PHILIPS

Philips India Limited

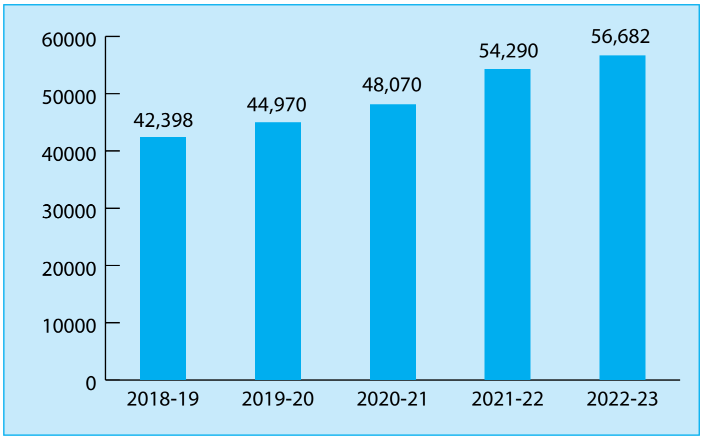
Annual Report

Making care **Accessible & Affordable**

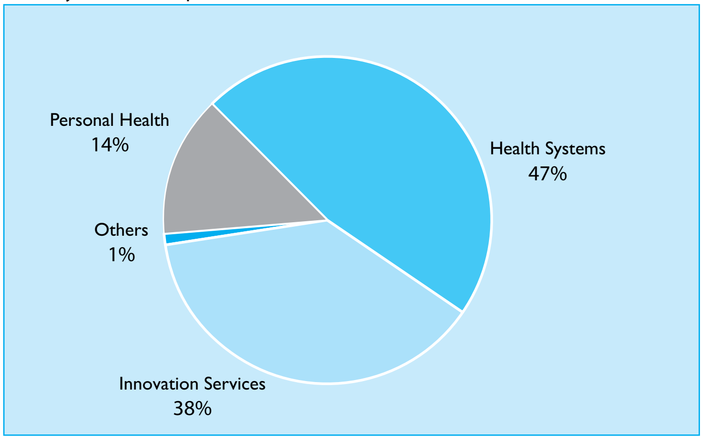
Annual report 2022-23

PHILIPS INDIA LIMITED

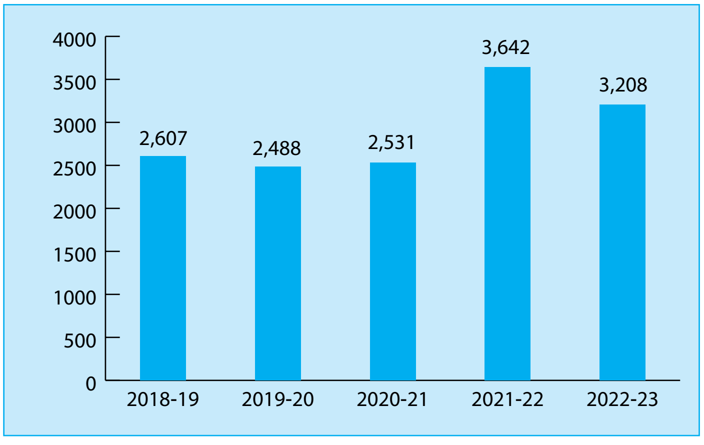
Sales ₹ in Mln



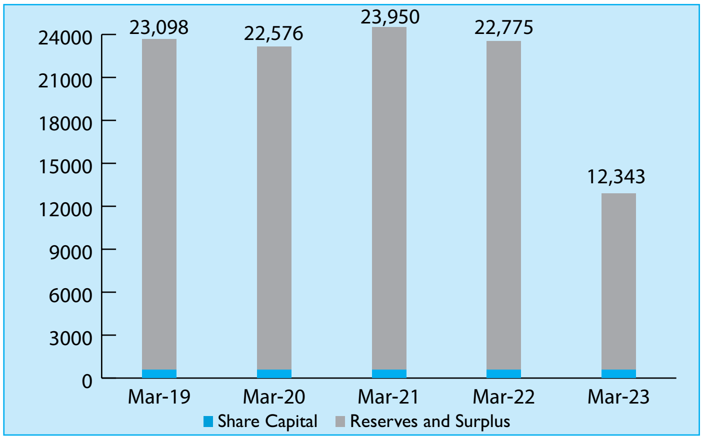
Sales by Activities- Apr 2022 - Mar 2023



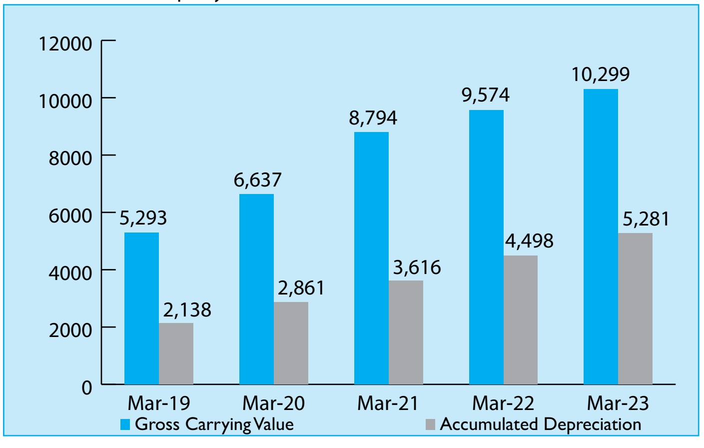
Profit Before Tax ₹ in Mln



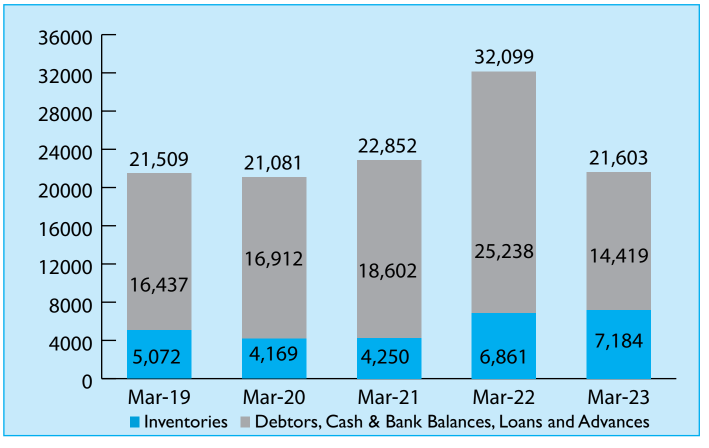
Net Worth ₹ in Mln



Property, Plant & Equipment, Capital Work-in-Progress and Investment Property ₹ in Mln



Current Assets ₹ in Mln



PHILIPS INDIA LIMITED

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Annual General Meeting on Tuesday, August 22, 2023 at 11.30 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 India.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 93rd Annual General Meeting of PHILIPS INDIA LIMITED will be held on Tuesday, August 22, 2023 through Video Conference / Other Audio Visual at 11:30 a.m. 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, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, including the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. Sudeep Agrawal (08056132) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re- appointment of Mr. Sudeep Agrawal (DIN 08056132) as Whole time director and Chief Financial Officer of the Company

   To consider and if thought fit, to pass, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the recommendations of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197,198, 203 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Personnel) Rules, 2014 (in each case, including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of to the Companies Act, 2013, and Nomination and Remuneration Policy of the Company, the consent of Members of the Company be and is hereby accorded to re-appoint Mr. Sudeep Agrawal, as Whole time Director and Chief Financial Officer of the Company for a period of five consecutive years with effect from February 19, 2023 until February 18, 2028 upon the terms and conditions and payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), as detailed in the explanatory statement pursuant to Section 102(1) of the Act attached hereto, with liberty to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee constituted/to be constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or his remuneration (including without limitation, fixed pay, variable pay, any other benefits, perquisites, retirement benefits, increments, etc.) and/or any other term in his agreement /appointment letter with the Company (collectively referred to as 'Variation') during his tenure, as it may deem fit, in such manner as may be agreed to between the Board of Directors and Mr. Sudeep Agrawal, Whole time director and Chief Financial Officer, to the extent permitted under Section 197 read with Schedule V of the Act and other applicable provisions if any, of the Act, without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

   RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein above or in the terms and conditions of his appointment, where in any financial year, during the tenure of Mr. Sudeep Agrawal as Whole time director and Chief Financial Officer of the Company, the Company has no profits or its profits are inadequate, Mr. Sudeep Agrawal will be paid, then current remuneration (including Incentives thereto) as minimum remuneration subject to necessary approvals and compliances as per the applicable provisions of the Act.

   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 consider necessary, expedient or desirable including delegation of or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

4. APPROVAL OF PAYMENT OF PROFIT BASED COMMISSION TO INDEPENDENT DIRECTORS OF THE COMPANY

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) on the recommendation of the Nomination and Remuneration committee and the consent of the Board, the approval of Members be and is hereby accorded to the payment of commission equal to such amounts or proportions and in such manner and in all respects as may be decided by the Nomination & Remuneration Committee/ Board of Directors, with respect to the profits of the Company for each year not exceeding one per cent (1%) per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013, for a period of five years commencing from January 1, 2023 to the Non-Executive Directors of the Company (other than the Managing Director and Whole-time Directors of the Company) in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, in such amounts or proportions, subject to such ceiling(s) and manner as may be decided and directed by the Board of Directors or any Committee thereof from time to time;

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."

5. APPROVAL OF REMUNERATION OF COST AUDITORS OF THE COMPANY

To consider and if thought fit, to pass 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 and on the recommendation of Audit Committee and approval by the Board, the Members of the Company hereby approves the remuneration/professional fee of Rs. 7,60,000/-(Rupees Seven Lacs and Sixty Thousand) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit, 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 31st, 2024.

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
Whole-Time Director & Company Secretary
DIN 06934281

Date : July 7, 2023
Place : Mumbai

NOTES:

1. Pursuant to Ministry of Corporate Affair ('MCA') 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, General Circular 03/2022, General Circular No 10/2022 dated 28.12.2022 and General Circular No 11/2022 dated 28.12.2022 and other applicable circulars, if any, has allowed the Companies to conduct the AGM/ EGM or passing of Ordinary/ Special Resolution through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 30th September 2023. In accordance with the said circulars, the 93rd AGM of the Company will be conducted through VC / OAVM on Tuesday, 22nd August 2023. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. 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 https://www.philips.co.in/a-w/about/philips-india-limited.
3. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item No. 3, 4 and 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. 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.
5. Institutional / Corporate shareholders 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. 12
6. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary & Special Businesses from Item no. 3 to 5 of the Notice and the relevant details of the Directors seeking re-appointment under Item No. 2 and 3 above as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are annexed hereto.
9. 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 3094 001.
   Telephone: +91 - 40 -6716 1631
   Email id: einward.ris@kfintech.com

   Kfin Technologies Ltd,
   Kankaria centre.
   2/1 Russel Street 4th Floor
   Kolkata- 700071
   Telephone: +91 033 66285939
10. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13). If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form SH-14, as the case may be.

11. 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, General Circular No. 3/2022, General Circular No 10/2022 dated 28.12.2022 and General Circular No 11/2022 dated 28.12.2022 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 2022-23, is available on the website of the Company at https://www.philips.co.in/a-w/about/philips-india-limited, and on the website of Kfintech at https://evoting.kfintech.com or https://emeetings. kfintech.com.

12. 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 09.00 A.M. on Saturday, 19.08.2023 and end at 05.00 P.M on Monday, 21.08.2023. 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 or einward.ris@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 on 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. 
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. 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.

Type of shareholders	Login Method
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 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://evoting.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. 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.

ii. 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.

13. 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 August, 2023 (9:00 a.m.) to 21st August, 2023 (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 from 19th August, 2023 (9:00 a.m.) to 21st August, 2023 (5.00 p.m.).

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

Facility for joining AGM through VC/ OAVM shall open atleast thirty (30) minutes before the scheduled time for the commencement of the Meeting and shall be allowed till 15 minutes from the commencement of the meeting. The Members will be able to view the proceedings on https://emeetings.kfintech.com.

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

V. 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.

VI. 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 Monday, 21 August, 2023 shall only be considered and responded during the AGM.

VII. 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.

VIII. 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.

IX. 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.

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

XI. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

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 16th August 2023, 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:
   MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:
   MYEPWD <SPACE> 1402345612345678
3. Example for Physical:
   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)

14. 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).

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

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

16. 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 and will be available for inspection by the Members electronically during the AGM.

17. DIVIDEND RELATED INFORMATION :

I. Your Directors had declared payment of Rs. 222/- per share as Interim dividend on the fully paid equity shares during the year ended 31 March 2023. The directors do not recommend any final dividend for the period ended 31 March 2023.

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

III. 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
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
76	23.09.2022	31.03.2022	01.11.2029
77	24.11.2022	31.03.2023	02.01.2030

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 23, 2022 (date of last Annual General Meeting) are available on the website of the Company www.philips.co.in

Members are requested to contact Kfin Technologies 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 the said fund.

18. Scrutinizer for AGM through VC/OAVM:

I. Dr. Asim Kumar Chattopadhyay 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 Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, submit to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

III. 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.

19. 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 16th August, 2023, 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. 3

The Board of Directors, at their meeting held on December 16, 2022, pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the necessary approvals, had re-appointed Mr. Sudeep Agrawal as Whole-Time Director and Chief Financial Officer of the Company for a period of five years with effect from February 19, 2023 and approved the terms and conditions of his re-appointment including remuneration.

Mr. Sudeep Agrawal is having vast experience, acumen and positive attributes. The terms and conditions of his appointment are proposed keeping in line with the objective of attracting and retaining his expertise and high competence on the Board, remuneration given by the companies of similar size and stature, other relevant factors and applicable laws.

The material terms & conditions of re-appointment of Mr. Sudeep Agrawal as Whole-Time Director and Chief Financial Officer and remuneration, as presently applicable, is given hereunder:

Salary (Fixed Pay)	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 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)
Variable Performance Linked Bonus	Not exceeding one and half times of 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.

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 exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any re-enactment thereof.

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

4. The Board of Directors or any authorised Committee thereof may, in their discretion, make any variation to the terms and conditions of his appointment, including the remuneration payable to Mr. Sudeep Agrawal within the overall limits as specified under Section 197 read with Schedule V of the Act and other applicable provisions, if any, of the Act.

   Memorandum setting out the terms and conditions of appointment including remuneration is available for inspection electronically by members as per details mentioned in the notes attached to this Notice.

   None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs except Mr. Sudeep Agrawal is concerned or interested in the Resolution set out at item no. 3 of the accompanying notice except to the extent of shareholding in the Company, if any.

   In view of the applicable provisions of the Companies Act, 2013, the Board recommends to the Resolution as set out at item no.3 of the accompanying Notice for the approval of the Members by Special Resolution.

ITEM NO. 4

In accordance with Section 197 of the Act, the remuneration payable to Directors who are neither Managing Directors nor Whole-Time Directors shall not exceed:

i) One percent (1%) of the net profits of the company, if there is a Managing Director or Whole-time Director or Manager;

ii) Three percent (3%) of the net profits in any other case

Also, Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorizes such payment by way of a resolution of shareholders.

The shareholders in the Eighty Eighth Annual General Meeting of the Company held on September 28, 2018 had approved the payment of profit based commission to the Non-Executive Independent Directors of the Company not exceeding one percent of the net profits of the Company. The said approval was valid for a period of 5 years effective from January 1, 2018.

On the recommendation of Nomination and Remuneration Committee the Board of Directors of the Company at its meeting held on May 26, 2023 to compensate the Non-Executive Directors for the valuable guidance, support and time given to the Company and get assisted from the rich experience in the best interest of the Company, accorded its approval for the payment of remuneration not exceeding one per cent (1%) per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to the Non-Executive Directors of the Company or to some or any of them (other than the Managing Director and Whole-time Directors of the Company), for a further period of five years, commencing from January 1, 2023, subject to the approval of members, in such amount, subject to such ceiling(s) and in such manner and in all respects, as may be decided and directed by the Board of Directors or any Committee thereof.

The payment of aforesaid commission will be in addition to the sitting fees and re-imbursement of expenses payable to the Non-Executive Directors for attending Board/Committee Meetings, as may be decided by the Nomination & Remuneration Committee/Board, from time to time, in accordance with the applicable provisions of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs except Mr. S.M. Datta and Ms. Geetu Gidwani Verma, financially or otherwise is concerned or interested in the Resolution set out at item no. 4 of the accompanying notice except to the extent of their shareholding in the Company, if any.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the resolutions as set forth in item no. 4 of the accompanying Notice for the approval of the members.

ITEM NO. 5

The Company is required to get audited its cost records 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, 2024.

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. 5 of the notice for approval of the remuneration/professional fee payable to the Cost Auditors for Cost Audit of the financial year ending March 31, 2024.

