased to be the subsidiaries of Philips India Limited w.e.f July 1, 2021, pursuant to the scheme of arrangement/ scheme of amalgamation duly approved by NCLT Kolkata. Further, the Application to Strike off Philips Home Care Services India Private Limited was filed with Ministry of Corporate affairs (Ministry) on January 23, 2020 and the same was approved by Ministry on October 25, 2021. The Company as on March 31, 2022 did not have any subsidiary.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of associates/Joint Ventures	**NA**
1.	Latest audited Balance Sheet Date	**NA**
2.	Date on which the Associate/Joint Venture was associated or acquired	**NA**
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	a. No. of Shares:	**NA**
	b. Amount of Investment in Associates/Joint Venture	**NA**
	c. Extend of Holding%	**NA**
4.	Description of how there is significant influence	**NA**
5.	Reason why the associate/joint venture is not consolidated	**NA**
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	**NA**
7.	Profit/Loss for the year	**NA**
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations. **NA**
2. Names of associates or joint ventures which have been liquidated or sold during the year Details to be entered

For and on behalf of the Board

Chairman	S. M. Datta (DIN: 0032812)
Managing Director	Daniel Mazon (DIN: 07954025)
Director and CFO	Sudeep Agrawal (DIN:08056132)
Director and Company Secretary	Pooja Bedi (DIN: 06934281)

Place: Mumbai
Date: July 27, 2022

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Philips India Limited
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West Bengal- 700156.
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Corporate Office
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Maidawas Road, Sector - 65,
Gurugram, Haryana, 122 018.

Northern Region
Philips India Limited
Unit No. 402, 4th Floor, Tower 3, Worldmark,
Maidawas Road, Sector - 65,
Gurugram, Haryana, 122 018.

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