Signify Innovations India Limited

Annual Report 2022-23

Atal Bridge, Ahmedabad

We are Signify

Our purpose is to unlock the extraordinary potential of light for brighter lives and a better world.

Signify is the world leader in lighting. We provide our customers with high-quality, energy-efficient lighting products, systems and services. By turning light sources into data collection points, we can connect more devices, places and people through light, contributing to a safer, more productive and smarter world.

Our values

Our values provide our people with a common understanding of what matters to us and how we work

Customer first
We partner with our external customers, they are at the center of what we do.

Greater together
We collaborate across teams to build on our strengths and diversity, and work towards our shared goal.

Game changer
We innovate to set ourselves apart and continue to lead in the market.

Passion for results
We work smarter and faster to deliver excellence.

Always act with integrity

Chairman's Message

Dear Stakeholder,

It is my privilege to write to you and present the Annual Report of Signify Innovations India Limited for the financial year 2022-23.

Our country endured a third year of exceptionally tough conditions in 2022 as the global pandemic, geopolitical crises, persistent supply chain issues and inflation conspired to create an increasingly volatile and unpredictable external environment that profoundly tested our agility and resilience.

The increased interest rates, brought in to control the inflationary environment, negatively impacted consumer sentiment in the short term. While the high volatility impacted our business to some extent, our team adapted to the evolving realities and customer needs. In this context, our professional lighting business delivered a stellar performance, while our consumer lighting business was impacted by the weak demand and negative consumer sentiment.

By swiftly taking multiple mitigating actions and simultaneously managing our prices to offset the structural part of inflation, we managed to grow our topline and improve our profitability. All of these demonstrate that the fundamentals of our business are stronger than ever, driven by the ever-growing need for energy-efficient and digital lighting technologies.

Brighter lives and a better world

With the climate emergency ever more urgent, it is clear that continuing to prioritize and focus relentlessly on sustainability in the past 10 years and again in 2022 has been the right strategy for our company. More than ever, the world needs sustainable technology innovation that will help mitigate the challenges around us. Our energy efficient products and connected lighting range can help consumers lower their energy consumption.

More broadly, Signify's Brighter Lives, Better World 2025 program sets bold targets across the areas of climate action, circularity, and societal impact. We are proud to have pioneered reporting in these areas, measuring the percentage of our annual sales that have a direct, positive impact on the world's greatest challenges. At the end of 2022, our global brighter lives revenues were at 27%, our circular revenues at 29% and our climate action revenues at 65%. This progress and leadership in sustainability was recognized externally as Sustainalytics data placed us in the top 1% of our industry. We also secured our inclusion in the Dow Jones Sustainability Index and the CDP Climate A-list for the sixth year running.

Our strategic focus

Our strategic direction has been reinforced around our 5 Frontiers, which focuses on being even more customer centric, delivering differentiated offers, driving growth for sustainability, digitalizing and transforming for the future, and being a great place to work.

We continued to lead the LED transformation in the country by launching innovative products during the year, such as our Philips FullGlow LED Bulb, India's first full glass LED bulb and further expanding our Philips Smart Wi-Fi lighting range. We have grown our EcoLink fans portfolio with new launches like silent and decorative fans and have also invested in growing our distribution strength in the country. In 2022, new home construction started picking up across India and to tap into this growing opportunity, we expanded our Philips Smart Light Hubs network to 274 stores across the country.

With the increased government spends on infrastructure during the year, our professional lighting business captured key wins such as Atal Bridge, Ripon Building, Eden Garden Cricket stadium, Uttar Pradesh Vidhan Sabha, in addition to other significant private sector projects with TCS, Qualcomm, Infosys.

Our commitment to the society

Light is a fundamental need of human life, as it expels darkness and creates opportunities for people to work, study and move after sunset. As a significant part of our country's population is still living without reliable access to electric light, our Corporate Social Responsibility (CSR) programs aim to enable under-served communities to have sustainable access to light. We positively impacted 1 million lives this year with our CSR programs spread across the breadth of the country. We illuminated 178 schools, 56 villages, 44 health centers and 25 playgrounds through solar based lighting.

On behalf of our Board of Directors and our Leadership team, I extend my appreciation to our talented employees who are committed to our company's purpose on a daily basis. I also thank our customers for their trust and loyalty, which provides us motivation and energy to continue our leadership in the industry. Finally, I would like to thank our shareholders for their confidence in us and our strategy.

Warm Regards,

Vinayak Deshpande
Chairman
Signify Innovations India Limited

Financial Highlights

Total Income	Total Profit Before Tax	Earning per Share
₹3,129 Cr.	₹353 Cr.	₹46.36

Board of Directors

Mr. Vinayak Deshpande

Chairman and Independent & Non-Executive Director, Chairman of Audit Committee and Stakeholders' Relationship Committee, Member of Nomination & Remuneration Committee

Mr. Sumit Joshi

Vice-Chairman, Managing Director and CEO, Member of Nomination and Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee and Chairman of Banking & Other Operations Committee

Mr. Dibyendu Raychaudhury

Whole-time Director & Chief Financial Officer, Member of Audit Committee and Banking & Other Operations Committee

Mr. Vikas Malhotra

Whole-time Director & Head - Systems & Services, Member of Banking and Other Operations Committee, CSR Committee

Ms. Sangeeta Pendurkar

Independent and Non-executive Director, Chairperson of Nomination & Remuneration, CSR Committee, Member of Audit Committee

Mr. Dilip Jose

Independent & Non-Executive Director, Member of Nomination & Remuneration Committee and Stakeholders' Relationship Committee

2022
A remarkable year

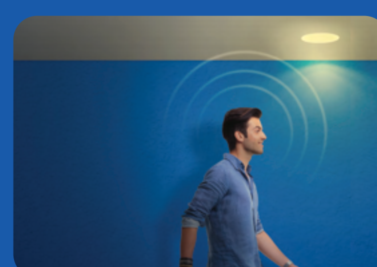
We proudly employed our state-of-the-art lighting technology to illuminate the newly constructed Parliament building.

We illuminated Navi Mumbai's DY Patil Sports Stadium, one of India's premier cricket and football stadium, with 408 SportsStar LED Flood luminaires enabled with DMX networking control system for an ideal experience.

We launched a diverse range of solar lights suitable for both commercial and home applications.

We expanded our range of downlighters, providing diverse options for customers' lighting needs.