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. 5 of the accompanying notice except to the extent of shareholding in the Company, if any.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Resolution as set out at item no. 5 of the accompanying notice for approval of the members

The details of Directors seeking appointment/re-appointment, in item no 2 & 3, as per requirements of Companies Act, 2013, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:

S. No.	Particulars	Mr. Sudeep Agrawal (DIN 08056132)
1.	Date of Birth and Age	26/04/1972, 51 years
2.	Date of first Appointment	19/02/2018
3.	Qualification	MBA(Finance)
4.	Brief Resume	Expertise in various functions of Finance across multiple geographies
5.	Experience and expertise in specific functional area	Expertise in various functions of Finance across multiple geographies
6.	Directorships held in Other Companies in India	Philips Vitalhealth Software India Private Limited
7.	Chairman/ Member of the Committee of the Board of other Companies in which they are director	1. Audit committee- Member 2. Corporate Social Responsibility Committee- Member 3. Stakeholders' Relationship Committee- Member
8.	Shareholding in "Philips India Limited"	None
9.	Inter-se Relationship between Directors/ Mangers/Key Managerial Personnel ("KMP")	Nil
10.	Terms and Conditions of Appointment/ Re-appointment and Remuneration	Key terms and conditions of re appointment as mentioned in the explanatory statement item of No. 3 of this notice
11.	Remuneration Last Drawn	As per Annual Report
12.	Number of Board Meetings attended during the Financial Year 2022-23	Six of Six

By Order of the Board

Pooja Bedi
Director & Company Secretary
DIN; 06934281

Date : 7 July 2023
Place : Mumbai

DIRECTORS' REPORT

For the financial year ended March 31, 2023

To the Members,

Your Company's Directors are pleased to present the 93rd Annual Report of the Company, along with the Audited Annual Accounts for the financial year ended March 31, 2023 ('the year').

I. FINANCIAL PERFORMANCE

1.1 RESULTS

Rs. Million

	2022-23	2021-22
Gross Income	**58,059**	**55,462**
Profit before exceptional items and tax	3,208	2,333
Exceptional items	-	(1,309)
Profit before tax	3,208	3,642
Provision for current tax	(827)	(836)
Deferred tax – Credit / (Charge)	219	(147)
Profit after tax	2,600	2,659

1.2 SECTORWISE SALES

	2022-23	2021-22
Personal Health	7,746	8,985
Health Systems	26,493	27,719
Innovation Services	21,729	17,062
Others	714	524
Total	**56,682**	**54,290**

1.3 FINANCE & ACCOUNTS

During the year, your Company paid INR 12,769 mln as interim dividend out of its reserves.

Your Company witnessed a 11.9% decline in profit at INR 3,208 mln (Profit Before Tax) as against INR 3,642 mln (Profit Before Tax) in the previous year (2021-22). During the year, capital expenditure increased to INR1,701 mln (vis – a – vis INR1,429 mln during Apr '21 – Mar '22) and were towards HIC, PIC expansion and IT equipment etc. The major reasons for decline was the wider economic downturn and constraints on our supply chain. However, the Company witnessed a modest increase in sales revenue at 4.4% from INR 54,290 mln to INR 56,682 mln due to a healthy order intake from our customers.

Company's retained earnings have witnessed a decline of INR 10,432 mln in from previous financial year (2021-22) which stood at INR 22,200 mln considerably due to the interim dividend paid out in November 2022. The cash in hand balance at the end of year stood at INR 2,118 mln (2022-23) against INR 13,159 mln at the end of previous year (2021-22) which is foreseen to get utilized in the span of 2-3 months in working capital requirements. Due to the modest financial performance and to ensure efficient management of operations going forward, the Board of Directors are not recommending any final dividends to be distributed.

1.4 ANNUAL RETURN

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

www.philips.co.in/a-w/about/philips-india-limited.

2. DIVIDEND

Your Directors had declared payment of Rs. 222/- per share as Interim dividend on the fully paid equity shares during the year ended 31 March 2023. The directors don't recommend any final dividend for the period ended 31 March 2023.

3. TRANSFER TO RESERVES

In the Financial year 2022 -23, 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 2022-23, Health Systems business of your Company delivered a modest performance considering the various headwinds on account of the global macro-economic scenario. The addressable market has shown a high single digit de-growth in comparison to the previous year, the strong tailwinds on account of the acute increase in healthcare needs during the pandemic.

With the versatile global macro-economic situation, your company is strategically navigating through headwinds on account of inflation, adverse currency fluctuation and supply chain disruptions. The impact of the above is expected to continue in the medium term.

Your Company continues to maintain its market share on account of its strong business with strategic key accounts, it's focus on multi-modality deals, long term contracts and Government tenders. With the launch of MR 5300 in 2021, we continue to be the only player with a Wide Bore, Helium free system addressing the needs of bariatric patients and attending to the rising helium shortage being faced globally. There were a few products launched during the year such as,

1. Expansion of General Care Solution with new IntelliVue Guardian Software App to provide clinicians with the benefit of mobility and optimized workflows
2. MR 7700 – Premium 3T MRI system with seamless integration of multi-nuclei
3. Philips Portable Ultrasound Compact 5000 Series, with optional configuration allowing 2.5 hours of scanning time and 20% faster power-up capability

These products help position Philips as a leading innovation focused healthcare company in the market. Your Company's global innovation strengths at Bangalore (PIC) along with global design and manufacturing at Pune (HIC) are delivering world-class "Make in India" medical equipment. A prime example of the above being the Affiniti series of Ultrasounds (Afiiniti 30, Affiniti 50, Affiniti 70), which contribute to nearly half of Philips Ultrasound business in India.

Your Company has implemented a strong strategy for being a strong player and growing sustainable with profit.

5.2 PERSONAL HEALTH

Financial year 2022-23 witnessed stabilization of economic activities & demand post COVID-19 pandemic induced pent up demand for certain categories however other challenges like geopolitical tensions, inflationary headwinds as well as extended supply chain disruptions continued.

Personal Health business delivered a marginal growth of 7.5%* over the previous financial year despite a volatile and dynamic macro environment. 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 UV protection straightener, Nourish care straightener, Ionic hair dryer, Facial hair remover, One blade for youth, Beard Trimmer 1000 with protective comb, Sterilising bag, baby monitoring device, entry level breast pump and feeding bottle. 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 was recognized at various key forums:

Event	Category	Award
e4m Indian Marketing Awards	Category Creation	Silver
e4m Indian Marketing Awards	Use of Consumer Insight	Gold
Smarties	Cross Platform Digital Only	Bronze
AdGully - Datamatixx	Best usage of Data and Insights	Gold
Vogue Beauty Festival	Best Hot Hairbrush by Vogue	N/a.

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 Image 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 also 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.

PIC-B is emerging as a Digital Solutions partner for the Businesses, Markets & customers, contributing to the solution journey of Philips.

Some relevant innovations at PIC-B:

Health-suite Platform (HSP)

HSP team at PIC-B has been working to help businesses accelerate the speed to bring scalable AI solutions to our customers in the market. To make this happen HSP team has released AI Tool Suite which helps in standardizing building blocks, engineering processes and templates for creation, deployment & maintenance. With the introduction of AI Tool Suite the data access time has reduced considerably for large clinical data sets, also it has helped in reducing the time taken to produce annotation which helps produce compliant documentation. AI Tool Suite will help data scientists to develop and train AI models along with the associated AI project and experiment management.

Magnetic Resonance Imaging (MRI)

Philips MR has occupied speed leadership since the introduction of Compressed SENSE, Philips MR built on this strength by adding artificial intelligence at source for improved performance when accelerating MR examinations. With Smart Speed Precise Image, we introduce a 2nd AI engine to improve image quality with increased sharpness and reduced noise. EasyPlan provides task guidance in multiplanner environment to deliver faster MR planning. Real-time interactive imaging provides a scanning user interface to enable the adjustment of the scan plane in Real-time.

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

Philips 5000 series compact ultrasound provides advanced features to enable a definitive diagnosis, fast and robust imaging, and clinical versatility in a portable design. It also aims to replace the Cx50 which had a strong market presence. Flagship product with PIC front running in Research & Development, Service, Business Program Management, Quality, Regulatory Ops. Dhwani is an ongoing New Product Innovation that will deliver a new value segment product replacing the successful ClearVue family. This program exemplifies significant collaborations across different businesses driven from PIC. Examples include some of the premium functionalities such as Follicle Assist, TrueView, Auto Fetal Biometry, Touch Panel UI, and several other workflow features. Significant contribution to Voyager Mustang 10 focusing on General Imaging/ Obstetrics to retain the installed base and re-establish competitiveness through improved diagnostic confidence, efficiency. The team continued to work on point of care Blaze program, Lumify 5.0 for IOS and Android programs and driven the FetView regulatory market clearances for first ever Ultra Sound SaaS product.

Hospital Patient Monitoring

Hospital Patient Monitoring R&D team at PIC Bangalore is an integral part of global R&D team of the business. Aligning with the business strategy, this team owns, design and development of key programs for the business such as Operations Management. Team develops platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments.

Personal Health (PH)

The solutions developed by the PH Digital team has helped in serving people's needs in areas of healthy living, prevention, and homecare.

Philips Sonicare, which celebrated its 30th anniversary in 2022, offers a wide range of solutions for complete oral care: from intelligent and intuitive power toothbrushes to interdental cleaning solutions and apps that help users to manage their complete oral care on a daily basis and give the option to share brushing data with their dental practitioners, putting personalized guidance at their fingertips.

The Oral Health Care team focused on delivering digital solutions via multiple mobile applications towards power toothbrushes which provide in-app personalized coaching using AI models. The team also delivered an enhanced brush head subscription service via Amazon enabling in-app sales. The team launched a new mobile application customized for Payers Programs enabling pilots with data sharing which can result in payers providing incentives for their customers and at the same time opening newer business models and sales channels for the Oral Health Care business. The Oral Health Care team also brought in operational excellence in managing customer feedback and improving the ratings of the mobile applications.

Image Guided Therapy (IGT)

Image Guided Therapy R&D team at PIC is an important part of global team working for the IGT Systems and IGT Devices business clusters of IGT. 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

The team in Bangalore plays pivotal role in End2End ownership of:

- Health Suite Interventional platform
- 2D Interventional Applications for various Clinical Suites
- Workflow and Application Software of Mobile Surgery Systems
- One IGT SW component platform for unified customer workflows
- Hospital and Lab Workflow for IGT Systems and IGT Devices
- Service Workflows for IGT Systems and IGT Devices

In 2022 the IGT MOS team played key role in the release of the DOD/VISTA certified software for Zenition. The team was also actively involved in the release of Zenition 10 system to Market in Q1 2023. The year also saw launch of MoS-Eye and 5G Connectivity enabled Zenition system at two pilot customer sites.

With a significant ownership of software for Allura product family of IGT Systems business, the team released Tiger Project resulting in upgrading 200 Technology Maximiser customers.

The year also saw the first release of Software component platform for unified customer workflows AppOS1.0, which will be consumed by IGT Devices Avila Program.

The Centre for Excellence in Automation and the Data Analytics Team developed the IGT-Eye platform enabled actionable insights in improving the quality and reliability of systems & parts and also enabled reduction in cost of non-quality for R&D, Customer Service and Quality Improvement teams.

In 2022, the IGT team also started a digital group which created Cloudcast, a platform that connects Azurion to the cloud. The IGT Bangalore 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 21.9 billion (as compared to INR 17.2 billion in 2021-22). PIC's average workforce during 2022-23 was 4,578 (3,946 in 2021-22).

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statements relates and the date of the report.

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF THE COMPANY's OPERATIONS IN FUTURE

During the year, there is 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

During the year, the Company does not have any subsidiary, joint venture or associate Company.

9. BUSINESS RESTRUCTURING

There was no Business Restructuring during the financial year 2022-2023.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Mr. Daniel Mazon (DIN: 07954025) was appointed on September 23, 2022 in Annual General Meeting of the Company as Vice-Chairman and Managing Director of the Company with effect from October 1, 2022 for a period of 5 consecutive years. Further, upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide board resolution on December 16, 2022, re-appointed, Mr. Sudeep Agrawal as Whole time Director and Chief Financial Officer of the Company with effect from February 19, 2023 for a period of five years.

Further, the Board of Directors of the Company, on May 26, 2023 upon the recommendation of the Nomination and Remuneration Committee recommended the appointment of Mr. Sudeep Agrawal (08056132), as Director whose tenure is liable to retire by rotation and being eligible, he has offered himself for re-appointment.

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 6 (six) times during the financial year, on May 27, 2022, July 27, 2022, September 22, 2022, November 24, 2022, December 16, 2022 and March 3, 2023, 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 has a robust framework for evaluation of the Board, Committee and individual directors. The Board had carried out an evaluation of its own performance, Board Committees and Individual Directors, on an annual basis, pursuant to the provisions of the Act. A detailed questionnaire was circulated to all the directors, responses were analysed and results were discussed by the Board.

In a separate meeting of the Independent Directors held on May 26, 2023, performance of Non- Independent Directors, performance of the Board as a whole was evaluated. The discussion was also made upon the Committees of the Board and Individual Directors of the Company.

13. COMMITTEES OF THE BOARD

13.1 AUDIT COMMITTEE

The Board had constituted Audit Committee pursuant to Section 177 of the Companies Act, 2013. 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 Independent Director	Chairman
•	Mr. Sudeep Agrawal, Whole Time Director and Chief Financial Officer	Member
•	Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member
•	Ms. Pooja Bedi, Whole Time Director and Company Secretary	Secretary

During the year, the Committee met 6 (six) times on May 27, 2022, July 27, 2022, September 22, 2022, November 24, 2022, December 16, 2022 and March 3, 2023. All the meetings were attended by all the Members. No leave of absence was requested for any of the meetings held during the year by any Committee Member.

During the year, there was no such instance that the Board has not accepted any recommendation of the Audit Committee.

Mr. S. M. Datta, attended the Annual General Meeting of the Company held on September 23, 2022 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. 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 of 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 Independent Director	Chairperson
•	Mr. Daniel Mazon, Managing Director and Vice-Chairman	Member
•	Ms. Pooja Bedi, Whole-time Director and Company Secretary	Member & Secretary
•	Mr. Sudeep Agrawal, Whole-time Director and Chief Financial Officer	Member

During the year, the meetings of the Committee were held 3 (Three) times i.e. on July 27, 2022, December 16, 2022 and March 3, 2023, attended by all the Members. No leave of absence was requested for any of the meetings held during the year by any Committee Member.

The CSR Policy is uploaded on the website of the company at the link : www.philips.co.in/a-w/about/philips-india-limited. Your Company was engaged in Corporate Social Responsibility (CSR) Projects, during the year 2022-23, 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 in terms of Section 178 of the Companies Act, 2013. 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 Independent Director	Chairman
•	Mr. Daniel Mazon, Managing Director and Vice Chairman	Member
•	Ms. Pooja Bedi, Whole time Director and Company Secretary	Member & Secretary
•	Mr. Sudeep Agrawal, Whole time Director and Chief Financial Officer	Member

During the year, the meeting of the Committee was held once on September 22, 2022, attended by all the Members. No leave of absence was requested for the meeting held during the year by any Committee Member.

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 NRC Policy is uploaded on the website of the company at the link : www.philips.co.in/a-w/about/philips-india-limited.

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 and Vice Chairman	Chairman
•	Mr. S M Datta, Non-Executive Independent Director	Member
•	Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member
•	Ms. Pooja Bedi, Whole-time Director and Company Secretary	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 3(three) times i.e. on May 27, 2022, July 27, 2022 and December 16, 2022, which were attended by all the Members. No leave of absence was requested for any of the meetings held during the year by any Committee Member.

14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received a declaration from all the Independent Directors of the Company confirming that they continue to meet the criteria of Independence laid down under Section 149 of the Companies Act 2013.

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.

During the year the Audit Committee of the Board periodically, considered and reviewed 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 been the key focus while offering innovative programs and solutions to your employees in the year 2022-2023.

We develop our workforce of the future:

As part of the Strategic Workforce planning process, we identified critical capabilities required to drive the strategy. The outcome of the exercise is identification of strategic roles and articulation of build vs. buy strategy. We have an integrated build & buy strategy to make sure that we groom talent from within, incubate graduate hires and hire externally where we don't have the right skills or capabilities to create a diverse and dynamic workforce adept to face challenges of the ever-changing business requirements.

In 2022-2023 we continued to strengthen our strategic workforce plan and have focused on a build & buy strategy for strategic capabilities of Sales & Marketing, Clinical, Digital (AI and Data Science, Cloud, Dev Ops), Solutions via Need Seeker mindset, Informatics skills and Platform & Architecture. We have increased portfolio value through data driven insights, providing relevant personal development to all employees through Learning experience platform.

There is a special focus on encouraging and developing internal talent to take on diverse and bigger roles. This is streamlined through skill driven outcomes, community-based learning, and personalized content. In order to achieve this, all job openings are shared through a mailer 'Internal Job postings' for your internal employees first. Moreover, we have leadership programs like Shaping Tomorrow, Shifting Gears, Leading Teams, License to Lead to groom top leadership 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, as we drive leadership shift by developing your leaders to role model Digital leadership.

Your company also made investments in learning and development for sales and services roles through programs like strengthen customer interaction and communication skills, customer care and service teams across businesses underwent customized programs. Evolve - leadership development platform was launched that included a development center for assessment of our sales managers on Philips Behaviors, followed by curating Individual development journeys and coaching sessions to prepare them to become leaders of the future. Our Personal Health Business invested in programs relevant in the current times like Influencer Marketing, Marketing Analytics, and digital marketing.

We have encouraged your Leaders to internalize Philips Leadership Asks. These are the common set of expectations from each leader in Philips and it's a part of our Development Goals as well for all leaders. We introduced the process of continuous feedback for your employees as an outcome of the Leadership Asks. A robust plan was done with thorough communication, building awareness, leadership cascade and feedback weeks launched. With the ongoing changes in the organization a special focus has continuously been looked into the mental health and wellbeing of your employees. There are various sessions planned for your leaders at all levels to ensure all your employees are going through the organizational changes without much impact. Sessions like Leaders as Coaches Workshop, Compassionate Leadership Workshop, managing your Purpose Energy, Managing your Mental Energy Emotional Energy, and Physical Energy. These are facilitated in such a way it helps your leaders and can further help your employees for their utmost wellbeing.

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.

Your Company has continued its focus on the people's development through a variety of functional offerings. To ensure a competitive workforce of the future and to enable high performance within the organization of sales and marketing teams, programs like Winning in Sales Excellence, Customer Focused Selling, Sales Excellence, Project Management, Lean methodologies, Development center for succession profiles, were continued with better focus on overcoming challenges to enable teams to be first and win in the market. Your company in 2022 continued Solution Booster to strengthen the solution selling capability in the market, focused on technical capabilities through programs like Clinical Competence, Architecture Leadership and System Engineering to upskill our technical workforce and also launched program to enhance financial knowledge.

You would be pleased to note that your company represented the panel discussion in early 2023 for successful Flagship programs in learning and development as part of the Brandon Hall award. You would also be pleased to note that your company is rated as employer of the choice by Glassdoor and LinkedIn.

Our overall build strategy has resulted in 20% of your employees changing roles last year in line with our Philosophy of providing opportunities for growth to your internal talent. Your Company strengthened the talent acquisition delivery team with new agile TA service delivery model and strategy. It has also 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.

Healthcare Innovation Center, Pune continues to be a talent magnet with partners delivering highly accessible and agile workforce to Philips. The HIC North Star vison of "Accelerate customer value as a preferred partner for Innovation and

Manufacturing, serving multiple Modalities with High Quality, Compliance, Productivity and Agility" is duly enabled by the people priority of "Accelerate Careers & People Development." A key focus area was to invest in leadership development to groom leaders for the future for 28 senior high potential employees in HIC. The participants went through a blended learning experience comprising of an Assessment Centre, Mentoring, Leadership Learning Programs and Action Learning projects derived from the HIC North STAR. As an outcome of this comprehensive development journey, ~60% of the participants got role enhancements and 33% of the participants got next level roles within Philips.

Your employees had been paid on time salary with 100% accuracy, while the exited employees' final completed within 30 days with 60% being done within 21 days.

Your company also embraced the future of work by making flexible work and Gigs real. Gigs are flexible development opportunities your employees undertook alongside their current role, empowering them to build meaningful careers at Philips while strengthening collaboration and creating competitive advantage for the company. To unlock accelerated growth, your company invested in shaping organization that leverage capabilities such as Professional Services and Solutions Delivery, Lifecycle Value, Channel Management, and Inside Sales in the health systems business.

After five consecutive quarters of sales and profitability declines, as well as continuing to address quality issues, we needed to take immediate actions to significantly reduce the costs involved in running the company and to do so, we had no choice but to reduce our fixed costs. As a result we had to resort to workforce reductions. This was a difficult decision but was needed to turn things around. Inline with this global messaging, there were impact to the India based workforce. These efforts to improve productivity are ongoing in different phases and are being dealt with utmost empathy and respect to such impacted employees. Such impacted employees in the position is also allowed to apply internally to internal Job Postings commensurate with their experience.

Shaping an Inclusive Environment

The overall Onboarding experience has been well-rated at 91% while 90% of your new hires feel that they made the right choice to join Philips. As your company grew across different sites, your company invested significantly in creating a standardized and superlative onboarding experience for its new joiners. This was complemented by creation of an interactive onboarding journey map, and a central repository of onboarding resources and trainings for people managers to enable effective onboarding experience for their new team members. New Employee Onboarding – NEO program was launched to help new team members settle in and understand the business, tool and ways of working. Your employee engagement scores across all location and sites is positive with an average response rate of 74%. 85% of your employees feel proud to work with Philips and 89% employee have a clear understanding of the customer needs. The well-being and Work Life Rhythm scores have remained high at 85% and Psychological Safety has been increasing steadily at 81%.

Your company continues to accelerate on enhancing gender diversity through targeted initiatives to attract, engage and retain Women talent in your company. We were successfully able to train more than 200 of our people managers on "License to Hire" to ensure an unbiased hiring approach, thereby increasing the overall gender ratio to 28% in 2022 and continue to make notable progress through strong metrics-based approach followed through by DM Boards, formal targets for identified senior grades and focused efforts to replace open positions through women talent.

Your company launched Catapult, a platform based mentoring initiative where 125 women employees enrolled to be mentored one-to-one by more than 75 leaders across India Sub Continent. The overwhelming response and the success of this initiative continues for future.

India Philips Women Lead (IPWL) and Super Women Affinity Group (SWAG) continues to engage women at Philips on Health & Wellbeing, Professional Development, Inclusive Culture and Recruiting & Hiring for your employees. Through these initiatives, cumulatively, ~850 women were engaged through the year.

Your company continued to accelerate on enhancing gender diversity in 2022, through targeted initiatives to attract, engage and retain Women talent. 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 helped 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 2022 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.

Your company completed a thorough internal review and benchmarking on processes, policies, infrastructural changes required to provide "reasonable accommodation" to Persons with Disabilities (PwD). Highly positive and encouraging feedback from existing PwD talent is reassuring and pushing us to attract and hire more in the future.

To drive LGBTQ+ inclusivity, your company partnered with "PrideCircle" and conducted awareness and sensitization sessions where more than 470 Leaders and people managers participated. Your company also has launched an online e-learning module for all employees to undergo this sensitization and enhance their awareness on this topic. In recognition of the efforts made in 2022 in the area of LGBTQ+ inclusion, your company also won a Bronze award in the India Workplace Equality Index 2022 (IWEI) in its first year of participation amongst best in class of India Inc. Your company also launched "ISC Rainbow Network" an employee resource group which will anchor initiatives to enhance LGBTQ+ inclusion. More than 100 eager employees have signed up to contribute to this ERG.

Your company believes and demonstrates fair, firm & inclusive culture with respect to the Employee Relations in Manufacturing. We are committed for your employee's standard of living, wellbeing, and their social & economic status. In the same context, recently we have successfully completed Long Term Wage Settlement at Pune Manufacturing Plant. This was win-win situation, where employees were delighted to get the benefits and as an organization, we remain cost competitive in market. It also helped to create a positive brand image of your organization in external environment thereby becoming a preferred employer for your talent.

Your company has an overall attrition at 18.5% in comparison with the Industry Benchmark at 20%, with the voluntary attrition being at 15.6%; Involuntary at 1.2% and Productivity 1.7%. In our efforts to transform our organization and workforce for the future the organization had conducted the productivity project with ~400 roles being impacted.

Enabling and Empowering our People

Your employees are encouraged and empowered to use the self-service model and we have ensured that all information is provided to them in one platform for easy accessibility. We have also strived to provide better customer experience by servicing 24,970 HR cases with a score of 85.4% case fulfillment, 99.60% first time right and 74% net promoter score. The Employee Self-Service and Manager Self Service pages created last year leveraged being a landing document for all HR processes and policies for your employee and managers having the maximum hits in 2022.

We ensure that we are able to service your employee model and practice inclusive behavior & foster a culture of psychological safety, trust and belonging within the organization.

Your organization provides the employees opportunities to upskill themselves, develop their talent and employability and build a growth mindset. You would be delighted to know about the Talent Fest, an initiative that attracted an active participation of ~7000 employees across India Subcontinent who were keen to know more about Philips, engage and learn new skills and drive their own growth journey within Philips. This initiative created a common platform for your employees to learn more about all Philips businesses and career opportunities through interactive sessions with business and HR leaders, build their networking skills with seniors and colleagues and refine their professional skills through a host of learning sessions conducted by our global and local subject matter experts. All the sessions were well appreciated with an NPS of 80%. The event also boosted your employee's engagement on the internal Workday HR portal in terms of Talent Card completion, bringing more visibility and opportunities for internal Talent movements and 6X increase in launch and participation in marketplace gigs, where employees go beyond their own scope of work to participate in short projects and develop larger skills to grow in their career.

Some of the Communities of Practices (CoPs) were formed in 2022 to foster peer level learning, best practice sharing and ideation on Data and AI, People Leaders, Project and Program management, Product Leadership, Architects, Clinical & Systems community which had a clear charter, target audience and execution plan and together with more than to 15% of the talent being engaged with one or more CoPs. These practices have helped add immense value to shaping the culture, infuse a sense of camaraderie amongst practitioners of similar capabilities and opportunities for your talent to co-create the future together.

In our effort to reduce carbon footprint and striving towards sustainability of the environment, we have moved toward being 100% paperless in all of our HR process.

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, 2023 and of the profit of the Company for the year ended March 31, 2023;

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 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 third Annual General Meeting of the Company.

25. DIRECTORS RESPONSE TO AUDITORS REMARKS

The books of accounts are being maintained for Philips group at a global level and the Company was finding technical challenges in moving the location of entire server or taking backup of books of accounts and other books and paper of the Company. The management has been reviewing various options with Industry experts and gauging market trends to arrive and implement the same in accordance with the law.

26. COST AUDITORS AND COST RECORDS

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, 2024, at a remuneration of Rs. 7,60,000 (Rupees Seven Lacs Sixty 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.

Cost Audit Report for the financial year 2022-23 does not contain any qualification, reservation, disclaimer or adverse remark.

The Company has maintained the prescribed cost records as specified by the Central Government under section 148(1) of the Companies Act 2013.

27. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act 2013 and rules made thereunder, the Board of Directors had appointed Ashok Tyagi, Company Secretary in Practice as Secretarial Auditors of the Company for the financial year 2022-23. The secretarial auditors have submitted their report confirming, interalia, compliance by the Company of all the provisions of the corporate laws and does not contain qualification, reservation, disclaimer or adverse remark.

28. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company adhered to the provisions of of SS-1 and SS-2 during the financial year 2022- 23.

29. 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 the 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, the Company received one complaint of sexual harassment, which was investigated and stands resolved at the end of financial year.

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 7,2023

S.M. Datta (Chairman)
DIN: 00032812

ANNEXURE -I

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

Since April 2014, the CSR focus of the Company has been healthcare and related issues. The attention has been on creating awareness on healthy living, preventive healthcare especially of mother, child and adolescents 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, child and adolescents' health, improving health of the community members from economically weaker backgrounds and reduced access to healthcare through concerted multiyear projects, accessibility of affordable health care and reducing childhood pneumonia by focussing on awareness and directing mothers to seek proper vaccination support. The company has focussed on community-based health awareness initiatives, mobile medical vans, and creating biodiversity zone through afforestation and regular maintenance. Developing detailed recording and reporting system the Company has worked towards afforestation, providing better access to primary healthcare and focuses on improving reproductive, maternal, child and adolescent health.

The Company is working closely with NGOs named Smile Foundation, PCOS Society of India, Forests by Heartfulness, ZMQ, Buddy4Study 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.co.in/a-w/about/philips-india-limited.html

2. Composition of the CSR Committee.

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 Verma Gidwani	Non-Executive Independent Director, Chairperson	3	3
2.	Mr. Daniel Mazon	Managing Director and Vice-Chairman	3	3
3.	Mr. Sudeep Agrawal	Whole-time Director and CFO	3	3
4	Ms. Pooja Bedi	Whole-time Director and CS	3	3

3. Provide the web-link(s) 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.co.in/a-w/about/philips-india-limited.html

CSR Committee-: https://www.philips.co.in/a-w/about/philips-india-limited.html

CSR Project: https://www.philips.co.in/a-w/about/philips-india-limited.html

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

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

(a) Average net profit of the company as per sub-section (5) of section 135.

₹ 2,621,321,749

(b) Two percent of average net profit of the company as per sub-section (5) of section 135.

₹ 52,426,435

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

₹ 0

(d) Amount required to be set-off for the financial year, if any.

₹ 0

(e) Total CSR obligation for the financial year [(b)+(c)-(d)].

₹ 52,426,435

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹ 2,61,34,615 (includes an amount of INR 11,04,445 received from PCOS Society on 21 April 2023 directly in Unspent CSR Account 2022-23, which they were unable to utilise by 31 March 2023).

(b) Amount spent in Administrative Overheads.

₹ 22,91,820

(Administrative expenses were incurred on the total CSR expenditure made during the year FY 22-23 which includes expenses on CSR projects of FY 22-23 and previous year projects).

(c) Amount spent on Impact Assessment, if applicable.

NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹ 2,84,26,435 (it includes an amount of INR 11,04,445 received from PCOS Society on 21 April 2023 directly in Unspent CSR Account 2022-23, which they were unable to utilise by 31 March 2023).

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
2,84,26,435*	₹24,000,000	28th April, 2023	NA	NA	NA

* the above spent amount of INR 2,84,26,435 include an unspent amount of INR 11,04,445 which has directly been transferred by PCOS society to Unspent CSR Account 22-23 on 21 April 2023

(f) Excess amount for set-off, if any: Not Applicable

Sl. No.	**Particular**	**Amount (in Rs.)**
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year 2022-23(in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	**Date of Transfer**		
1	FY 2019-20	-	-	-	-	-	-	-
2	FY 2020-2021	19,456,142*	1,02,36,364	1,02,36,364	-	_	Nil	XXX
3	FY 2021-22	28,289,258	2,82,89,258	1,31,60,724	97,07,391	28.09.2022	5,421,143	-

*Unspent amount from FY19-20 was transferred to Unspent CSR Account of FY20-21. The unspent amount of FY 2020-21 includes INR 1,55,97,409 unspent amount for FY 2020-21 and INR 38,58,733 unspent amount for FY 2019-20, aggregating to INR 1,94,56,142. of the unspent amount, INR 92,19,778 was spent during the financial year 2021-22 and remaining balance of INR 102,36,364 was spent during the FY 22-23. The entire unspent amount of FY 2020-21 has now been spent and utilised.

**Upon reconciliation, an additional amount of INR 34 lakh was identified which was received from Smile Foundation and CIDS Path and the same was transferred to the unspent account of FY20-21 against ongoing projects. However, the projects are now closed and hence the Board approved to transfer it to Schedule VII funds. The unutilised amount of INR 34,28,342 was transferred on 14 June 2023 to Schedule VII funds.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No ☑

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pincode of the property or asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity/ Authority/ beneficiary of the registered owner**		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. 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 unspent account of FY 2022-23 pertains to ongoing project with PCOS Society of India and ZMQ which are multiyear project. The funds will be disbursed to the projects from the unspent CSR account in consecutive years.

Daniel Mazon
(Managing Director).

Geetu Gidwani Verma
(Chairman CSR Committee).

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 2023

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2022-23:

1. The steps taken or impact on conservation of energy:

    a) Energy Week Celebrated with various campaigns and sessions conducted for awareness on Energy Conservation

    b) New projects identified for Energy Conservation on HVAC / Lights/ Transformer usage and same are implemented

    c) Continuing with the previous implemented projects in FY 2021-2022

    d) Considered energy efficient equipment during new procurement of Electrical Goods. Viz. – AC Compressors of HVAC system, LED Lamps

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

    a) 500 kW Roof top Solar Plant kept functional generating around 40k Units / month

    b) Installed and Started new 500 kW Roof top Solar Plant at the site generating around 40 k Units/ month

3. The capital investment on energy conservation equipment

    During the year, your Company has not made any capital investment on energy conservation equipment.

B. RESEARCH AND DEVELOPMENT

1. 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 Image 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 also 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.

    PIC-B is emerging as a Digital Solutions partner for the Businesses, Markets & customers, contributing to the solution journey of Philips.

    Some relevant innovations at PIC-B:

    - **Health-suite Platform (HSP)**

      HSP team at PIC-B has been working to help businesses accelerate the speed to bring scalable AI solutions to our customers in the market. To make this happen HSP team has released AI Tool Suite which helps in standardizing building blocks, engineering processes, templates for creation, deployment & maintenance. With the introduction of AI Tool Suite the data access time has reduced considerably for large clinical data sets, also it has helped in reducing the time taken to produce annotation which helps produce compliant documentation. AI Tool Suite will help data scientists to develop and train AI models along with the associated AI project and experiment management.