We now have more than 274 smart light hubs across India offering our customers a first-hand experience of our wide lighting range.



We introduced groundbreaking SpaceSense technology in our Philips Smart Wi-Fi lighting range. Where lights act as sensors, transforming your environment

It was an absolute honor to illuminate Chennai's iconic landmark – The Ripon building.

We extended our EcoLink fans range across India.

Our Urban Streetlight offerings are designed to improve the safety of city roads, and give travelers a safe and enriching experience.

Lighting up the new India

Har Gaon Roshan
Lighting up Villages

The objective of this program is to promote rural development by providing solar energy-based lighting facilities in rural villages to enhance the safety of women and children after sunset and extend the working day of the village, thereby also enabling economic activities after sunset. A total of 56 villages across West Bengal, Rajasthan & Madhya Pradesh benefitted from this program.

In our efforts to promote women empowerment, we introduced a new initiative known as Ratri Choupal. Under this program, we identified specific areas within villages and illuminated dedicated spaces for women to gather and engage in discussions on vital topics such as healthcare, education, financial literacy, and government schemes. Through these interactive sessions, women are empowered to address important issues, exchange knowledge, and collectively work towards enhancing their well-being and socio-economic progress.

Khel Jyoti
Lighting up Playgrounds

The objective of this program is to promote rural sports by providing better lighting facilities in playgrounds to nurture young sports talent and enable them to play after dark. This year we illuminated 25 rural playgrounds across Assam, Karnataka, and Odisha, providing opportunities for diverse sports activities such as volleyball, athletics, and table tennis.

Jagmag Pathshala
Lighting up Schools

The objective of this program is to promote education by providing a better learning environment for school students in rural areas, through better illuminated classrooms powered by solar microgrids, LED lighting & energy efficient fans. This year we illuminated 178 schools across Bihar, West Bengal, Maharashtra, Assam, Punjab, Rajasthan & Uttar Pradesh.

As part of our commitment to promoting digital education in blind schools, we launched a new initiative and established 10 computer labs in blind schools across India. These laboratories serve as dedicated spaces equipped with state-of-the-art computers, empowering visually impaired students with access to technology and enabling them to fully participate in the digital learning experience.

Swasthya Kiran
Lighting up Healthcare Centres

The objective of this program is to enhance the healthcare delivery infrastructure in rural areas through the implementation of solar power backup solutions in primary and community healthcare centres. By introducing solar power systems, our goal is to ensure a reliable and uninterrupted electricity supply to enhance the capacity and effectiveness of healthcare services provided in these vital healthcare facilities. This program aligns with our commitment to improving healthcare accessibility and quality in underserved regions, ultimately contributing to the overall strengthening of the rural healthcare infrastructure. This year we illuminated 44 rural healthcare centres across 4 districts of Rajasthan and 15 districts of Arunachal Pradesh with 2.5Kw solar power plant in each centre.

SIGNIFY INNOVATIONS INDIA LIMITED

[CIN: U74900WB2015PLC206100]

CONTENTS

Annual General Meeting on Friday, 29th September, 2023 at 10.00 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.

CORPORATE INFORMATION

Board of Directors

Chairman and Independent & Non-Executive Director
Mr. Vinayak Kashinath Deshpande

Vice- Chairman, Managing Director & CEO
Mr. Sumit Padmakar Joshi

Whole-Time Director
Mr. Vikas Malhotra
Mr. Dibyendu Raychaudhury (CFO)

Independent & Non-Executive Directors
Ms. Sangeeta Pendurkar
Mr. Dilip Jose Puthiyidathu

Head of Legal & Company Secretary
Mr. Nitin Mittal

Deputy Company Secretary
Mr. Harvinder Kumar

Committees of Board

Audit Committee
Mr. Vinayak K. Deshpande – Chairman
Mr. Dibyendu Raychaudhury – Member
Ms. Sangeeta Pendurkar – Member

Nomination and Remuneration Committee
Ms. Sangeeta Pendurkar – Chairperson
Mr. Dilip Jose Puthiyidathu – Member
Mr. Sumit Padmakar Joshi – Member
Mr. Vinayak K. Deshpande – Member

Corporate Social Responsibility Committee
Ms. Sangeeta Pendurkar – Chairperson
Mr. Vikas Malhotra – Member
Mr. Sumit Padmakar Joshi – Member

Stakeholders Relationship Committee
Mr. Vinayak K. Deshpande – Chairman
Mr. Dilip Jose Puthiyidathu – Member
Mr. Sumit Padmakar Joshi – Member

Banking and Other Operations Committee
Mr. Sumit Padmakar Joshi – Chairman
Mr. Dibyendu Raychaudhury – Member
Mr. Vikas Malhotra – Member

Management Team

Managing Director, Chief Executive Officer
Sumit Padmakar Joshi

Whole-time Director & Head - System & Services
Vikas Malhotra

Whole-time Director & Chief Financial Officer
Dibyendu Raychaudhury

Head of Legal- Cluster India & Pacific and Company Secretary
Nitin Mittal

Head – Human Resource
Irani Srivastava Roy

Head – Professional Sales
Girish Chawla

Head - Division Digital Products
Arun C Kumar

Head- Consumer Sales
Vinay Jha

Head- Supply Chain
Nitin Agarwal

Head - Division Digital Solutions
Munish Peshin

Head - Smart Homes & Switches Sales
Shankaranarayanan V

Head - Customer Satisfaction
Sudhir Kumar Agarwal

Head - Procurement
Atul Srivastava

Head - IMC & Commercial Operations
Nikhil Gupta

Head- Vadodara Plant
Nitin Harjai

Head – OEM & Frontier Market Sales
Padmanava Gupta

Other Information

STATUTORY AUDITORS
S.R. Batliboi & Co. LLP
Chartered Accountants

SECRETARIAL AUDITORS
PI & Associates
Companies Secretaries

COST AUDITORS
Kailash Sankhlecha & Associates
Cost Accountants

INTERNAL AUDITORS
KPMG

BANKERS
Citibank N.A.
Bank of America
State Bank of India
Yes Bank Limited
Deutsche Bank AG
Standard Chartered Bank
BNP Paribas

REGISTRAR AND SHARE TRANSFER AGENT
KFin Technologies Limited ('Kfintech')
Unit: Signify Innovations India limited
Selenium Tower-B, Plot no.31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad-500 032.
Toll Free number: 1800 309 4001,
Email: einward.ris@kfintech.com
Website: www.kfintech.com