- **Magnetic Resonance Imaging (MRI)**

  Philips MR has occupied speed leadership since the introduction of Compressed SENSE, Philips MR built on this strength by adding artificial intelligence at source for improved performance when accelerating MR examinations. With Smart Speed Precise Image, we introduce a 2nd AI engine to improve image quality with increased sharpness and reduced noise. EasyPlan provides task guidance in multiplanar environment to deliver faster MR planning. Real-time interactive imaging provides a scanning user interface to enable the adjustment of the scan plane in Real-time.

  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**

  Philips 5000 series compact ultrasound provides advanced features to enable a definitive diagnosis, fast and robust imaging, and clinical versatility in a portable design. It also aims to replace the Cx50 which had a strong market presence. Flagship product with PIC front running in Research & Development, Service, Business Program Management, Quality, Regulatory Ops. Dhwani is an ongoing New Product Innovation that will deliver a new value segment product replacing the successful ClearVue family. This program exemplifies significant collaborations across different businesses driven from PIC. Examples include some of the premium functionalities such as Follicle Assist, TrueView, Auto Fetal Biometry, Touch Panel UI, and several other workflow features. Significant contribution to Voyager Mustang 10 focusing on General Imaging/ Obstetrics to retain the installed base and re-establish competitiveness through improved diagnostic confidence, efficiency. The team continued to work on point of care Blaze program, Lumify 5.0 for IOS and Android programs and driven the FetView regulatory market clearances for first ever Ultra Sound SaaS product.

- **Hospital Patient Monitoring**

  Hospital Patient Monitoring R&D team at PIC Bangalore is an integral part of global R&D team of the business. Aligning with the business strategy, this team owns, design and development of key programs for the business such as Operations Management. Team develops platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments

- **Personal Health (PH)**

  The solutions developed by the PH Digital team has helped in serving people's needs in areas of healthy living, prevention, and homecare.

  Philips Sonicare, which celebrated its 30th anniversary in 2022, offers a wide range of solutions for complete oral care: from intelligent and intuitive power toothbrushes to interdental cleaning solutions and apps that help users to manage their complete oral care on a daily basis and give the option to share brushing data with their dental practitioners, putting personalized guidance at their fingertips.

  The Oral Health Care team focused on delivering digital solutions via multiple mobile applications towards power toothbrushes which provide in-app personalized coaching using AI models. The team also delivered an enhanced brush head subscription service via Amazon enabling in-app sales. The team launched a new mobile application customized for Payers Programs enabling pilots with data sharing which can result in payers providing incentives for their customers and at the same time opening newer business models and sales channels for the Oral Health Care business. The Oral Health Care team also brought in operational excellence in managing customer feedback and improving the ratings of the mobile applications.

- **Image Guided Therapy (IGT)**

  Image Guided Therapy R&D team at PIC is an important part of global team working for the IGT Systems and IGT Devices business clusters of IGT. 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

The team in Bangalore plays pivotal role in End2End ownership of:

- Health Suite Interventional platform
- 2D Interventional Applications for various Clinical Suites
- Workflow and Application Software of Mobile Surgery Systems
- One IGT SW component platform for unified customer workflows
- Hospital and Lab Workflow for IGT Systems and IGT Devices
- Service Workflows for IGT Systems and IGT Devices

In 2022 the IGT MoS team played key role in the release of the DoD/VISTA certified software for Zenition. The team was also actively involved in the release of Zenition 10 system to Market in Q1 2023. The year also saw launch of MoS-Eye and 5G Connectivity enabled Zenition system at two pilot customer sites.

With a significant ownership of software for Allura product family of IGT Systems business, the team released Tiger Project resulting in upgrading 200 Technology Maximiser customers.

The year also saw the first release of Software component platform for unified customer workflows AppOS1.0, which will be consumed by IGT Devices Avila Program.

The Centre for Excellence in Automation and the Data Analytics Team developed the IGT-Eye platform enabled actionable insights in improving the quality and reliability of systems & parts and also enabled reduction in cost of non-quality for R&D, Customer Service and Quality Improvement teams.

In 2022, the IGT team also started a digital group which created Cloudcast, a platform that connects Azurion to the cloud. The IGT Bangalore 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.

2. Future plan of action

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

3. Expenditure incurred on R&D

During the year, your Company has incurred an expenditure of INR 2,020 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 32,088 Million and total outflows (on cash basis) in foreign exchange was INR 34,763 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 (l) 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, 2023, 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, 2023 (` Millions)
Koninklijke Philips 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	3,070
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	4,033
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	5,355
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	2,863
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	1,641
Philips Medical Systems (Cleveland), 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	1,071

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, 2023 (` Millions)
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	5,260
Philips Medical Systems 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	7,422
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	5,295
Philips North America LLC 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	1,823
Philips North America LLC 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	1,346
Philips Ultrasound LLC 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	1,596

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, 2023

[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, 2023 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 the 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, 2023 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 the extent applicable to the Company during the year under review;

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 inter alia 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 92nd Annual General Meeting of the Company on September 23, 2022;

(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, 2022;

(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;

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

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 the Directors 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 agenda items 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, I observed that the Company is focusing on recovery of the amount. The Award of the Arbitrator was received by the Company to recover the amount from the Channel Partner. The Company has filed the Execution petition for the arbitration award at the Court in Chennai. 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. The appeal was filed by the Company before Hon'ble High Court, Mumbai in the same matter, which 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. The matter is pending with the Registrar of Companies. Kolkata.

(9) During the year under review the Company has spent INR 27,321,990/- towards its Corporate Social Responsibility (CSR) obligation in terms of Section 135 of the Act and the amount 25,104,445/- 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

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 took place having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. The Interim Dividend of Rs. 222/- per share amounting to Rs. 12,76,88,27,724 was declared and paid for the Financial Year 2022-23 during the year under review.

CS ASHOK TYAGI
FCS 2968
PCS 7322
UDIN: F002968E000591743
Place: New Delhi
Date: July 07, 2023

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,
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
FCS 2968
PCS 7322
UDIN: F002968E000591743

Place: New Delhi
Date: July 07, 2023

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 2023, 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, 2023, 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 except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.

   (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The Observation remark relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.

   (g) 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;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 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;

   (i) 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 29 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per Divya Mathur
Partner
Membership Number: 506846
UDIN: 23506846BGZJEG8608
Place of Signature: Gurugram
Date: July 7, 2023

ANNEXURE I REFERRED TO PARAGRAPH I UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

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

(i) (a) (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(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.

(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, 2023.

(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 inventory has been physically verified by the management during the year except for inventories lying with third parties. 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, 2023. There are no discrepancies of 10% or more in aggregate for each class of inventory.

(ii) (b) The Company has been sanctioned unutilized working capital limits in excess of Rs. five crores in aggregate 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) of the Order is not applicable to the Company.

(iii) (d) The Company has not granted loans or 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)(d) of the Order is not applicable to the Company.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(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, duty of custom, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of the statute	Nature of 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 dispute is pending
Income Tax Act, 1961	Income Tax Disallowances and transfer Pricing additions including Interest and Penalty where applicable	1,840	298	-	1,542	AY 2004-05 to AY 2016-17	Appellate Authority upto commissioner (Appeals)
		2,193	15	-	2,178	AY 2003-04 to AY 2018-19	High Court
		185	70	-	115	AY 2003-04	Supreme Court
Central Sales Tax Act, 1956 and Individual State Sales Tax Act	Sales Tax including Interest and penalty	738	159	307	272	1987-88 to 2021-22	Appellate Authority upto commissioner (Appeals)
		287	29	241	17	1986-87 to 2014-15	Tribunal
		54	9	44	1	1998-99 to 2010-11	High Court
		38	-	13	25	2007-08	Supreme Court

The Finance Act, 1994	Service tax including interest and penalty where applicable	14	-	-	14	April 2016 to June 2017	Custom, Excise and Service tax Appellate Tribunal
The Finance Act, 1994	Service tax including interest and penalty where applicable	8	-	-	8	Above 8 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	11	-	-	11	Above 8 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	16	-	-	16	Above 8 years	Bombay High Court
Custom Act, 1962	Custom duty including interest and penalty where applicable	252	117	-	135	2012-13 and 2013-14	Appellate Authority upto commissioner (Appeals)

*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) of the Order is not applicable to the Company.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(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/ material fraud by the Company or no fraud / material 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 by us 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) of the Order is not applicable to the Company.

(xii) (b) 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.

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

(xiv) 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 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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(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 are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) 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 43 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 26 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 26 to the financial statements.

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

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

per Divya Mathur
Partner
Membership Number: 506846
UDIN: 23506846BGZJEG8608
Place of Signature: Gurugram
Date: July 7, 2023

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PHILIPS INDIA LIMTED

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 financial statements of Philips India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls 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 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 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Divya Mathur
Partner
Membership Number: 506846
UDIN: 23506846BGZJEG8608
Place of Signature: Gurugram
Date: July 7, 2023

Balance Sheet As at 31 March, 2023

Amounts in ₹ Mln

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	**2,526**	3,441
Capital work-in-progress	2	**1,158**	269
Investment property	3	**1,334**	1,366
Financial Assets			
Trade Receivables	5(a)	**715**	1,186
Investments	5(b)	**-**	-
Other Financial Assets	5(c)	**159**	409
Deferred tax assets (net)	6	**633**	385
Advance income tax (net of provision)		**3,724**	3,629
Other non current assets	7	**549**	665
		10,798	11,350
Current assets			
Inventories	8	**7,184**	6,861
Contract Assets	4	**710**	587
Financial Assets			
Trade receivables	9(a)	**7,401**	7,501
Investments	5(b)	**50**	53
Cash and cash equivalents	9(b)	**2,118**	13,159
Other Financial Assets	9(c)	**498**	415
Other current assets	10	**3,642**	3,523
		21,603	32,099
TOTAL ASSETS		**32,401**	43,449
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**575**	575
Other Equity	12	**11,768**	22,200
Equity attributable to equity shareholders		**12,343**	22,775
LIABILITIES			
Non-current liabilities			
Contract Liabilities	4	**1,099**	1,248
Financial Liabilities			
Lease Liabilities	13	**603**	1,204
Other non-current liabilities	14	**146**	45
Provisions	15(a)	**2,809**	2,378
		4,657	4,875
Current liabilities			
Contract Liabilities	4	**4,176**	4,137
Financial Liabilities			
Lease Liabilities	16(a)	**598**	708
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	16(b)	**134**	11
Total outstanding dues of creditors other than micro enterprises and small enterprises	16(b)	**7,045**	7,460
Other financial liabilities	16('c)	**410**	368
Other current liabilities	17	**1,921**	1,855
Provision for taxation (net of advances)		**313**	306
Provisions	15(b)	**804**	954
		15,401	15,799
TOTAL EQUITY AND LIABILITIES		**32,401**	**43,449**
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

DIVYA MATHUR
Partner
Membership No.: 506846
Place: Gurugram
Date: July 07, 2023

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 07, 2023

Statement of Profit and Loss for the year ended 31 March 2023

Amounts in ₹ Mln

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	18	**57,340**	54,814
Other income	19	**719**	648
Total Income		**58,059**	55,462
Expenses			
Cost of raw materials consumed	20	**4,630**	3,905
Purchases of stock-in-trade	21	**19,803**	24,460
Changes in inventories of work-in-progress, finished goods and stock-in-trade	22	**(562)**	(1,812)
Employee benefits expense	23	**20,115**	16,590
Finance costs	24	**264**	272
Depreciation and amortization expense	25	**1,285**	1,384
Other expenses	26	**9,316**	8,330
Total expenses		**54,851**	53,129
Profit before exceptional items and tax		**3,208**	2,333
Exceptional items (net) Loss / (Profit)	32	**-**	(1,309)
Profit before tax		**3,208**	3,642
Profit / (loss) from continuing operations		**3,208**	3,572
Tax expense			
Current tax	6	**(827)**	(818)
Deferred tax expenses - credit / (charge)	6	**219**	(161)
Profit / (loss) after tax from continuing operations		**2,600**	2,593
Profit / (loss) from discontinued operations		**-**	70
Tax expense			
Current tax	6	**-**	(18)
Deferred tax expenses - credit / (charge)	6	**-**	14
Profit / (loss) after tax from discontinued operations		**-**	66
Profit for the year (A)		**2,600**	2,659
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or Loss			
Re-measurement gains / (losses) on defined benefit plans	27	**(120)**	399
Income tax effect on defined benefit plans continuing operations	6	**30**	(301)
Income tax effect on defined benefit plans discontinued operations	6	**-**	-
Other Comprehensive Income for the year (B)		**(90)**	98
Total Comprehensive income for the year (A+B)		**2,510**	2,757
Earnings per equity share for continuing and discontinued operations			
Basic and diluted earnings per equity share of ₹10 each (in ₹)	39	**45.21**	46.23
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

DIVYA MATHUR
Partner
Membership No.: 506846
Place: Gurugram
Date: July 07, 2023

For and on behalf of the Board

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

Place: Gurugram
Date: July 07, 2023

Statement of Changes in Equity for the year ended 31 March 2023

Particulars Amounts in ₹ Mln

A. Equity Share Capital	**Number of shares**	**Amounts**
Equity shares of ₹10 each issued, subscribed and fully paid up		
As at April 1 2021	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at March 31 2022	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at March 31 2023	**5,75,17,242**	**575**

B. Other Equity

Particulars	**Reserves and Surplus**		**Items of OCI**	**Total**
	General Reserve	**Retained Earnings**	**Remeasure-ment***	
As at April 1 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)**
As at March 31 2022	-	22,841	(641)	**22,200**
Profit for the year	-	2,600	-	**2,600**
Remeasurement benefit of defined benefit plans	-	-	(90)	**(90)**
Total Comprehensive Income for the year	-	2,600	(90)	**2,510**
Reductions during the year				
Dividend for FY 2021-22	-	(173)	-	**(173)**
Interim Dividend for FY 2022-23	-	(12,769)	-	**(12,769)**
Total	-	(12,942)	-	**(12,942)**
As at March 31 2023	-	12,499	(731)	**11,768**

* Refer Note 12

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

DIVYA MATHUR
Partner
Membership No.: 506846
Place: Gurugram
Date: July 07, 2023

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

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

Place: Gurugram
Date: July 07, 2023

Cash Flow Statement for the year ended 31 March 2023

Amounts in ₹ Mln

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A.	**Cash generated from operating activities**		
	Profit before tax from continuing operations	**3,208**	3,572
	Profit before tax from discontinued operations	**-**	70
	Exceptional items	**-**	(1,309)
	Profit before tax and exceptional items	**3,208**	2,333
	Adjusted for		
	Write off & other adjustment of Property, Plant & Equipment	**9**	2
	Profit on sale of property	**(16)**	-
	Depreciation and amortization	**1,285**	1,384
	Unrealized foreign exchange (gain) and loss (net)	**21**	5
	Allowances for doubtful trade receivables & loans & advances	**158**	24
	Liabilities no longer required written back	**(105)**	(79)
	Interest on advances, current accounts and deposits	**(506)**	(454)
	Lease Rental Income	**(109)**	(51)
	Finance costs	**264**	272
		1,001	1,103
	Operating profit before working capital changes	**4,209**	3,436
	Changes in		
	Trade receivables and other loans & advances	**289**	(1,745)
	Inventories	**(323)**	(3,309)
	Trade payables and other liabilities	**107**	3,781
	Cash generated from operations	**4,282**	2,163
	Income tax paid (net of refunds)	**(869)**	(846)
	Net Cash generated from operating activities	**3,413**	1,317
B.	**Cash generated from investing activities**		
	Purchase of Property, Plant and Equipment	**(1,256)**	(1,574)
	Proceeds from sale of Property, Plant & Equipment	**32**	1,040
	Proceeds from redemption of Investments	**59**	-
	Cash Received from subsidiary on Capital Reduction	**-**	4,066
	Lease Rental Income	**109**	51
	Investments made during the year	**-**	(171)
	Interest received	**527**	270
	Net Cash used in investing activities	**(529)**	3,682
C.	**Cash flow from financing activities**		
	Finance costs	**(264)**	(272)
	Principal repayment of lease liabilities	**(720)**	(708)
	Dividend paid	**(12,941)**	(173)
	Net Cash used in financing activities	**(13,925)**	(1,153)
	Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(11,041)**	3,846

Cash Flow Statement for the year ended 31 March 2023 (Contd.)

Amounts in ₹ Mln

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
D. Cash and cash equivalents - Opening Balance			
Cash and cash equivalents	9(b)	**2,524**	180
Unpaid dividend	9(b)	**15**	15
Deposits with Banks	9(b)	**10,620**	9,118
Total		**13,159**	9,313
E. Cash and cash equivalents - Closing Balance			
Cash and cash equivalents	9(b)	**299**	2,524
Unpaid dividend	9(b)	**19**	15
Deposits with Banks	9(b)	**1,800**	10,620
Total		**2,118**	13,159
Net increase/(decrease) in cash and cash equivalents (E-D)		**(11,041)**	3,846

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 Flow.

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

DIVYA MATHUR
Partner
Membership No.: 506846
Place: Gurugram
Date: July 07, 2023

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 07, 2023

Notes to Financial Statements for the year ended March 31, 2023

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 2023 were authorized by the Board of Directors for issue in accordance with resolution passed on July 07, 2023.