REGISTERED OFFICE
Signify Innovations India Limited
PS ARCADIA CENTRAL, 3A, 3rd floor, 4A,
Abanindranath Thakur Sarani (Camac Street), Kolkata – 700 017
Registered Office Phone: +91 7303084237
Corporate Office Phone: +91 7303084234
Website: www.signify.com

SIGNIFY INNOVATIONS INDIA LIMITED

CIN: U74900WB2015PLC206100
Registered Office: PS ARCADIA CENTRAL,
3A, 3rd floor, 4A, Abanindranath Thakur Sarani (Camac Street),
Kolkata – 700 017, West Bengal
Phone: +91 7303084237, Website: *www.signify.com*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 8th Annual General Meeting of **SIGNIFY INNOVATIONS INDIA LIMITED** will be held on Friday, the 29th day of September, 2023 at 10:00 am through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at PS ARCADIA CENTRAL, 3A, 3rd floor, 4A, Abanindranath Thakur Sarani (Camac Street), Kolkata – 700017.

ORDINARY BUSINESS:

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution to receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2023, including the audited Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon:

   "RESOLVED THAT the Financial Statements of the Company for the financial year ended 31st March, 2023, including the audited Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon, be and are hereby received, considered and adopted.

   RESOLVED FURTHER THAT all the Directors, KMPs and the Company Secretary, of the Company, be and are hereby severally authorized to do all such acts, things or deeds which may be necessary, proper or expedient to give effect to this resolution."

2. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution to confirm the payment of interim dividend of ₹ 62.50/- per equity share i.e. 625% on face value of ₹10/- each for the financial year ended 31st March, 2023:

   "RESOLVED THAT the Interim dividend of ₹ 62.50/- per equity share i.e. 625 % on face value of ₹10/- each for the financial year 2022-23, duly approved by the Board of Directors of the Company and already paid, be and is hereby confirmed."

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution to appoint a director in place of Mr. Vikas Malhotra (DIN: 09253036), who retires by rotation and being eligible offers himself for re-appointment:

   "RESOLVED THAT Mr. Vikas Malhotra (DIN: 09253036), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for the revision in remuneration of Mr. Sumit Padmakar Joshi (DIN-07018906):

   "RESOLVED THAT in partial modification of the resolution passed earlier by the Members at the Annual General Meeting of the Company held on 23rd September, 2022, pursuant to the recommendation made by the Nomination and Remuneration Committee, duly approved by the Board of Directors of the Company and, the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Members of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Sumit Padmakar Joshi (DIN-07018906) as Vice-Chairman, Managing Director, & Chief Executive

Officer of the Company, to take effect from 1st April, 2023 for the balance term of his appointment on the Board, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Joshi.

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

RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for the revision in remuneration of Mr. Vikas Malhotra (DIN: 09253036):

"RESOLVED THAT in partial modification of the resolution passed earlier by the Members at the Annual General Meeting of the Company held on 23rd September, 2022, pursuant to the recommendation made by the Nomination and Remuneration Committee, duly approved by the Board of Directors of the Company and, the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Members of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Vikas Malhotra (DIN: 09253036), Whole-time Director, to take effect from 1st April, 2023, for the balance term of his appointment on the Board, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Malhotra.

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

RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularization of Mr. Dibyendu Raychaudhury (DIN-09747317) as a Director of the Company in capacity of Whole-time Director:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dibyendu Raychaudhury (DIN-09747317), who was appointed as an Additional Director of the Company under Section 149 & 161 of the Companies Act, 2013, by the Board of Directors with effect from 23rd September, 2022, who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, approval of the members of the Company be and is hereby granted to appoint Mr. Dibyendu Raychaudhury as Director of the Company in Executive capacity.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule V to the Companies Act, 2013, pursuant to the recommendation made by the Nomination and Remuneration Committee, duly approved by the Board of Directors of the Company at its meetings held on 22nd September, 2022 as per the Nomination and Remuneration Policy of the Company and subject to the requisite approval of the Central Government, if any, approval of the members of the Company be and is hereby also accorded to appoint Mr. Dibyendu Raychaudhury (DIN-09747317) as Whole-time Director of the Company, being Key Managerial Personnel, to hold office for an aggregate term of 5 (five) consecutive years with effect from 23rd September, 2022 to 22nd September, 2027 as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration), and upon the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Raychaudhury.

RESOLVED FURTHER THAT Mr. Raychaudhury shall continue to serve as the CFO (KMP) of the Company during the term of his appointment on such remuneration as approved above.

RESOLVED FURTHER THAT Mr. Raychaudhury shall be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raychaudhury shall be entitled of increase in annual remuneration payable to him, being the Executive, as per the Policy of the Company, for the balance term of his appointment on the Board, but subject to the provisions of sections 196, 197, Schedule V and other applicable provisions, if any, of the Act.

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

RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularization of Additional Director - Mr. Dilip Jose Puthiyidathu (DIN-03591692) as an Independent & Non Executive Director of the Company:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dilip Jose Puthiyidathu (DIN-03591692), who was appointed as an Additional Director of the Company under Section 149 & 161 of the Companies Act, 2013, by the Board of Directors with effect from 22nd December, 2022, who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, the approval of the members of the Company be and is hereby granted to the appointment of Mr. Dilip Jose Puthiyidathu as an Independent and Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office for an aggregate term of 5 (five) consecutive years from 22nd December, 2022 to 21st December, 2027.

   RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Commission to the Non-Executive and Independent Directors of the Company:

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable sections of the Companies Act, 2013 (hereinafter known as 'the Act') (including any statutory modification or re-enactment thereof), duly recommended by the Board of Directors of the Company on the basis of the recommendation made by the Nomination and Remuneration of the Company, the approval of the Members of the Company be and is hereby accorded to pay and distribute an amount of ₹ 42,50,000/- (Rupees Forty Two Lacs and Fifty Thousand only), which is within the limits of one percent. as computed in the manner laid down in section 198 of the Act, as annual commission amongst the Non-Executive and Independent Directors for the financial year 2022-23, in the manner as detailed in the Explanatory Statement attached hereto.

   RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for approval of Remuneration of Cost Auditors:

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (''Act'') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby approves the remuneration of ₹. 3,50,000/- (Rupees Three Lacs Fifty Thousand only) plus applicable tax and out of pocket expenses payable to M/s Kailash Sankhlecha & Associates, Cost Accountants, having FRN-100221, who are re-appointed by the Board of Directors as Cost Auditors of the Company, as recommended by the Audit Committee of the Company, to conduct cost audit relating to cost records of the Company for the year ending 31st March, 2024.

   RESOLVED FURTHER THAT any of the Directors or any of the KMPs or the Company Secretary or the Deputy Company Secretary, of the Company, be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For **SIGNIFY INNOVATIONS INDIA LIMITED**

Nitin Mittal
Head of Legal & Company Secretary
FCS - 7044

Place : Gurugram
Date: 26th July, 2023

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 4, 5, 6, 7, 8 & 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 10/22 dated 28th December, 2022 read with General Circular No. 02/2022 dated 5th May, 2022, General Circular No. 20/2020 dated 5th May, 2020 and other applicable circulars, if any, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on or before 30th September, 2023. In accordance with, the said circulars, the 8th AGM of the Company shall be conducted through VC / OAVM. KFin Technologies Limited ('KFintech') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 10 below and is also available on the website of the Company at *www.signify.com*.

3. 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.

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

5. The Share Transfer Books and the Register of Members of the Company will remain closed from 23rd September, 2023 (9:00 am) to 29th September, 2023 (5:00 pm) (both days inclusive).

6. Subject to provisions of the Companies Act, 2013, interim dividend for the financial year 2022-23, as declared by the Board of Director at its meeting held on 29th June, 2023, has been duly paid within 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members as on cut-off date i.e. 30th June, 2023. In respect of demat shares, the interim dividend was paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.

Kfin Technologies Ltd,
Selenium, Tower-B, Plot no.31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad-500 032.
Toll Free no. 1800 309 4001
Telephone: +91 - 40 6716 2222/ 6716 1631
Email id: einward.ris@kfintech.com

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

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

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

I. In accordance with, the General Circular 10/22 dated 28th December, 2022 read with General Circular No. 02/2022 dated 5th May, 2022, General Circular No. 20/2020 dated 5th May, 2020 and other applicable circulars, issued by MCA from time to time, the Annual Report consisting of Report of Board of Directors, Auditors' report & financial statements or other documents required to be attached therewith and 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 the Company at harvinder.kumar@signify.comto 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 *www.signify.com*, and on the website of Fintech at *https://evoting.kfintech.com or https://emeetings.kfintech.com*

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

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

II. However, in pursuant to SEBI e-voting circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

III. 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.

IV. The remote e-voting period commences at 9.00 a.m. on 25th September, 2023 and end at 5.00 p.m. on 28th September, 2023. The remote e-voting module will be disabled by KFintech for voting thereafter.

V. 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.

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

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

VIII. 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. 'Signify Innovations 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. **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.eSignify Innovations India Limited or e-voting service provider name i.eKFin 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.

Type of shareholders	Login Method
	8. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:** i. Visit *https://web.cdslindia.com/myeasi/home/loginor 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/EasiRegistrationfor 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. 'Signify Innovations India Limited' or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. II. Once logged-in, Members will be able to view e-voting option. III. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. IV. Click on options available against Signify Innovations 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.inor 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.comor contact at 022- 23058738 or 022-23058542-43

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

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

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

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

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

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

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

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

vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Signify Innovations 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 with mark to the Company at harvinder.kumar@signify.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. The 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.

11. **OTHER INSTRUCTIONS**

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit *https://emeetings.kfintech.com* and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 25th September, 2023 to 27th September, 2023. 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 opened from 25th September, 2023 (9:00 a.m.) to 27th September, 2023 (5.00 p.m.).

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

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

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

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

VII. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at harvinder.kumar@signify.com. Questions / queries received by the Company till 5.00 p.m. on Wednesday, 27th September, 2023, shall only be considered and responded during the AGM.

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

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

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

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

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

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

XIII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 22nd September, 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:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

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

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

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

XVI. KPRISM- Mobile service application by KFin:

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

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

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

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

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

14. PROCEDURE FOR INSPECTION OF DOCUMENTS:

I. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on harvinder.kumar@signify.com.

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

15. DIVIDEND RELATED INFORMATION AND PROCEDURE FOR UPDATES IN SHAREHOLDERS RECORDS:

I. The Members, whose names appeared in the Register of Members / list of Beneficial Owners as 30th June, 2023, i.e. the cut-off date,has been paid ₹ 62.50/- (625%) per share as Interim Dividend on the fully paid equity shares for the financial year 2022-23, within 30 days from the date of such declaration, duly approved by the Board of Directors on 29th June, 2023 and it has a pay-out of ₹ 3,595/- million.

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

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

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

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

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

c. 11 digit IFSC Code; and

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

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

a. For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2023-24 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% (plus applicable surcharge and cess) as per Section 206AA of the Income Tax Act, 1961.

   However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during financial year 2023-24 does not exceed ₹ 5,000. Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2023-24.

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

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

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

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

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

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

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

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

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

VII. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details.

VIII. Kindly note that the aforementioned documents may be submitted to the Company at harvinder.kumar@signify.com or to KFintech at einward.ris@kfintech.com.

IX. Members are requested to ensure updating their correct PAN details (whether in demat or physical shares both) in order to get necessary tax certificate aligned with their PAN details for receiving dividend amount after applicable tax deduction/withholding in future.

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

XI. Pursuant to Sections 124, 125 and any other relevant provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which are not 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 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.

Pursuant to Sections 123, 124 and 125 of the Companies Act 2013, the unpaid dividend that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend Number	Date of Declaration	For the year ended	Tentative date for transfer to IEPF
01	14.09.2017	31.03.2017	21.10.2024
02	26.09.2018	31.03.2018	02.11.2025
03	06.09.2019	31.03.2019	13.10.2026
04	14.09.2020	31.03.2020	21.10.2027
05	17.09.2021	31.03.2021	24.10.2028
Interim Dividend -2021-22	30.05.2022	31.03.2022	06.07.2029
Interim Dividend -2022-23	29.06.2023	31.03.2023	05.08.2030

16. Scrutinizer for AGM through VC/OAVM:

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

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

17. GENERAL INFORMATION:

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

II. The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, 22nd September, 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. 4

During the financial year 2022-23, the Board of Directors of your Company re-appointed Mr. Sumit Padmakar Joshi (DIN-07018906) as Managing Director of the Company, in its meeting held on 29th June, 2022, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013, for a period of five (5) years from 14th September, 2022 to 13th September, 2027, not liable to retire by rotation, duly approved by the Members at their Annual General Meeting held on 23rd September, 2022.