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. (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.

(b) 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/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 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.

1.2. Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

1.3. 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 27
- Measurement and likelihood of occurrence of provisions and contingencies – Note 15
- Recognition of deferred tax assets – Note 6
- Measurement of Lease liabilities and Right of Use Asset – Note 2 and 40

1.4. (a) Property, Plant and Equipment

Property, plant, and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses 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 given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease or on their estimated useful life, whichever is shorter.

(b) Investment Properties:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties 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.

(c) 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.

1.5. 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 amortized 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 amortized, 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.

1.6. 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 subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

1.7. Inventories:

Inventories are valued at cost or net realizable value whichever is lower. In case of medical equipment / 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.

1.8. 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 sell 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.

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1.9. Cash and Cash equivalents:

Cash and cash equivalents in the balance sheet comprise of 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.

1.10. 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.

a) 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 amortized 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 amortized 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 and 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 Statement of 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 derecognized.

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 derecognized 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.

b) 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 amortized cost using EIR method.

De-recognition

A financial liability is derecognized 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.

1.11. 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.

1.12. 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 benefits**

  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 considering the amounts invested and the rate of interest.

- **Rental Income**

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

1.13. 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. Termination benefits are recognized as and when incurred.

Defined Contribution Plans

Contributions to defined contribution schemes such as, employee 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 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.

The Company covers the liability towards employees' gratuity managed through Income Tax recognized 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 as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

In respect of gratuity, any differences between the interest income on plan assets and the return 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. In respect of compensated absences, actuarial gains / losses are recognized in the Statement of Profit and Loss in the year in which they arise.

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.

1.14. 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 recognizing 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.

1.15. 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.

1.16. Leases:

As a lessee

The Company mainly has lease arrangements for leasehold land, 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)."

1.17. 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, 2023 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.

1.18. 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.

1.19. 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.

1.20. 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.

1.21. 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 Group recognizes as expenses the related costs for which the grants are intended to compensate.

1.22. 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.

1.23. Dividend:

The Company recognizes a liability to pay dividend to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the Corporate Laws is India, the distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at March 31 2022	**Reclassification**	**Additions**	**Disposals**	**As at March 31 2023**	**As at March 31 2022**	**Reclassification**	**Additions**	**Disposals**	**As at March 31 2023**	**As at March 31 2023**
Owned Assets											
Leasehold Land	80	(80)	-	-	**-**	11	(11)	-	-	**-**	**-**
Buildings	268	-	-	-	**268**	48	47	8	-	**103**	**165**
Leasehold Improvements	773	-	52	(6)	**819**	582	42	58	(2)	**680**	**139**
Plant & Equipment	1959	-	239	(69)	**2129**	1278	(97)	291	-	**1417**	**712**
Plant & Equipment (given on operating lease)	270	-	-	-	**270**	110	(1)	23		**132**	**138**
Office Equipment	559	-	35	(22)	**572**	360	64	74	(22)	**476**	**96**
Furniture	338	-	15	(52)	**301**	212	(34)	40	(35)	**183**	**118**
Right of Use (ROU) Assets											
Vehicles	641	-	398	(229)	**810**	369	(20)	163	(208)	**304**	**506**
Buildings	2990	-	38	(597)	**2431**	1467	-	562	(180)	**1849**	**582**
Leasehold Land	-	80	-	-	**80**	-	10	-	-	**10**	**70**
Total	**7878**	**-**	**777**	**(975)**	**7680**	**4437**	**-**	**1219**	**(502)**	**5154**	**2526**

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at 31 March 2021	Reclassification	Additions	Disposals	As at March 31 2022	As at 31 March 2021	Reclassification	Additions	Disposals	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**

Reclassification due to internal transfer.

Notes to Financial Statements for the year ended March 31, 2023

Property, Plant and Equipment (Contd..)

Amounts in ₹ Mln

Capital Work in Progress	As at March 31 2023	As at March 31 2022
Book value	1,158	269

(1) Capital Work in Progress as at 31 March, 2023 includes assets under construction due to expansion work in Company's Plant at Pune and Software Devlopment Centre at Bengaluru. There are no capital work-in-progress whose completion has exceeded its cost compared to its' original plan as at 31 March 2023 and 31 March 2022.

Capital Work in Progress Ageing Schedule	As at March 31 2023		As at March 31 2022	
	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 year	821	-	269	-
1-2 Years	310	-	-	-
2-3 Years	20	-	-	-
More than 3 years	7	-	-	-
Total	**1,158**	**-**	**269**	**-**

2(a) Details of Capital work-in-progress whose completion is overdue to it's original plan as at 31st March 2023:

Name of the Projects	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Amon 2	11	15	10	-
Super	51	9	5	6
Madhav	-	5	-	-
Labs Set up	90	-	-	-

2(b) As at 31 March 2022, no projects were over due.

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

	Particulars	As at 31-03-2023	As at 31-03-2022
3.	**Investment property**		
	Gross Carrying Amount		
	At the beginning of the year	**1,427**	858
	Additions	**34**	467
	Disposals	**-**	-
	Reclassification	**-**	102
	End of the year	**1,461**	1,427
	Accumulated Depreciation		
	At the beginning of the year	**61**	22
	Additions	**66**	38
	Disposals	**-**	-
	Reclassification	**-**	1
	End of the year	**127**	61
	Net Block	**1,334**	1,366

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 ₹**1,333** (Previous year ₹ 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 ₹**109** (Previous year ₹51) has been recognized inthe Statement of Profit and Loss.

4. Contract Balances

Particulars	As at 31-03-2023	As at 31-03-2022
Contract assets	**710**	587
Non-current	**-**	-
Current	**710**	587
Contract liabilities	**5,275**	5,385
Non-current	**1,099**	1,248
Current	**4,176**	4,137

"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.

5 (a) Non-current Financial assets - Trade Receivables

Particulars	As at 31-03-2023	As at 31-03-2022
Trade receivables	**715**	1,186
Break up for security details		
Trade receivables		
Trade receivables - Secured, considered good {(refer note 9(a)}	**715**	1,186
Trade receivables - Unsecured, considered good	**-**	-
Trade Receivables which have significant increase in credit risk	**-**	-
Trade Receivables - credit impaired	**83**	60
	798	1,246
Less: Allowance for Trade Receivable - credit impaired	**(83)**	(60)
	715	1,186

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

Non-Current Trade Receivables Ageing Schedule 31 March 2023 Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1-2 Years**	**2-3 Years**	**> 3 Years**	**Total**
(1) Undisputed Trade receivables – considered good	**715**	**-**	**-**	**-**	**-**	**-**	**715**
(2) Undisputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(3) Undisputed Trade Receivables – credit impaired	**-**	**-**	**43**	**-**	**40**	**-**	**83**
(4) Disputed Trade Receivables– considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(5) Disputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(6) Disputed Trade Receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	715	**-**	**43**	**-**	**40**	**-**	**798**

Non-Current Trade Receivables Ageing Schedule 31 March 2022 Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1-2 Years**	**2-3 Years**	**> 3 Years**	**Total**
(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

Amounts in ₹ Mln

5 (b) Non-current Financial assets Investments - Non Current and Current

Non-current : Investment at FVTPL Quoted: IL&FS Financial Services Limited	**Face value per unit**	**As at March 31 2023 Units**	**As at March 31 2022 Units**	**As at March 31 2023**	**As at March 31 2022**
Secured Non-convertible debentures*	1000	**2,12,557**	2,06,611	**-**	46
Unsecured Non-convertible debentures	1000	**62,100**	60,261	**14**	14
IL&FS Limited					
Secured Non-convertible debentures	1000000	**63**	61	**10**	10
Secured Non-convertible debentures	1000	**2,84,693**	2,76,263	**48**	48
Total Non-current Gross				**72**	118
Less: Provision for Impairment	-	**-**	-	**(72)**	(118)
Total Non-current Net	-	**-**	-	**-**	-
Aggregate book value of quoted investments	-	**-**	-	**72**	118
Aggregate market value of quoted investments	-	**-**	-	**-**	-

* During the year, the Company has received ₹55 from IL&FS Financial Services Limited on account of interim distribution of investment, resulting in profit ₹9 (₹55 minus cost ₹46) (Refer Note 19).

Current Investment at FVTPL Quoted: Piramal Capital and Housing Finance Limited	**Face value per unit**	**As at March 31 2023 Units**	**As at March 31 2022 Units**	**As at March 31 2023**	**As at March 31 2022**
Secured Non-convertible debenture **	925	**65,966**	65,966	**50**	53
Total Current	-	**-**	-	**50**	53
Aggregate book value of quoted investments	-	**-**	-	**50**	53
Aggregate market value of quoted investments	-	**-**	-	**52**	53

** During the year, principal @5% of face value per debenture are redeemed.

(Previous year @2.5% of face value, ₹975)

5 (c) Non-current Financial assets - Others

Particulars	**As at 31-03-2023**	As at 31-03-2022
Security Deposits		
- Security Deposits Considered good	**159**	409
- Security Deposits Credit impaired	**-**	-
- Less: Allowances for Security Deposits - credit impaired	**-**	-
	159	409

6. Deferred Tax Assets (net)

(a) Components of Income Tax Expense	**Year 2022-23**	Year 2021-22
(i) Tax expense recognized in Statement of Profit and Loss		
- Current Tax Continuing operations *	**(827)**	(818)
- Current Tax Discontinued operations	**-**	(18)
* includes ₹46 (Previous Year ₹332) recognized due to impact of Appendix C to Ind AS 12 and net release of tax provision relating to previous years ₹200 (Previous Year ₹155)	**(827)**	(836)
Deferred Tax expense - credit / (charge)		
- Relating to origination and reversal of temporary differences continuing operations	**219**	(161)
- Relating to origination and reversal of temporary differences discontinued operations	**-**	14
(ii) Tax on Other Comprehensive Income		
Deferred tax		
- Gain / (Loss) on measurement of net defined benefit plans continuing operations	**30**	(301)

Notes to Financial Statements for the year ended March 31, 2023

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

Amounts in ₹ Mln

Total	**(578)**	(1,284)

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

	Year 2022-23	Year 2021-22
Profit before tax	**3,088**	4,041
Income tax calculated @ %	**25.168%**	25.168%
Computed tax expense	**777**	1,017
Differences due to:		
- Expenses not deductible for tax purposes	**15**	20
- Others	**(214)**	247
Income tax charged to Statement of Profit and Loss at effective tax rate of 18.72% (Previous year - 31.77%)	**578**	1,284
Income tax expense reported in statement of Profit and Loss	**578**	1,284

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

Particulars	**Balance Sheet**		**Recognised in Statement of Profit and Loss**		**Recognised in General Reserve on account of Discontinued operations**	
	As at 31-03-2023	**As at 31-03-2022**	**Year 2022-23**	**Year 2021-22**	**Year 2022-23**	**Year 2021-22**
Net deferred tax assets/ (liabilities)						
- Provision for employee benefits	**202**	162	**40**	(69)	**-**	12
- Doubtful trade receivables and advances	**189**	178	**11**	(40)	**-**	16
- Difference between book and tax depreciation	**(65)**	(245)	**180**	(14)	**-**	(5)
- Other timing differences	**309**	321	**(12)**	(38)	**-**	-
Total (A)	**635**	**416**	**219**	**(161)**	**-**	**23**
Re-measurement (gains) / losses on defined benefit plans (B)	**(2)**	(32)	**30**	(301)	**-**	-
Less: Net deferred tax assets attributable to discontinued operations (C)	**-**	-	**-**	-	**-**	(23)
Net deferred tax assets/ (liabilities) (A+B+C)	**633**	**385**	**249**	**(462)**	**-**	**-**

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

Particulars	**Balance Sheet**	
	As at 31-03-2023	As at 31-03-2022
Opening balance as of 1 April	**385**	846
Tax income/(expense) during the year recognized in profit and loss continuing operations	**219**	(161)
Tax income/(expense) during the year recognized in OCI continuing operations	**30**	(301)
Closing balance as at 31 March	**633**	385

Amounts in ₹ Mln

7. Other non-current assets

(Unsecured, considered good unless otherwise stated)	As at 31-03-2023	As at 31-03-2022
Advance Rentals	12	60
Capital Advances	12	13
VAT Credit receivable	62	67
Deposits against legal cases	463	525
Considered doubtful		
Deposits against legal cases	80	17
Special additional duty receivables and drawback claims	56	56
Claims receivables	54	87
Less: Allowances for doubtful other loans and advances		
Deposits against legal cases	(80)	(17)
Special additional duty receivables and drawback claims	(56)	(56)
Claims receivables	(54)	(87)
	549	665

8. Inventories (at lower of cost and net realisable value whichever is lower)

	As at 31-03-2023	As at 31-03-2022
Raw Materials	1,388	1,189
Raw Materials-in-Transit	15	49
	1,403	1,238
Work-in-Progress	2,258	2,448
Finished Goods	76	-
Stock-in-Trade (goods purchased for re-sale)	2,961	2,285
Stock-in-Trade (goods purchased for re-sale) - In Transit	472	875
	3,433	3,160
Stores and spares	14	15
	7,184	6,861

9. (a) Current Financial assets - Trade Receivables

Particulars	As at 31-03-2023	As at 31-03-2022
Trade receivables	5,582	4,703
Trade Receivables from other related parties (Note 30)	1,819	2,798
Total	7,401	7,501
Break up for security details		
Trade receivables		
Trade receivables -Secured, considered good *	766	754
Trade receivables - Unsecured, considered good	6,635	6,747
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	468	444
	7,869	7,945
Allowances for Trade Receivables - credit impaired	(468)	(444)
	7,401	7,501

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:

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

Secured trade receivables includes finance lease receivables amounting to ₹**806** (31 March 2022 - ₹1,016) 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 ₹**1,175** (31 March 2022 - ₹1,461) which includes unearned interest of ₹**369** (31 March 2022 - ₹445). The maturity profile of finance lease receivable is as follows:

Particulars	**As at 31-03-2023**	As at 31-03-2022
Minimum lease payments		
Receivable within 1 year	**320**	293
Receivable between 1-5 years	**728**	897
Receivable after 5 years	**127**	271
Total	**1,175**	1,461
Present value		
Receivable within 1 year	**153**	157
Receivable between 1-5 years	**539**	627
Receivable after 5 years	**114**	232
Total	**806**	1,016
Unearned interest	**369**	445

Current Trade Receivables Ageing Schedule 31 March 2023

Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 years**	**Total**
(1) Undisputed Trade receivables – considered good	**4,181**	**2,834**	**273**	**109**	**4**	**-**	**7,401**
(2) Undisputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(3) Undisputed Trade Receivables – credit impaired	**-**	**13**	**20**	**76**	**90**	**72**	**271**
(4) Disputed Trade Receivables– considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(5) Disputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(6) Disputed Trade Receivables – credit impaired	**-**	**-**	**27**	**133**	**13**	**24**	**197**
	4,181	**2,847**	**320**	**318**	**107**	**96**	**7,869**

Current Trade Receivables Ageing Schedule 31 March 2022

Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 years**	**Total**
(1) Undisputed Trade receivables – considered good	6482	887	38	86	7	1	7501
(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
	6482	887	42	388	62	84	7,945

Amounts in ₹ Mln

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

Particulars	As at 31-03-2023	As at 31-03-2022
Balances with banks:		
– On current accounts	**270**	756
– Deposits with original maturity of less than three months	**1,800**	10,620
– Exchange Earners' Foreign Currency Account	**-**	1,741
Cheques/ drafts on hand	**24**	17
	2,094	13,134
Other Bank Balances		
Unpaid dividend accounts	**19**	15
Unspent CSR accounts	**5**	10
	2,118	13,159

Changes in Liabilities arising from financing activities

Lease Liabilities	As at 31-03-2023	As at 31-03-2022
Opening balance as of 1 April	**1,912**	2,305
Cash Flows during the year		
Cashflows	**(711)**	(393)
Closing balance as of 31 March	**1,201**	1,912
Break up of Cash Flows during the year		
Additions during the year	**418**	467
Deletions during the year	**(409)**	(152)
Payment of lease liabilities (Principal)	**(720)**	(708)
Total	**(711)**	(393)

9. **(c) Current Financial assets - Others**

Particulars	As at 31-03-2023	As at 31-03-2022
Interest accrued on deposits with banks		154
Government grants	**331**	244
Allowances for Government Grants - Credit impaired	**(112)**	(2)
Security Deposits (Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good	**279**	19
Security Deposits Credit impaired	**9**	10
Allowances for Security Deposits - credit impaired	**(9)**	(10)
	498	415

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

10. Other Current Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31-03-2023	As at 31-03-2022
Advance Rentals	**11**	26
Advance to suppliers (other than related party)	**293**	383
CENVAT credit receivable	**147**	147
GST Input tax credit receivable	**1,019**	1,164
VAT credit receivable	**-**	2
Special additional duty receivables and drawback claims	**106**	67
Balances with customs and port trust	**624**	396
Prepaid expenses	**149**	52
Claims receivables	**1,287**	1,279
Advances to employees	**6**	7
Considered doubtful		
Advance to suppliers	**36**	27
Claims receivables	**108**	-
Special additional duty receivables and drawback claims	**-**	13
Allowances for doubtful other loans and advances		
Advance to suppliers	**(36)**	(27)
Claims receivables	**(108)**	-
Special additional duty receivables and drawback claims	**-**	(13)
Total	**3,642**	3,523

11. Equity Share Capital

Particulars	As at 31-03-2023	As at 31-03-2022
Authorised Share Capital		
92,000,000 (March 31 2022 - 92,000,000) Equity shares of ₹10 each	**920**	920
20,000,000 (March 31 2022 - 20,000,000) Non-convertible cumulative preference shares of ₹10 each	**200**	200
Total	**1,120**	1,120
Issued, subscribed and paid-up		
57,517,242 (March 31 2022 - 57,517,242) Equity shares of ₹10 each	**575**	575

(a) Reconciliation of the number of equity shares outstanding	**Number of shares**	Equity share capital
As at 1st April 2021	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2022	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2023	**5,75,17,242**	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 2022 : ₹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.