Mr. Joshi is the Chief Executive Officer of the Company. He also serves as the Vice-Chairman of the Board, duly appointed by the Board of Directors of the Company pursuant to article 95 of the AOA of the Company. He is a member of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Chairman of the Banking and Other Operations Committee, of the Board of the Company.

Mr. Joshi has been Global Vice President, Head-Marketing Excellence, Philips Lighting, the Netherlands, before joining the Company as the CEO. He joined Philips Electronics ("Demerged Company") as Head of Marketing in September 2011 and then moved to global role in Philips Lighting as Global Vice President, Head-Marketing Excellence in October, 2015.

Prior to Philips, he had successful stints with Britannia, Marico, Boots Healthcare International and Whirlpool Corporation.

Mr. Joshi, in his 24 years of work experience, managed large and small businesses & teams, established global businesses with leadership position, turnaround businesses, established new businesses in challenging existing order. Mr. Joshi also led global multimillion dollar CAPEX projects with multicultural teams. He also led Sales Teams, Product Marketing, Product Development, Brand Marketing, Marcom, PR, Channel development at market level. He also has experience of managing businesses across B2C (Mass Distribution & Branded Retail), B2B & B2G domains. He also worked extensively with Manufacturing, Consumer Design and Consumer service teams.

Mr. Joshi is a Mechanical Engineer and Post Graduate in Management from Symbiosis Institute of Business management from India.

In view of the annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the members of the Company is being sought with respect to revision in remuneration payable to Mr. Joshi for the balance term of his appointment on the Board with effect from 1st April, 2023.

The matter regarding revision in the remuneration of Mr. Joshi was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors, held on 1st March, 2023. The revision in remuneration payable to Mr. Joshi is in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to hold important positions in the Company, as that of the Managing Director and CEO.

The revised remuneration payable to him, are detailed hereunder:

1. Mr. Sumit Padmakar Joshi shall be entitled to receive remuneration for his services by way of Salary, Annual Incentive and Perquisites as mentioned hereunder:

   Remuneration:

Salary	₹ 2,93,02,497/- per annum or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 1,02,55,874/- 2. House Rent Allowance: ₹ 51,27,937/- 3. Flexible Benefit Plan: ₹ 1,21,95,700/- 4. Retrial Benefit: ₹ 17,22,986/- (as set out in Part B)

Variable Performance Linked Bonus	₹ 1,17,20,999/- payable annually at 100% of achievement of targets, as may be approved by the Board of Directors or any Committee thereof. .
Perquisites	Perquisites shall be payable as set out in Part A, as applicable.

Part- A

i. Mr. Joshi 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) of value EUR 150,000 which is granted in a mix of restricted and performance shares, the final value may be greater than or less than the initial grant amount depending on Company performance but payable maximum upto 200%, Company's car for official duties as per his grade level and such other perquisites and allowances in accordance with the Rules of the Company as amended from time to time.

ii. 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

iii. 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.

iv. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and shall not be included in the computation of perquisites.

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

3. All other terms and conditions of Mr. Joshi, as approved earlier by the Board and further approved by the Members of the Company, shall remain unchanged.

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

The Board recommends the Ordinary Resolutions set forth in Item no. 4 for approval of the members of the Company.

ITEM NO. 5

Pursuant to the provisions of Section 196, 197 & 203 of the Companies Act, 2013 (hereinafter known as "the Act") read with Schedule V of the Act and rules made thereunder, the Board of Directors, on the basis of recommendation made by the Nomination and Remuneration Committee, appointed Mr. Malhotra as Whole-time Director, being Key Managerial Personnel, of the Company for a period of five (5) years from 23rd July, 2021 to 22nd July, 2026, liable to retire by rotation, duly approved by the Members at their Annual General Meeting held on 17th September, 2021. He was also appointed as a member of the Corporate Social Responsibility Committee and the Banking and Other Operations Committee of the Board of the Company.

Mr. Vikas Malhotra is an accomplished Enterprise Business leader with over 32 years of experience of working with Market Leaders in Steel and Lighting Industry. He has been with Signify/ Philips from last 10 years holding leadership position in Marketing, B2B Sales and now System & Services. His last corporate assignment before joining Signify (and Philips Lighting) was as a Regional Sales leader.

Mr. Malhotra's core experience and competencies include managing P&L responsibility across different business segments, Enterprise (B2B/B2G) and Consumer (B2C) sales management, Product management, Brand Management and Marketing. Across his various assignments, Mr. Malhotra has been responsible for Business Transformation and turnaround, creating and executing strategic vision and plans while ensuring sustainable business processes. He has successfully groomed senior leadership talents who have gone on to manage important assignments in their respective careers.

Mr. Malhotra has worked with SAIL and Tata Steel in various senior management assignments in Sales and Marketing.

Mr. Malhotra has completed his Management (PGDCM) from IIM – Calcutta and his graduation in engineering (B. Tech) from IIT Kanpur.

In view of the annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the members of the Company is being sought with respect to revision in remuneration payable to Mr. Malhotra for the balance term of his appointment on the Board with effect from 1st April, 2023.

The matter regarding revision in the remuneration of Mr. Malhotra was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors held on 1st March, 2023. The revision in remuneration payable to Mr. Malhotra is in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to hold important positions in the Company, as that of the Whole-time Director.

The revised remuneration payable to him, are detailed hereunder:

1. Mr. Vikas Malhotra shall be entitled to receive remuneration for his services by way of Salary, Annual Incentive and Perquisites as mentioned hereunder:

Remuneration:

Salary	₹ 1,22,30,787/- per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 42,80,775/- 2. House Rent Allowance: ₹ 21,40,388/- 3. Flexible Benefit Plan: ₹ 44,48,337/- 4. Retrial Benefit: ₹ 13,61,287/- (as set out in Part B)
Annual Incentive (Performance Linked)	₹ 30,57,697/- (on 100% target achievement) and maximum payable upto 200%.
Perquisites	Perquisites shall be payable as set out in Part A, as applicable.

Part- A

i) Mr. Malhotra 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) of value EUR 30,000 (on 100% target achievement) and maximum payable upto 200%, 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.

ii) 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

` iii) 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.

iv) Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and shall not be included in the computation of perquisites.

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

3. All other terms and conditions of Mr. Malhotra, as approved earlier by the Board and further approved by the Members of the Company, shall remain unchanged.

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

The Board recommends the Ordinary Resolution set forth in Item no. 5 for approval of the members of the Company.

ITEM NO. 6

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Dibyendu Raychaudhury (DIN-09747317), the Chief Financial Officer of the Company, was appointed as an Additional Director of the Company with effect from 23rd September, 2022, as recommended by the Nomination and Remuneration Committee (hereinafter known as "N&R Committee") in its meeting held on 22nd September, 2022. Thereafter, the Board of Directors at the same meeting, on the basis of recommendation made by the N&R Committee, appointed Mr. Raychaudhury as Whole-time Director, being Key Managerial Personnel, of the Company pursuant to the provisions of Section 196, 197 & 203 of the Companies Act, 2013 (hereinafter known as "the Act") read with Schedule V of the Act and rules made thereunder, for a period of five (5) years from 23rd September, 2022 to 22nd September, 2027, liable to retire by rotation, subject to the approval of the members at the ensuing Annual General Meeting. He is also a member of the Audit Committee and the Banking and Other Operations Committee of the Board of the Directors of the Company.

Mr. Dibyendu Raychaudhury joined Philips in 2001 and continued with Philips Lighting (now known as Signify) after the demerger of lighting division from Philips. He is also holding the position of the Chief financial Officer, being Key Management Personnel, of Signify India. Prior to joining Signify (formerly Philips Lighting), he has worked 12 years in the Domestic appliance, and Consumer lifestyle division within Philips.

He is also serving on the Board of Directors of Signify Bangladesh Limited, where he has contributed to establish Signify as a major professional brand in Bangladesh.

Prior to his current role he has worked in various other positions in India such as the Controller for Professional channel, Professional Business group and Commercial operations, Factory Controller (Vadodara Light Factory) amongst others.

He has extensive experience in partnering with business teams to strengthen the System and Service business, the commercial processes, improving working capital and supporting profitable growth through several initiatives.

He has strong work experience in both B2C and B2B environment, working on Strategic and Financial Planning and Analysis, Business Internal Controls, Credit Management, Financial Reporting, Industrial expansion, Lean implementation in factories.

He is a member of the Institute of Cost Accountants of India and holds his bachelor degree in B.Com (Honours), Kolkata.

Mr. Raychaudhury is also eligible for appointment to the office of the Director at the ensuing Annual General Meeting under the provisions of the Companies Act, 2013, duly recommended by the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 22nd September, 2022. The appointment of Mr. Raychaudhury as Whole-time Director is appropriate and in the best interests of the Company. The approval of the Members is being sought with respect to the terms and conditions for the appointment of Mr. Raychaudhury as Whole-time Director and the remuneration payable to him. The terms and conditions proposed for the appointment of Mr. Raychaudhury, as fixed by the Board of Directors, are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to assume important positions in the Company, as that of the Whole-time Director. Additionally, revision in remuneration payable to Mr. Raychaudhury was also proposed with effect from 1st April, 2023. The matter regarding revision in the remuneration of Mr. Raychaudhury was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors held on 1st March, 2023, based on which the approval of the members is also requested for revision in the remuneration of Mr. Raychaudhury for the balance term of his appointment on the Board.

An abstract of the terms & conditions of appointment of Mr. Raychaudhury as Whole-time Director, is given hereunder:

Terms and Conditions including remuneration duly approved by the Board at the time of appointing Mr. Raychaudhury with effect from 23rd September, 2022.		The revised remuneration payable with effect from 1st April, 2023, duly approved by the Board on 1st March, 2023.	
1. Remuneration:		1. Remuneration	
Salary	₹ 1,11,77,387/- per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 39,12,086/- 2. House Rent Allowance: ₹ 19,56,043/- 3. Flexible Benefit Plan: ₹ 40,64,824/- 4. Retrial Benefit: ₹ 12,44,434/- (as set out in Part B)	Salary	₹ 1,21,83,352/- per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 42,64,173/- 2. House Rent Allowance: ₹ 21,32,087/- 3. Flexible Benefit Plan: ₹ 44,31,085/- 4. Retrial Benefit: ₹ 13,56,007/- (as set out in Part B)
Variable Performance Linked Bonus	₹ 27,94,347/- (on 100% target achievement) and maximum payable upto 200%, as may be approved by the Board of Directors or any Committee thereof.	Variable Performance Linked Bonus	₹ 30,45,838/- (on 100% target achievement) and maximum payable upto 200%., as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Perquisites shall be payable as set out in Part A, as applicable.	Perquisites	Perquisites shall be payable as set out in Part A, as applicable.
Part- A		Part- A	
i.	Mr. Raychaudhury 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) of value EUR 30,000 (on 100% target achievement) and maximum payable upto 200%, 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.	i.	Mr. Dibyendu Raychaudhury 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) of value EUR 30,000 (on 100% target achievement) and maximum payable upto 200%, 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.
ii.	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.	ii.	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	Part- B
iii. 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. iv. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and shall not be included in the computation of perquisites.	iii. 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. iv. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and shall not be included in the computation of perquisites.
2. All the above perquisites and benefits would be subject to the applicable Company policy.	2. All the above perquisites and benefits would be subject to the applicable Company policy.
3. Mr. Raychaudhury shall perform the duties which may be performed by a Whole-time Director under the Act, and any other duties assigned to him by the Board from time to time.	3. All other terms and conditions of Mr. Raychaudhury, as approved earlier by the Board and further approved by the Members of the Company, shall remain unchanged.

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

The Board recommends the Ordinary Resolution set forth in Item no. 6 for approval of the members of the Company.

ITEM NO. 7

Pursuant to section 149(4) of the Companies Act 2013, read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the appointment of new Independent & Non-Executive Director on the Board of Directors of the Company was recommended to maintain the composition of the Board and its Committees, specifically Nomination & Remuneration Committee, under the provisions of Companies Act, 2013, subject to approval of the members of the Company at the general meeting.