Amounts in ₹ Mln

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 Koninklijke Philips N.V (KPNV)	**As at 31-03-2023**	As at 31-03-2022
55,290,182 (March 31 2022 - 55,290,182) Equity shares of ₹10 each	**553**	553

(d) Details of shareholders holding more than 5% shares of the company	**As at 31-03-2023**	As at 31-03-2022
Koninklijke Philips N.V (KPNV)		
Number of equity shares held	**5,52,90,182**	5,52,90,182
% of Holding	**96.13**	96.13

12. Other Equity

Particulars	**As at 31-03-2023**	As at 31-03-2022
(a) General reserve		
As at the beginning of the year	**-**	2,315
Transfer as per Composite Scheme of Arrangement	**-**	(2,315)
As at the end of the year	**-**	-
(b) Retained Earnings		
As at the beginning of the year	**22,200**	21,060
Add: Profit for the year	**2,600**	2,659
Less: Reductions during the year		
Dividend for FY 2021-22	**(173)**	(173)
Interim Dividend for FY 2022-23	**(12,769)**	
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)	**(90)**	96
As at the end of the year	**11,768**	22,200
Total Other Equity (a+b)	**11,768**	22,200

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

Particulars	**As at 31-03-2023**	As at 31-03-2022
Re-measurement gains / (losses) on defined benefit plans	**(120)**	399
Income tax effect on defined benefit plans	**30**	(301)
	(90)	98

A. Summary of Other Equity

Particulars	**As at 31-03-2023**	As at 31-03-2022
General Reserve	**-**	-
Retained Earnings	**12,499**	22,841
Items of OCI	**(731)**	(641)
Total other Equity	**11,768**	22,200

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 41).

(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

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

13. Non-current financial liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Lease Liabilities	**603**	1,204
	603	1,204

14. Other non-current liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
Employee related payables	**146**	45
	146	45

15. Provisions

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Non-Current		
Provision for employee benefits	**839**	454
Gratuity (refer note 27)	**374**	88
Compensated absences	**330**	366
Long Service Awards	**135**	-
Others	**1,970**	1,924
Legal and regulatory (refer note 15.1)	**1,970**	1,924
Total (a)	**2,809**	2,378
(b) Current		
Provision for employee benefits	**67**	62
Compensated absences	**49**	59
Post-employment medical benefits	**2**	3
Long Service Awards	**16**	-
Others	**737**	892
Warranty (refer note 15.1)	**228**	269
Legal and regulatory (refer note 15.1)	**303**	506
Miscellaneous (refer note 15.1)	**206**	117
Total (b)	**804**	954

Additional disclosure relating to provisions

15.1. Movement in other provisions (non-current and current)

Particulars	Warranty	Legal and Regulatory	Miscellaneous	Total
as at 1st April, 2021	74	2,120	58	2,252
Add: Accruals during the year	475	370	59	904
Less: Utilization	(280)	(18)	-	(298)
Less: Write back during the year	-	(42)	-	(42)
as at 31 March, 2022	269	2,430	117	2,816
Add: Accruals during the year	**374**	**49**	**258**	**681**
Less: Utilization / Reclassification during the year	**(415)**	**(203)**	**(169)**	**(787)**
Less: Write back during the year	**-**	**(3)**	**-**	**(3)**
as at 31 March 2023	**228**	**2,273**	**206**	**2,707**

Amounts in ₹ Mln

16. Current Financial Liabilities

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Lease Liabilities	**598**	708
(b) Trade Payables		
Dues to others	**4,633**	4,754
Dues to related parties	**2,412**	2,706
Dues to Micro, Small and Medium Enterprises		
a. Principal amount remaining unpaid to any supplier as at end of the year	**134**	11
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	**-**	-
	7,179	7,471

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

Trade Payables due for payment Ageing Schedule 31-03-2023	**Dues to MSME**	**Dues to Others & related parties**	**Disputed Dues to MSME**	**Disputed Dues to Others & related parties**	**Total**
Outstanding for following periods from due date of payment					
Not Due	**111**	**5,961**	**-**	**-**	**6,072**
Less than 1 year	**23**	**893**	**-**	**-**	**916**
1 - 2 Years		**176**	**-**	**-**	**176**
2 - 3 Years	**-**	**9**	**-**	**-**	**9**
More than 3 years	**-**	**6**	**-**	**-**	**6**
	134	**7,045**	**-**	**-**	**7,179**

Trade Payables due for payment Ageing Schedule 31-03-2022	**Dues to MSME**	**Dues to Others & related parties**	**Disputed Dues to MSME**	**Disputed Dues to Others & related parties**	**Total**
Outstanding for following periods from due date of payment					
Not Due	-	6,749	-	-	6,749
Less than 1 year	11	699	-	-	710
1 - 2 Years	-	4	-	-	4
2 - 3 Years	-	-	-	-	-
More than 3 years	-	3	-	5	8
	11	**7,455**	**-**	**5**	**7,471**

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.

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

(c) Other financial liabilities

Particulars	**As at 31-03-2023**	As at 31-03-2022
Unpaid dividend	**19**	15
Book overdraft	**125**	260
Other payables:		
Payables for purchase of fixed assets (other than micro and small enterprises)	**266**	93
	410	368

17. Other current liabilities

Particulars	**As at 31-03-2023**	As at 31-03-2022
Other payables:		
Employee related payables	**989**	914
Statutory dues	**932**	941
	1,921	1,855

18. Revenue from operations

Particulars	**Year 2022-23**	Year 2021-22
Sale of goods	**25,648**	28,617
Sale of services	**31,034**	25,673
(i) Revenue from contracts with customers	**56,682**	54,290
(ii) Other operating revenues	**658**	**524**
Liabilities no longer required written back	**105**	79
Finance income - leases	**102**	129
Duty drawback and export incentives	**230**	103
Miscellaneous*	**221**	213
Revenue from operations (i+ii)	**57,340**	54,814

* Includes Lease rental income on Investment Property ₹ **109** (Previous Year ₹ 51).

18 (a) Disaggregated revenue information

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

Particulars	**Year 2022-23**				
	Personal Health	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Nature of Goods or Services					
Sale of Goods	**7,743**	**17,905**	**-**	**-**	**25,648**
Sale of Services	**3**	**8,588**	**21,729**	**714**	**31,034**
Revenue from contracts with customers	**7,746**	**26,493**	**21,729**	**714**	**56,682**
Geography					
Within India	**7,738**	**18,446**	**11**	**136**	**26,331**
Outside India	**8**	**8,047**	**21,718**	**578**	**30,351**
Revenue from contracts with customers	**7,746**	**26,493**	**21,729**	**714**	**56,682**
Timing of revenue recognition					
Goods transferred at a point in time	**7,743**	**17,905**	**-**	**-**	**25,648**
Services transferred over time	**3**	**8,588**	**21,729**	**714**	**31,034**
Revenue from contracts with customers	**7,746**	**26,493**	**21,729**	**714**	**56,682**

Amounts in ₹ Mln

Particulars	Year 2021-22				
	Personal Health	Health Systems	Innovation Services	Other Unallocable	Total
Nature of Goods or Services					
Sale of Goods	8,979	19,638	-	-	28,617
Sale of Services	6	8,081	17,062	524	25,673
Revenue from contracts with customers	8,985	27,719	17,062	524	54,290
Geography					
Within India	8,976	21,944	1	106	31,027
Outside India	9	5,775	17,061	418	23,263
Revenue from contracts with customers	8,985	27,719	17,062	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	8,081	17,062	524	25,673
Revenue from contracts with customers	8,985	27,719	17,062	524	54,290

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

Particulars	Year 2022-23	Year 2021-22
Revenue as per contracted price	**58,429**	58,009
Adjustments		
Extended warranties	**(536)**	(2,080)
Significant financing component	**(116)**	(71)
Sales returns	**(266)**	(591)
Rebates	**(829)**	(977)
Revenue from contracts with customers	**56,682**	54,290

18 (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 is as follows:

Particulars	Year 2022-23	Year 2021-22
Within one year	**4,176**	3,297
More than one year	**1,099**	720
	5,275	4,017

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.

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

19. Other Income

Particulars	Year 2022-23	Year 2021-22
Interest income (other than on investments)	**373**	373
Interest income on Current Investments	**4**	-
Interest on income-tax refund	**46**	21
Net gain on foreign currency transaction and translation	**135**	-
Interest income on defined benefit plan	**77**	29
Interest income on Security Deposits	**11**	21
Profit on sale of invesments	**9**	-
Surplus on disposal of fixed assets	**16**	-
Other non-operating income	**48**	204
	719	648

20. Cost of raw materials consumed

Particulars	Year 2022-23	Year 2021-22
Inventory of raw materials at the beginning of the year	**1,189**	949
Add: Purchases	**4,829**	4,145
Less: Inventory of raw materials at the end of the year	**1,388**	1,189
Cost of raw materials consumed	**4,630**	3,905

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

	Year 2022-23	Year 2021-22
Purchases of stock-in-trade (goods purchased for resale)	**19,803**	24,460

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

Particulars	Year 2022-23	Year 2021-22
Stock at the beginning of the year		
Finished goods	**-**	35
Work-in-Progress	**2,448**	1,330
Stock-in-trade (goods purchased for resale)	**2,285**	1,556
Total	**4,733**	2,921
Stock at the end of the year		
Finished goods	**76**	-
Work-in-Progress	**2,258**	2,448
Stock-in-trade (goods purchased for resale)	**2,961**	2,285
	5,295	4,733
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**(562)**	(1,812)

23. Employee benefits expense

Particulars	Year 2022-23	Year 2021-22
Salaries, wages and bonus	**18,377**	15,131
Contribution to provident and other funds	**752**	551
Defined benefit plan expense	**191**	174
Expense on Employee Stock Option Schemes	**180**	167
Staff welfare expenses	**615**	567
	20,115	16,590

24. Finance costs

Particulars	Year 2022-23	Year 2021-22
Interest on Lease Liabilities (refer note 40)	**120**	121
Net interest on the net defined benefit liability	**79**	93
Other interest expense	**60**	57
Total interest expense	**259**	271
Unwinding of discount and effect of changes in discount rate on provisions	**5**	1
Total Finance costs	**264**	272

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

	Particulars	Year 2022-23	Year 2021-22
25.	**Depreciation and amortization expense**		
	Depreciation of property, plant & equipment (Refer note 2)	**494**	612
	Depreciation of Investment property ((Refer note 3)	**66**	38
	Depreciation of Right of Use Assets (Refer note 2 & 40)	**725**	734
		1,285	1,384
26.	**Other expenses**		
	Power and fuel	**202**	165
	Packing, freight and transport	**747**	760
	Rent	**144**	188
	Repairs to buildings	**28**	7
	Repairs to plant and machinery	**3**	3
	Insurance	**137**	128
	Rates and taxes	**9**	5
	Travelling and conveyance	**731**	350
	Legal and professional	**1,808**	1,181
	Publicity	**1,545**	1,669
	IT and Communication	**1,594**	1,436
	Fees for services from Holding company and Fellow Subsidiary Company	**244**	375
	Allowance for doubtful trade receivables and advances	**158**	24
	Warranty	**374**	475
	Net loss on foreign currency transaction and translation	**-**	32
	Miscellaneous	**1,592**	1,532
		9,316	8,330
	Legal and professional includes payments to auditors as given below:		
	Statutory audit fees	**5.2**	5.9
	Tax audit fees	**2.5**	2.5
	Certification fees		1.1
	Miscellaneous include:		
	Undepreciated value of property, plant & equipment written-off / provided for	**9**	2
	Handling charges	**87**	102
	Royalty	**306**	272
	Commission	**46**	67
	Corporate Social Responsibility Expense	**62**	29
	Details of CSR Expenditure:		
	a) Gross amount required to be spent by the Company during the year	**52**	51
	b) Amount spent during the year		
	i) For Purposes mentioned below:		
	- In Cash	**28**	23
	- Yet to be paid in Cash	**24**	28
	ii) On purposes other than (i) above		
	- In Cash	**-**	-
	- Yet to be paid in Cash	**-**	-
	c) Shortfall at the end of the year	**24**	28
	d) Total of previous years' shortfall	**9**	14

In terms of the provisions of Section 135 of the Companies Act, 2013, for the financial year 2022-2023, the Company was required to spend an amount of ₹**52** (Previous Year ₹51) towards CSR activities and the Company has spent ₹**28** (Previous Year ₹23) against the same. The Company, on 28 April 2023, has deposited ₹**24** (Previous Year ₹32) on account of CSR unspent amount for the year 2022-23 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, 2023

Amounts in ₹ Mln

27. 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 the liability towards employees' gratuity managed through Income Tax recognized trust. Annual contributions are made to the employee's gratuity fund, established with the insurance company based on an actuarial valuation carried out as at 31 March each year. During the previous 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	**Year 2022-23**	Year 2021-22
Current service cost	**191**	174
Interest cost on benefit obligation	**79**	69
Expected return on plan assets	**(77)**	(29)
Net actuarial (gain)/ loss recognized in the year	**120**	(129)
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	**313**	85

The gratuity expense has been recognized in "Employee benefits expenses" under note 23 to the Financial Statements

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

Changes in the present value of the defined benefit obligation:

Particulars	**Gratuity**		**Provident Fund**	
	Year 2022-23	Year 2021-22	**Year 2022-23**	Year 2021-22
A. Present value of obligations as at beginning of the year	**1,177**	1,172	**-**	7,971
(1) Current service cost	**191**	174	**-**	-
(2) Interest cost	**79**	69	**-**	211
(3) Benefits settled	**(125)**	(105)	**-**	(234)
(4) Settlements	**-**	-	**-**	-
(5) Actuarial (gain) / loss	**135**	(75)	**-**	69
(6) Actuarial (gain) / loss due to Interest rate guarantee	**-**	-	**-**	-
(7) Employees' contribution	**-**	-	**-**	-
(8) Acquisition/Business Combination/Divestiture	**-**	(51)	**-**	(231)
(9) Change in reserves	**-**	-	**-**	-
(10) Transfer in	**-**	(7)	**-**	89
(11) Past service cost	**-**	-	**-**	-
(12) Settlement gain	**-**	-	**-**	(340)
(12) Transfer to RPFC	**-**	-	**-**	(7,535)
Present value of obligations as at end of the year	**1,457**	1,177	**-**	-

Amounts in ₹ Mln

Changes in the fair value of plan assets as at 31 March 2023

Particulars	Gratuity Year 2022-23	Gratuity Year 2021-22	Provident Fund Year 2022-23	Provident Fund Year 2021-22
B. Change in Plan Assets				
Plan assets as at beginning of the year	**1,089**	455	**-**	6,854
(1) Expected return on plan assets	**77**	29	**-**	188
(2) Contributions	**28**	610	**-**	-
(3) Benefits settled	**(126)**	(59)	**-**	-
(4) Employer and Employee contribution	**-**	-	**-**	505
(5) Transfer in	**-**	-	**-**	88
(6) Benefit payments	**-**	-	**-**	(234)
(7) Asset gain / (loss)	**15**	54	**-**	339
(8) Settlements	**-**	-	**-**	-
(9) Acquisition/Business Combination/Divestiture	**-**	-	**-**	(205)
(10) Changes in reserves	**-**	-	**-**	(7,535)
Plan assets as at end of the year	**1,083**	1,089	**-**	-

	2022-23	2021-22
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	**(1,457)**	(1,177)
(2) Fair value of Plan assets	**1,083**	1,089
Liability recognized in Balance Sheet	**(374)**	(88)
E. Components of Employer Expense:		
(1) Current service cost	**191**	174
(2) Interest cost	**79**	69
(3) Expected return on plan assets(estimated)	**(77)**	(29)
(4) Curtailments	**-**	-
(5) Past service cost	**-**	-
(6) Actuarial (gain) / loss	**120**	(128)
Total expense recognized in Statement of Profit and Loss	**313**	86