In view of the same, the Board of Directors identified, basis recommendation made by the Nomination and Remuneration Committee, Mr. Dilip Jose Puthiyidathu (DIN-03591692), meeting the necessary criteria to be appointed as Independent Director on the Board of Directors of the Company as per the relevant provisions of the Companies Act, and appointed him as an Additional Director, fulfilling the criteria of Independence, as per the relevant provisions of the Companies Act, with effect from 22nd December, 2022. Mr. Dilip Jose holds office as an Additional Director upto the conclusion of the forthcoming Annual General Meeting. Mr. Dilip Jose has been appointed as a member of the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee of the Board of Directors of the Company.

As per Section 150 of the Act, appointment of Directors as Independent Directors requires approval of the members at the General Meeting. Accordingly, approval of the members of the Company is sought for appointment of Mr. Dilip Jose as an Independent and Non-Executive Director for five years from the date of his appointment i.e. from 22nd December, 2022 to 21st December, 2027. In pursuance of Section 149(13) of the Act, Mr. Dilip Jose will not be liable for retirement by rotation

Mr. Dilip Jose holds Master in Business Administration, Institute of Rural Management Anand (IRMA), Gujarat.

Mr. Dilip Jose is currently Managing Director and CEO of Manipal Health Enterprises Private Limited (Manipal Hospitals), an integrated healthcare services system and the second largest hospitals network in India, with 28 facilities and over 7800 beds.

He has more than 32 years of experience in various sectors and across functional areas. In Healthcare, where he has spent the last 18 years, his previous assignment was as Group CEO of CARE Hospitals, managing a network of tertiary care facilities. Prior to that, he was the Regional Director with Fortis Healthcare, heading their operations in South India.

Preceding that, he held leadership positions in the areas of Medical and Para-Medical education as well as tertiary healthcare delivery.

Before his move to the Healthcare sector, Mr. Dilip Jose spent about 14 years in various roles in Corporate Finance and Strategy.

Mr. Dilip Jose is currently Co-Chair, National Healthcare Counsil for CII and the GLG Health Care Council.

The Board considers it desirable that the Company should avail itself of the services of Mr. Dilip Jose as Independent Director, who fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

Except Mr. Dilip Jose, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Your Directors recommend the Ordinary Resolution set forth in Item No. 7 for the approval of the Members.

ITEM NO. 8

The Board of Directors in its meeting held on 26th July, 2023,on the basis of the recommendation made by the Nomination and Remuneration Committee, further recommended to the members of the Company to approve payment and distribution of an amount of ₹ 42,50,000/- (Rupees Forty Two Lacs & Fifty Thousand only) as profit related commission amongst i.e. Mr. Vinayak K. Deshpande, Independent Director, Ms. Sangeeta Pendurkar, Independent Director, Mr. Mahesh S. Iyer, Non-Executive Director, Mr. Dilip Jose Puthiyidathu, Independent Director, of the Company for the financial year ended on 31st March, 2023, pursuant to the provisions of Section 197 of the Companies Act, 2013, in the following manner:

S. No.	Names	Amount (In INR)
1	Ms. Sangeeta Pendurkar	15,00,000/-
2	Mr. Vinayak K. Deshpande	15,00,000/-
3	Mr. Mahesh S. Iyer	7,50,000/-
4	Mr. Dilip Jose Puthiyidathu	5,00,000/-
	Total	**42,50,000/-**

Mr. Mahesh S. Iyer resigned from the directorship of the Company with effect from 24th September, 2023 (close of business hours) and Mr. Dilip Jose was appointed on the Board with effect from 22nd December, 2023.

As per the evaluation carried out by the Nomination and Remuneration Committee for the previous financial year 2022-23, the above-mentioned Non-Executive and Independent Directors have actively participated in the Board meetings, contributing to the business strategies of the Company, improving Corporate governance in the area of financial and internal controls, advising on enterprise risk management and ultimately to the growth and profitability of the Company.

The abovementioned amount of commission is within the limits, as stipulated under section 197 of the Act, available for the payment to the Non-Executive Directors of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at item no. 8 of the notice for approval of the payment and distribution of the annual commission amongst the Non-Executive and Independent Directors of the Company for the financial year ended 31st March, 2023.

Except for Ms. Sangeeta Pendurkar, Mr. Vinayak K. Deshpande, Mr. Dilip Jose Puthiyidathu, 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. 8 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at item no. 8 of the notice for the approval by the members of the Company.

ITEM NO. 9

The Company is required to conduct the audit of 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 re-appointment and remuneration of M/s Kailash Sankhlecha & Associates, Cost Accountants, having FRN-100221, as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 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 is required 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. 9 of the notice for approval of the remuneration of ₹ 3,50,000/- payable to the Cost Auditors for the financial year ending 31st March, 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. 9 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at item no. 9 of the notice for the approval by the members of the Company.

By Order of the Board of Directors
For **SIGNIFY INNOVATIONS INDIA LIMITED**

Nitin Mittal
Head of Legal & Company Secretary
FCS - 7044

Place : Gurugram
Date: 26th July, 2023

SIGNIFY INNOVATIONS INDIA LIMITED

CIN: U74900WB2015PLC206100
Registered Office: PS ARCADIA CENTRAL,
3A, 3rd floor, 4A, Abanindranath Thakur Sarani (Camac Street),
Kolkata – 700 017, West Bengal
Phone: +91 7303084237, Website: *www.signify.com*

DIRECTORS' REPORT

For the financial year ended 31st March, 2023

Dear Members,

Your Company's Directors are pleased to present the 8th Annual Report of the Company, along with the Audited Annual Accounts for the financial year ended 31st March, 2023.

1. FINANCIAL PERFORMANCE:

I.I RESULTS

₹ in Millions

	2022-23	2021-22
Revenue from operations (a)	31,063	27,946
Other Income (b)	233	298
Gross Income	31,296	28,244
Profit before tax (PBT) and exceptional items	3,662	3,349
PBT and exceptional items (%)	11.7%	11.9%
Exceptional Items	(130)	(199)
Profit before tax	3,532	3,150
Provision for current tax	(951)	(752)
Deferred tax–Release/(Charge)	86	(79)
Profit after tax (PAT)	2,667	2,319
PAT(%)	8.5%	8.2%
Transfer to General Reserve	-	-

1.2 FINANCE & ACCOUNTS

This year your company has registered a growth of 11.2% (Previous year growth of 12%) on account of resumption of all business activities, Your Company generated an EBIT of ₹ 3,620 Million (Previous year ₹ 3,058 Million) and a net cash outflow of ₹ 143 Million (Previous year Net Cash outflow of ₹ 3,123Million). The Company has not made any major fund-based borrowings in this year and has managed working capital requirements from internal cash generation.