F. Experience Adjustments

Particulars	Gratuity (Funded)				
	2022-23	2021-22	2020-21	2019-20	2018-19
Defined Benefit Obligations	**1,457**	1,177	933	782	563
Plan Assets	**1,083**	1,089	455	483	351
Surplus/(Deficit)	**(374)**	(88)	(478)	(299)	(212)
Experience adjustments on Plan assets/ liabilities (gain) / loss	**-**	-		46	46
Particulars	**Gratuity (Unfunded)**				
	2022-23	2021-22	2020-21	2019-20	2018-19
Defined Benefit Obligations	**-**	-	239	206	150
Plan Assets	**-**	-	-	-	-
Surplus/(Deficit)	**-**	-	(239)	(206)	(150)
Experience adjustments on Plan assets/ liabilities (gain) / loss	**-**	-		6	6
Particulars	**Provident Fund**				
	2022-23	2021-22	2020-21	2019-20	2018-19
Defined Benefit Obligations	**-**	-	7,971	7,167	5,678
Plan Assets	**-**	-	6,854	6,371	6,403
Surplus/(Deficit)	**-**	-	(1,117)	(796)	725
Experience adjustments on Plan assets/ liabilities (gain) / loss	**-**	-	113	731	(140)

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

G. Assumptions

Particulars	**Gratuity**		**Provident Fund**	
	2022-23	2021-22	**2022-23**	2021-22
Financial Assumptions				
Discount factor (%)	**7.15%**	7.07%		
Estimated rate of return on Plan Assets (%)	**7.15%**	7.07%		
Salary Increase (%)	**7.00%**	7.00%		
Yield on Assets based on the Market Value (%)			**-**	8.00%
Outstanding term of the liabilities (Years)			**-**	8.11 years
Govt of India - Bond Yield for the outstanding term of liabilities (%)			**-**	6.50%
Interest Rate Guarantee (%)			**-**	8.50%
Expected Return on the Exempt Fund as per GN 29 methodology (%)			**-**	8.50%

Demographic Assumptions

Mortality	**IALM (2012-14)**	IALM (2006-08)		IALM (2012-14)
Attrition rate (%)				
- Management	**-**	10	**Nil**	13
- PMS	**-**	10	**Nil**	11
- Innovation Services	**-**	10	**Nil**	13
- Healthcare Innovation Center	**-**	10	**Nil**	Nil
Retirement age (Years)				
- Healthcare Innovation Center	**60**	60	**Nil**	58
- Others	**60**	60	**Nil**	60

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 31-03-2023**	As at 31-03-2022
Discount rate		
a. Discount rate - 100 basis points	**1,568**	1,268
b. Discount rate + 100 basis points	**1,360**	1,098
Salary increase rate		
a. Rate - 100 basis points	**1,359**	1,102
b. Rate + 100 basis points	**1,568**	1,261

I. Maturity profile of defined benefit obligation

Particulars	**As at 31-03-2023**	As at 31-03-2022
Within the next 12 months (next annual reporting period)	**140**	111
Between 2 and 5 years	**575**	631
Between 6 and 10 years	**710**	1,197
Total expected payments	**1,425**	1,939

Amounts in ₹ Mln

28. 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 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 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.

(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	0.43%
2.	Expected share price volatility	32%

(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 2022	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31 March 2023	Exercisable
April 23, 2012	14.82	4,200	-	-	-	(4,200)	-	-
		4,200	-	-	-	**(4,200)**	-	-
Previous Year		18,350	-	-	-	(14,150)	4,200	4,200

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

28 Employees' Share-based Payments (contd.)

(f) 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 31 March, 2022	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2023
June 13, 2019	42.20	390	-	-	-	(390)	**-**
May 6, 2019	37.20	16,229	-	-	-	(16,229)	**-**
April 30, 2020	39.72	19,834	-	(1,511)	(684)	-	**17,639**
July 7, 2020	44.61	740	-	(31)	(14)	(337)	**358**
July 24, 2020	44.61	576	-	(111)	-	(465)	**-**
April 30, 2021	51.01	21,060	-	(1,388)	(865)	-	**18,807**
June 9, 2021	38.89	1,092	-	(56)	(29)	(323)	**683**
July 30, 2021	32.49	2,612	-	-	-	(1,001)	**1,611**
October 22, 2021	36.46	759	-	-	-	(253)	**506**
January 28, 2022	41.03	1,561	-	-	-	(780)	**781**
April 29, 2022	21.20	-	66,072	(3,639)	(2,201)	-	**60,232**
June 8, 2022	21.20	-	4,125	(225)	(126)	(92)	**3,682**
July 29, 2022	15.06	-	3,213	-	-	-	**3,213**
October 28, 2022	6.87	-	7,596	-	-	-	**7,596**
February 3, 2023	6.87	-	1,834	-	2,903	-	**4,737**
		64,852	**82,840**	**(6,961)**	**(1,016)**	**(19,870)**	**1,19,845**
Previous Year		66,869	29,282	(4,990)	(2,506)	(23,804)	**64,852**

(g) Number and weighted average grant date fair value of Restricted Shares (USD)

	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 31 March, 2022	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2023
April 30, 2020	36.30	1,128	-	-	-	-	**1,128**
May 6, 2019	41.64	4,619	-	-	-	(4,619)	**-**
June 13, 2019	46.99	111	-	-	-	(111)	**-**
July 7, 2020	51.78	119	-	-	-	(96)	**23**
April 30, 2021	61.85	791	-	-	-	-	**791**
June 9, 2021	38.89	126	-	-	-	(90)	**36**
April 29, 2022	22.35	-	4,673	-	-	-	**4,673**
June 8, 2022	22.35	-	244	-	-	-	**244**
		6,894	**4,917**	**-**	**-**	**(4,916)**	**6,895**
Previous Year		8,174	68	-	3,149	(4,497)	**6,894**

Amounts in ₹ Mln

28 Employees' Share-based Payments (contd.)

(h) Number and weigted average grant date fair value of Performance Shares (EURO)

	Weighted average grant-date fair value of the share in EURO	Outstanding as at 31 March, 2022	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2023
April 30, 2021	46.88	791	-		-	-	**791**
June 9, 2021	38.89	196	-	(99)	-	(61)	**36**
May 6, 2019	37.20	8,244	-	(5,111)	-	(3,133)	**-**
June 13, 2019	42.20	198	-	(123)	-	(75)	**-**
April 30, 2020	39.72	1,128	-		-	-	**1,128**
July 7, 2020	44.61	194	-	(106)	-	(65)	**23**
April 29, 2022	22.35	-	9,489		-	-	**9,489**
June 8, 2022	22.35	-	420		-	-	**420**
		10,751	**9,909**	**(5,440)**	**-**	**(3,334)**	**11,887**
Previous Year		18,708	139	-	3,148	(11,244)	**10,751**

(i) Number and weighted average grant date fair value of Performance Shares (USD)

	Weighted average grant-date fair value of the share in USD	Outstanding as at 31 March, 2022	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2023
May 6, 2019	41.64	18,472	-	(11,452)	-	(7,019)	**-**
June 13, 2019	46.99	444	-	(275)	-	(169)	**-**
April 30, 2020	36.11	25,089	-	(1,511)	(1,196)	-	**22,382**
July 7, 2020	51.78	893	-	(269)	(24)	(146)	**454**
April 30, 2021	61.85	25,879	-	(1,388)	(1,296)	-	**23,195**
June 9, 2021	32.98	1,313	-	(276)	(47)	(136)	**854**
July 30, 2021	32.49	1,038	-			-	**1,038**
April 29, 2022	22.35	-	70,372	(3,639)	(3,439)	-	**63,294**
June 8, 2022	22.35	-	4,502	(225)	(207)	-	**4,071**
July 29, 2022	15.06	-	1,485	-	-	-	**1,485**
October 28, 2022	6.83	-	5,638	-	-	-	**5,638**
February 3, 2023	6.83	-	1,834	-	2,903	-	**4,737**
		73,128	**83,831**	**(19,036)**	**(3,306)**	**(7,470)**	**1,27,148**
Previous Year		84,211	30,937	(4,784)	(4,865)	(32,371)	**73,128**

(j) Employee Share Purchase Plan:

Particulars	**31-Mar- 23**	**31-Mar- 22**
Expense recognized on account of "Employee Share-Based Payment"	**180**	167
Carrying liability	**152**	45

(k) 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-Mar- 23**	31-Mar- 22
Number of shares bought during the year by the employees	**1,46,809**	43,205
Average purchase price (in Euro)	**18.31**	38.66

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

29. Commitments and contingencies

Particulars			As at 31-03-2023	As at 31-03-2022
a.	**Commitments**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for		**2,221**	502
b.	**Contingent liabilities**			
	(i)	Relating to Philips India Limited		
		Disputed Excise demands	**11**	11
		Income Tax demands	**6,424**	8,023
		VAT	**1,083**	1,793
		Service Tax demands	**21**	8
		Customs Duty	**62**	62
	(ii)	Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
		Income Tax demands	**-**	283
		VAT	**605**	1,191

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

30. Related party transactions (As per Ind AS 24 Related Party Disclosures)

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:

(1) Fellow Subsidiary Companies (as per list given below)

China Shenzhen Goldway Small
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.

(2) Employee Trusts

Philips India Ltd Management Staff Provident Fund Trust
Philips Employees Group Gratuity Scheme

(3) Key Management Personnel

Executive Directors:	Non-Executive Directors:	Company Secretary:
Mr. Daniel Mazon	Mr. S. M. Datta	Mr. Rajiv Mathur*
Mr. Rajiv Mathur*	Ms. Geetu Gidwani Verma	Ms. Pooja Bedi**
Mr. Sudeep Agrawal		
Ms. Pooja Bedi**		

*Ceased to be Executive Director & Company Secretary effective July 1 2021.

** effective July 1 2021

30 Related party transactions (As per Ind AS 24 Related Party Disclosures) contd..

Amounts in ₹ Mln

d. Nature of transactions

Particulars	Ultimate Holding Company		Subsidiary Companies		Fellow Subsidiary Companies		Key Management Personnel		Employee Trusts	
	2022-23	2021-22	**2022-23**	2021-22	**2022-23**	2021-22	**2022-23**	2021-22	**2022-23**	2021-22
Purchases										
Goods	**-**	-	**-**	1	**17,015**	20,962	**-**	-	**-**	-
Property, Plant and Equipment	**-**	-	**-**	-	**169**	17	**-**	-	**-**	-
Services	**215**	20	**-**	10	**1,269**	1,639	**-**	-	**-**	-
Reimbursements	**180**	167	**-**	-	**38**	164	**-**	-	**-**	-
Sales										
Goods	**-**	-	**-**	-	**5,276**	3,169	**-**	-	**-**	-
Services	**3,070**	2,581	**-**	-	**22,294**	17,704	**-**	-	**-**	-
Key Management Personnel										
Mr.Daniel Mazon	**-**	-	**-**	-	**-**	-	**134**	163	**-**	-
Mr.Rajiv Mathur	**-**	-	**-**	-	**-**	-	**-**	12	**-**	-
Mr.Sudeep Agrawal	**-**	-	**-**	-	**-**	-	**22**	26	**-**	-
Mr.S.M.Datta	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-
Ms. Pooja Bedi	**-**	-	**-**	-	**-**	-	**13**	14	**-**	-
Mrs.Geetu Gidwani Verma	**-**	-	**-**	-	**-**	-	**1**	1	**-**	-
Finance										
Dividend Paid	**12,440**	166	**-**	-	**-**	-	**-**	-	**-**	-
Return of capital	**-**	-	**-**	4,066	**-**	-	**-**	-	**-**	-
Contributions to Employee Trusts	**-**	-	**-**	-	**-**	-	**-**	-	**-**	504
Outstandings										
Payable	**82**	314	**-**	-	**2,380**	2,390	**-**	-	**-**	-
Receivable	**46**	65	**-**	-	**1,773**	2,732	**-**	-	**-**	-

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.

Compensation of key management personnel of the company

Particulars	**2022-23**	2021-22
Short-term employee benefits	**165**	211
Post-employment benefits*	**6**	6
	171	217

* 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

30 (e). Related Party Trasactions contd..

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions* 2022-23	2021-22
Ultimate Holding Company:			
Koninklijke Philips N.V.	Import of Services	**215**	-
Koninklijke Philips N.V.	Reimbursements paid	**180**	168
Koninklijke Philips N.V.	Export of Services	**3070**	-
Fellow subsidiary Companies:			
Philips Electronics Nederland B.V.	Export of Services	**5,356**	4,680
Philips Medical Systems Nederland B.V.	Export of Services	**7,422**	5,921
Philips Medical Systems Nederland B.V.	Export of Goods	**5,260**	2,669
Philips Consumer Lifestyle B.V.	Import of Services	**171**	-
Philips Electronics Nederland B.V.	Import of Services	**686**	533
Philips International B.V.	Import of Services	**-**	377
Philips Ultrasound, Inc.	Import of Services	**-**	245
Philips Consumer Lifestyle B.V.	Import of Goods	**4,033**	5,292
Philips Electronics Singapore Pte Ltd	Import of Goods	**2,864**	3,095
Philips Medical Systems Nederland B.V.	Import of Goods	**5,305**	3,584
Respironics, Inc.	Import of Goods	**-**	4,086
Philips International B.V.	Reimbursements paid	**38**	48
Philips Electronics Nederland B.V	Reimbursements paid	**-**	62
Philips Electronics North America Corporation	Reimbursements paid	**-**	50
Philips Medical Systems Nederland B.V.	Import of Fixed assets	**140**	8
Philips Medical Systems Technologies Ltd.	Import of Fixed assets	**19**	3
Philips Electronics Singapore Pte Ltd	Import of Fixed assets	**-**	5

* represents material transactions of the same type with related parties during the year which comprise more than 10% of aggregate value of transactions.

31. Significant accounting judgments, estimates and assumptions

The preparation of the company's financial statements requires management to make judgments, 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.

(i) Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

- **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.

- **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

Amounts in ₹ Mln

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.

(ii) 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.

- **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 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.

- **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 27.

- **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 34 and 35 for further disclosures.

- **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.

- **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 2023 was ₹**38** (31 March 2022: ₹55). The Company estimates that the costs would be realised upon the expiration of the lease period.

Amounts in ₹ Mln

32. Exceptional items include:

Particulars	2022-23	2021-22
(a) Profit on sale of property	-	969
(b) Gain on settlement of Provident Fund Liability *	-	340
	-	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 previous year, the Company had 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 ₹ NIL (Previous Year - ₹ 340) as per relevant accounting standards since the Company is no longer liable for future interest rate guarantee shortfalls.

33. 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 ((all FC (Foreign Currency) are in 000s))

Details	USD Currency				Euro Currency			
	As at 31-03-2023		As at 31-03-2022		As at 31-03-2023		As at 31-03-2022	
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	4,261	51,855	6,089	80,339	125	1,396	187	2,212
Payables	4,044	49,210	3,393	44,765	511	5,716	233	2,773

(b) Foreign exchange currency exposures not covered by Forward Contracts ((all FC (Foreign Currency) are in 000s))

Details	As at 31-03-2023		As at 31-03-2022		As at 31-03-2023		As at 31-03-2022	
	USD Exposure				Euro Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	-	-	-	-	-	-
Payables	-	-	-	-	26.96	302.00	344	4,085

Details	SGD Exposure			
	INR	FC	INR	FC
Receivables	-	-	-	-
Payables	0.13	2.10	-	-

Details	AUD Exposure			
	INR	FC	INR	FC
Receivables	-	-	-	-
Payables	0.79	13.75	0.83	14.58

Details	CNY Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-		
Payables	22.29	1,851.33	14	1,229

Amounts in ₹ Mln

34. Financial Instruments -Financial assets and financial liabilities

The accounting classification of each category of financial instrument their carrying amounts and their fair value amounts are set out below:-

Financial Assets	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Trade Receivables (Non-Current)	-	-	715	1,186	715	1,186	715	1,186
Other Financial Assets (Non-Current)	-	-	159	409	159	409	159	409
Trade receivables (Current)	-	-	7,401	7,501	7,401	7,501	7,401	7,501
Investments (Current)	50	53	-	-	50	53	50	53
Cash and cash equivalents	-	-	2,118	13,159	2,118	13,159	2,118	13,159
Other Financial Assets (Current)	-	-	498	415	498	415	498	415
Total	**50**	**53**	**10,891**	**22,670**	**10,941**	**22,723**	**10,941**	**22,723**

Financial Liabilities	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Lease Liabilities (Non-Current)	-	-	603	1,204	603	1,204	603	1,204
Lease Liabilities (Current)	-	-	598	708	598	708	598	708
Trade Payables(Current)	-	-	7,179	7,471	7,179	7,471	7,179	7,471
Other Financial Liabilities(Current)	-	-	410	368	410	368	410	368
Total	**-**	**-**	**8,790**	**9,751**	**8,790**	**9,751**	**8,790**	**9,751**

35. 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

1.The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets:

Financial liabilities measured at fair value through profit or loss	Level 1		Level 2		Level 3		Total	
	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022	As at March 31 2023	As at March 31 2022
Investments	50	53	-	-	-	-	50	53

2.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.

Amounts in ₹ Mln

36. Dividend Paid and Proposed

Particulars	**Year 2022-23**	Year 2021-22
Dividend declared and paid during the year		
Dividend paid for the year ended March 31, 2022 ₹3/- per share (March 31, 2021 : ₹ 3/- per share)	**173**	173
Interim Dividend paid for the year ended March 31, 2023 ₹222/- per share (March 31, 2022 : ₹Nil per share)	**12,769**	-
	12,942	173
Proposed Dividend on equity shares:		
Dividend for the year ended March 31, 2023 ₹Nil/- per share (March 31, 2022: ₹ 3/- per share)	**-**	173

37. 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 31st March, 2023, the Company has only one class of equity shares and has low 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	**Year 2022-23**	Year 2021-22
Earnings before interest and tax (before exceptional items)	**2,961**	2,029
Capital employed	**12,343**	22,775
Return on Capital Employed (ROCE %)	**24.0%**	8.9%

38. 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 analyses in the following sections relate to the position as at March 31 2023. The analyses 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, 2023.

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

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 risk 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 2022-23	Year 2021-22	**Year 2022-23**	Year 2021-22
5%	**(49.77)**	(12.69)	**50.77**	(8.82)
-5%	**49.77**	12.69	**(50.77)**	8.82

Change in Euro rate	Effect on profit before tax		Effect on total equity	
	Year 2022-23	Year 2021-22	**Year 2022-23**	Year 2021-22
5%	**(24.42)**	115.49	**25.42**	80.31
-5%	**24.42**	(115.49)	**(25.42)**	(80.31)

(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 Mar 31, 2023

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.

(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 31st March, 2023 and 2022 is the carrying value of each class of financial assets as illustrated in note 5 & 9.

Amounts in ₹ Mln

(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 31st March, 2023 and 31st March, 2022. 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.

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 March 31 2023	As at March 31 2022	**As at March 31 2023**	As at March 31 2022	**As at March 31 2023**	As at March 31 2022	**As at March 31 2023**	As at March 31 2022
Lease Liabilities (Non-Current)	**603**	1,204	**-**	-	**603**	1,204	**603**	1,204
Lease Liabilities (Current)	**598**	708	**598**	708	**-**	-	**598**	708
Trade Payables(Current)	**7,179**	7,471	**7,179**	7,471	**-**	-	**7,179**	7,471
Other Financial Liabilities (Current)	**410**	368	**410**	368	**-**	-	**410**	368
Total	**8,790**	9,751	**8,187**	8,547	**603**	1,204	**8,790**	9,751

39. Earnings per share (EPS)

Particulars	**Year 2022-23**	Year 2021-22
Calculation of earnings per share		
Weighted average number of equity shares outstanding during the year *	**5,75,17,242**	5,75,17,242
Profit after tax attributable to equity share holders	**2,600**	2,659
Basic and diluted earnings per equity share (in ₹)	**45.21**	46.23

* 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.

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

40. Leases

As a Lessee:

The Company has lease contracts for vehicles, office buildings and leasehold land. Lease terms of vehicles vary between 3-5 years, while other leases have lease terms between 5-7 years and for leasehold land, lease term is 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Consequently, the Company recorded 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 and 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.

Following is carrying value of Right of Use assets recognized on date of transition and the movements thereof during the year.

	Particulars	**Year 2022-23**	Year 2021-22
(1)	**Recognized in Balance Sheet As at March 31 2023**		
	Right-of-use asset As at March 31 2022	**1,795**	2,159
	Additions / Remeasurement during the year	**516**	499
	Deletions / Remeasurements during the year	**(429)**	(129)
	Depreciation for the year	**(725)**	(734)
	Right-of-use asset As at March 31 2023	**1,157**	1,795
	Lease Liabilities As at March 31 2022	**(1,912)**	(2,305)
	Additions / Remeasurement during the year	**(418)**	(467)
	Deletions / Remeasurements during the year	**409**	152
	Interest cost accrued during the year	**(120)**	(121)
	Payment of lease liabilities (Principal)	**720**	708
	Payment of lease liabilities (Interest)	**120**	121
	Lease Liabilities As at March 31 2023	**(1,201)**	(1,912)
	Current	**(598)**	(708)
	Non-Current	**(603)**	(1,204)
	Lease Liabilities at the end of the year	**(1,201)**	(1,912)
(2)	**Recognized in Statement of Profit and Loss**		
	Depreciation for the year	**725**	734
	Interest cost accrued during the year	**120**	121
	Expenses relating to leases of low value assets	**264**	239
	Total cash outflows from leases during the year	**1,109**	1,094

Amounts in ₹ Mln

41. Discontinued Operations

Koninklijke Philips N.V. ("KPNV") announced in 2020,that it will review its options for future ownership its Domestic Appliances business ("DA Business) and has disentagled the DA business to a seperate 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 Koninklijke Philips N.V (KPNV) Ultimate Holding Company. The 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 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 were transferred to and vested with Philips Domestic Appliances India Limited. The shareholders of the Demerged 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 Demerged Company.

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 were no longer included in the results of continuing operations for financial year 2021-22.

In compliance with Approved Composite Scheme of Arrangement, the Company had 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

Particulars	**Year 2022-23**	April -June 2021
Revenue from operations	-	1,563
Operating expenses	-	1,493
Pre tax profit / (loss) from operating activities	-	70
Income tax expense	-	(18)
Deferred tax - Credit / (Charge)	-	14
Profit / (loss) after tax	-	66

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

The carrying amounts of the assets and liabilities of Domestic Appliances operations

Particulars	**As at March 31 2023**	June 30, 2021
ASSETS		
Non-current assets		
Property, Plant and Equipment	-	91
Capital work-in-progress	-	27
Investments *	-	7,432
Deferred tax assets (net)	-	37
Current assets		
Inventories	-	1,274
Financial Assets		
Trade receivables	-	1,061
Other current assets	-	56
Total Assets	-	9,978
LIABILITIES		
Equity		
Other Equity (Other comprehensive Income)	-	2
Current liabilities		
Lease Liabilities	-	7
Trade Payables	-	1,911
Other current liabilities	-	42
Provisions	-	191
Total Liabilities	-	2,153

* 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", during 2021-22, 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 ₹4,066 (95,187,940 * 42.72). Balance amount of ₹3,365 and the equity Investment in PDAIL ₹0.5 is adjusted through General Reserve and Retained Earnings of the Company. (Refer Note 12 "Other Equity"). The accountig is done as per Appendix C to IND AS103 "Business Combination under Common Control".

The net cash flows attributable to the Domestic Appliances operations are as follows:

Particulars	**Year 2022-23**	Year 2021-22
Net cash inflow / (outflow) from operating activities	-	134
Net cash inflow / (outflow) from investing activities	-	-
Net cash (outflow) / inflow	-	134

Adjustment of Net assets as per Composite Scheme of Arrangemnt

Particulars	**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**

Amounts in ₹ Mln

Movement in Net Assets

Particulars	**April - June 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 redu ction	3,066
Working capital infusion by PIL in DA Business from Apr - Jun 2021	627
Profit of DA business for Apr - Jun 2021	66
Net assets as at Jun 30 2021	**3,759**

42. Segment Information (As per Ind AS 108 Operating Segments)

A: PRIMARY SEGMENT INFORMATION:	**2022-23**	2021-22
(1) Segment Revenue		
a. Personal Health	**7,781**	9,026
b. Innovation services	**21,787**	17,094
c. Health Systems	**27,041**	28,156
Total Segment Revenue	**56,609**	54,276
(2) Inter Segment Revenue		
a. Personal Health	**-**	-
b. Innovation services	**-**	-
c. Health Systems	**-**	-
Total Inter Segment Revenue	**-**	-
(3) Other Unallocable Income	**731**	538
Total Revenue from operations (1+2+3)	**57,340**	54,814
(4) Segment Result		
a. Personal Health	**(58)**	41
b. Innovation services	**2,050**	1,486
c. Health Systems	**1,016**	806
Total Segment Result	**3,008**	2,333
(5) Finance Cost	**(264)**	(272)
(6) Other Unallocable Expenditure Net of Income	**464**	272
Profit before exceptional items and tax (4+5+6)	**3,208**	2,333
(7) Exceptional Items		
a. Personal Health		-
b. Innovation services	**-**	(231)
c. Health Systems	**-**	(109)
d. Other Unallocable	**-**	(969)
Total exceptional items	**-**	(1,309)
Profit Before Tax	**3,208**	3,642

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

		2022-23	2021-22
(8)	**Tax Expense**		
a.	Current tax	**(827)**	(836)
b.	Deferred Tax Release / (Charge)	**219**	(147)
	Total tax expense	**(608)**	(983)
	Profit After Tax	**2,600**	2,659

Other Information		**As at March 31 2023**	As at March 31 2022
(9)	**Segment Assets**		
a.	Personal Health	**2,451**	2,589
b.	Innovation services	**5,429**	5,562
c.	Health Systems	**16,523**	16,590
d.	Other Unallocable	**7,998**	18,708
	Total Segment Assets	**32,401**	43,449
(10)	**Segment Liabilities**		
a.	Personal Health	**1,902**	2,289
b.	Innovation services	**4,161**	4,006
c.	Health Systems	**10,891**	11,092
d.	Other Unallocable	**3,104**	3,287
	Total Segment Liabilities	**20,058**	20,674
(11)	**Capital Expenditure**	**2022-23**	2022-23
a.	Personal Health	**71**	173
b.	Innovation services	**1,090**	387
c.	Health Systems	**500**	1,015
d.	Other Unallocable	**40**	-
	Total Capital Expenditure	**1,701**	1,575
(12)	**Depreciation and amortization expense**		
a.	Personal Health	**25**	22
b.	Innovation services	**885**	1,040
c.	Health Systems	**317**	253
d.	Other Unallocable	**58**	69
	Total Depreciation and amortization expense	**1,285**	1,384
(13)	**Non-cash expenses other than Depreciation and amortization expense**		
a.	Personal Health	**19**	-
b.	Innovation services	**22**	4
c.	Health Systems	**124**	21
d.	Other Unallocable	**15**	-
	Total Non-cash expenses other than Depreciation and amortization expense	**180**	25

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

		2022-23	2021-22
B:	**SECONDARY SEGMENT INFORMATION:**	**2022-23**	2021-22
	Revenue		
	a. Within India	**26,989**	31,551
	b. Outside India	**30,351**	23,263
	Total Revenue	**57,340**	54,814
	Assets		
	a. Within India	**30,582**	40,652
	b. Outside India	**1,819**	2,797
	Total Assets	**32,401**	43,449
	Capital Expenditure		
	a. Within India	**1,701**	1,575
	b. Outside India	**-**	-
	Total Capital Expenditure	**1,701**	1,575

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.

C: 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. Health Systems	Medical electronics equipments & customer services
b. Innovation services	Development of embedded software
c. Personal Health	Health and Wellness products and Personal care products and Domestic Appliances till Q1 21-22

(i)	**Reconciliations to amounts reflected in the financial statements**	**2022-23**	2021-22
	Segment profit	**3,008**	2,333
	Finance cost	**(264)**	(272)
	Other unallocable expenditure net of unallocable income	**464**	272
	Exceptional items	**-**	1,309
	Tax expense	**(608)**	(983)
	Profit for the year	**2,600**	2,659
(ii)	**Reconciliation of assets**		
	Segment operating assets	**32,401**	43,449
	Total Assets	**32,401**	43,449
(iii)	**Reconciliation of liabilities**		
	Segment operating liabilities	**20,058**	20,674
	Total liabilities	**20,058**	20,674

Notes to Financial Statements for the year ended March 31, 2023

Amounts in ₹ Mln

43. Significant Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance over Previous Year
(a) Current ratio (in times) @	Current assets	Current liabilities	**1.40**	2.10	-33.2%
(b) Debt - Equity ratio	Total Debt	Total Equity	**N.A**	N.A	N.A
(c) Debt Service coverage ratio	Earnings avaible for Debt service	Total Debt service	**N.A**	N.A	N.A
(d) Return on equity ratio (in %) $	Profit after tax	Average Total Equity	**14.81**	11.60	27.7%
(e) Inventory turnover ratio (in times) #	Cost of Goods sold	Average Inventory	**3.40**	4.80	-29.2%
(f) Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	**6.82**	6.90	-1.1%
(g) Trade payables turnover ratio (in times)*	Net Purchases	Average trade Payables	**3.36**	4.55	-26.1%
(h) Net capital turnover ratio (in times) @	Net Sales	Working capital	**9.14**	3.33	174.5%
(i) Net profit ratio (in %)	Profit after tax	Revenue from operations	**4.53**	4.90	-7.5%
(j) Return on capital employed (in %)**	Earnings before Interest and tax	Capital Employed	**23.99**	8.90	169.5%
(k) Return on investment (in %) #	Profit after tax	Investment	**6.86**	6.20	10.6%

@ Basis reduction in current assets over the previous year led by reduction in cash and cash equivalents balances

$ Basis lower average total equity over the previous year.

Basis increase in average inventory over the previous year

* Basis increase in average trade payables over the previous year

** Basis reduction in average capital employed over the previous year

44. 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.

45. 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:
   - Willful 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

46. All amounts are in ₹ Million, figures in this financial statements below ₹1 Million are shown as blank.

47. 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

DIVYA MATHUR
Partner
Membership No.: 506846
Place: Gurugram
Date: July 07, 2023

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 07, 2023

Notes to Financial Statements for the year ended March 31, 2023

TEN YEAR REVIEW

Amounts in ₹ Mln

PARTICULARS	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Income and Dividends										
Sales	58,387	63,755	62,819	36,723	38,562	42,398	44,970	48,070	54,290	**56,682**
Profit before exceptional items and tax	3,096	5,600	6,503	3,252	2,667	2,959	2,346	2,531	2,333	**3,208**
As percentage of sales	5.3	8.8	10.4	8.9	6.9	7.0	5.2	5.3	4.3	**5.7**
Profit before tax	3,170	6,275	6,278	3,252	2,667	2,607	2,488	2,531	3,642	**3,208**
As percentage of sales	5.4	9.8	10.0	8.9	6.9	6.1	5.5	5.3	6.7	**5.7**
Profit after tax	2,099	4,235	3,975	2,064	1,681	1,760	1,515	1,761	2,659	**2,600**
As percentage of sales	3.6	6.6	6.3	5.6	4.4	4.2	3.4	3.7	4.9	**4.6**
As percentage of net worth	16.1	24.8	22.1	10.3	7.8	7.6	6.7	7.4	11.7	**21.1**
Earnings per share (₹)	36.49	73.63	69.11	35.88	29.22	30.60	26.34	30.61	46.23	**45.21**
Dividend per equity share (₹)	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	**222.0**
Assets and Liabilities										
Property, Plant and Equipment	4,295	3,937	2,079	2,526	2,940	3,155	3,416	4,343	3,710	**3,684**
Investment property	-	-	-	-	-	-	360	836	1,366	**1,334**
Investments	1,000	1,000	4,797	7,605	7,725	7,579	7,431	-	50	**50**
Deferred tax assets - net	496	809	510	572	746	540	642	846	384	**633**
Inventories	6,293	6,504	4,542	4,554	4,037	5,072	4,169	4,250	6,861	**7,184**
Debtors, loans & advances										
and cash & bank balances	17,725	22,025	18,837	16,735	19,212	21,228	22,078	24,167	30,681	**19,516**
Assets directly associated with discontinued operations	-	-	-	-	-	-	-	8,967	-	**-**
Current liabilities & provisions	15,277	16,578	12,531	11,282	12,385	13,800	15,520	17,624	20,277	**20,058**
Liabilities directly associated with discontinued operations	-	-	-	-	-	-	-	1,835	-	**-**
Net current assets	8,741	11,951	10,848	10,007	10,864	12,500	10,727	17,925	17,265	**6,642**
Net Investment	14,532	17,697	18,234	20,710	22,275	23,774	22,576	23,950	22,775	**12,343**
Represented by										
Equity share capital	575	575	575	575	575	575	575	575	575	**575**
Other reserves	12,459	16,486	17,398	19,450	21,018	22,523	22,001	23,375	22,200	**11,768**
Shareholders' interest (net worth)	13,034	17,061	17,973	20,025	21,593	23,098	22,576	23,950	22,775	**12,343**
Borrowings	1,498	636	261	685	682	676	0	-	-	**-**
Total	14,532	17,697	18,234	20,710	22,275	23,774	22,576	23,950	22,775	**12,343**
General										
Exports (F.O.B)	2,541	3,068	3,002	2,467	2,556	3,884	2,592	3,234	2,937	**5,271**
Employee Benefit Expense	8,314	10,169	11,214	9,989	11,181	12,369	13,514	14,603	16,590	**20,115**
Debt : Equity Ratio	10:90	4:96	1:99	3:97	3:97	3:97	0:100	0:100	0:100	**0:100**
Number of employees at year end	5,830	5,507	3,283	3,727	4,167	4,569	4,944	5,395	5,840	**6,311**

Registered Office
Philips India Limited
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Northern Region
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