Capital expenditure during the year was ₹ 548 Million (Previous Year ₹ 263 Million) and this was incurred towards investment in new plant and machinery and IT equipment's etc.

2. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2023 is available on the Company's website at *https://www.signify.com/en-in/our-company/company-profile*, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014.

3. DIVIDEND:

Your Directors declared and paid ₹ 62.50/- (625%) per share as Interim Dividend on the fully paid equity shares for the financial year 2022-23, duly approved by the Board of Directors on 29th June, 2023 to the shareholders of the Company as on 30th June, 2023, fixed as record date and it has a pay-out of ₹ 3595 million. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company is taxable in the hands of the Shareholders.

4. TRANSFER TO RESERVES:

During the year under review no amount has been transferred to General Reserve.

5. DEPOSITS:

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

6. BUSINESS PERFORMANCE:

The year 2022-23 continued to be plagued by multiple crises such as inflation, military crises, supply chain issues and the pandemic still affecting parts of the country. However, despite the volatility in the country's overall macro-economic environment during the year, your company managed to deliver good business results. By swiftly taking multiple mitigating actions and simultaneously managing our prices to offset the structural part of inflation, we managed to register a healthy 11.2% growth in our topline and 12% growth in profitability year on year.

The LED transformation of our company continues, with LED products now constituting 86% of our total sales revenue. Our consumer lighting business was impacted by negative consumer sentiment during the year and posted a moderate 6.7% growth over last year. However, we continued our investments in innovation and introduced several new products for consumers, such as our Philips Full Glow LED Bulb, India's first full glass LED Bulb and expanded our Philips Smart Wi-Fi lighting range. We also added new products like silent fans under our EcoLink fans portfolio.

Our professional lighting solutions business delivered an impressive growth of 23.4%, as the government spends on infrastructure increased, and business activities regained momentum. This year, we won prestigious lighting projects such as Atal Bridge, Ripon Building, Eden Garden Cricket stadium, Uttar Pradesh Vidhan Sabha, in addition to other significant private sector projects with TCS, Qualcomm, Infosys.

Our engineering services from our Innovation lab in Bangalore and Cooper lighting operations in Pune also grew and we increased our headcount in these centres significantly.

Our home lighting business also registered a healthy growth on account of new home construction picking up across India. To tap into this growing opportunity, we expanded our Philips Smart Light Hubs network to 274 stores across the country.

With the growing adoption of LED lighting, as expected, our conventional lamps business witnessed an expected de-growth of 9.5%, but we remain the market leader and now supply conventional products domestically to some lighting players in the industry and also exporting these products.

We continued our leadership in sustainability, and we are very proud of our inclusion in the DJSI World Index for the sixth year running. With our Brighter Lives, Better World 2025 program, we're now going beyond carbon neutrality as we work to double our positive impact on the environment and society.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and as on the date of this report.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

9. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

Your Company does not have any Subsidiary/ Joint Venture/Associate Company hence details of financial performance of Subsidiary/ Joint Venture/Associate Company is not required to be attached to this report.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the financial year under review, Mr. Sumit Padmakar Joshi, Vice-Chairman, Managing Director & CEO of the Company, whose five-year tenure as Managing Director was expiring on 13th September, 2022, was re-appointed as Managing Director of the Company by the Members of the Company in their Annual General Meeting, basis recommendation made by Nomination and Remuneration Committee and the Board of Directors, for the term of 5 years under the provisions of the Companies Act, 2013 with effect from 14th September, 2022.

Mr. Dibyendu Raychaudhury, Chief Financial Officer of the Company, was appointed as an Additional Director in executive capacity, based on the recommendation made by Nomination and Remuneration Committee, by the Board of Directors, with effect from 23rd September, 2022, to hold office up to the date of the forthcoming Annual General Meeting. Mr. Raychaudhury has been recommended by the Board of Directors to the members of the Company to be regularized as Whole-time Director on the Board at the Eighth Annual General Meeting to be held in the year 2023. Mr. Raychaudhury was appointed as the Chief Financial Officer, being KMP, with effect from 1st August, 2017.

Mr. Dilip Jose Puthiyidathu was appointed as an Additional (Independent) Director, based on the recommendation of Nomination and Remuneration Committee, by the Board of Directors with effect from 22nd December, 2022, to hold office up to the date of the forthcoming Annual General Meeting. Further, the Board also recommended to the members of the Company to regularize/appoint him as Non-Executive Independent Director of the Company.

During the given period, Mr. Mahesh Srinivasan Iyer, Non-Executive Director and Chairman of the Board, resigned from the Board with effect from 24th September, 2022 (closure of the business hours). Your Board of Directors also recorded its appreciation of the valuable contributions made by Mr. Iyer as the Non-Executive Director and as the Chairman to the Board's deliberations and proceedings during his tenure on the Board.

In current financial year, Mr. Vikas Malhotra retires by rotation and being eligible, offers himself for re-appointment pursuant to the Articles of Association of the Company. Mr. Malhotra was appointed as Whole-time Director (KMP) with effect from 23rd July, 2021.

Ms. Sangeeta Pendurkar, Independent Director of the Company, was appointed on the Board with effect from 8th December, 2020.

Mr. Vinayak K. Deshpande, Independent Director of the Company, was initially appointed with effect from 27th April, 2016 for a five years term and re-appointed for another term of five years with effect from 27th April, 2021.

All the Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are also registered with the Independent Directors' Data Bank, Indian Institute of the Corporate Affairs (IICA). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made thereunder and they are independent of the management.

During the period under review, Mr. Harvinder Kumar, a member of the ICSI, was appointed as Deputy Company Secretary of the Company, by the Board of Directors, with effect from 1st March, 2023 and the necessary form was filed in this regard.

Mr. Nitin Mittal was appointed as Company Secretary, being KMP, at the Board meeting held on 27th April, 2016 with immediate effect.

Structure of the Board of Directors:

- Mr. Mahesh Srinivasan Iyer – Chairman & Director (till 24th September, 2022)
- Mr. Vinayak K. Deshpande – Chairman & Independent Director (Chairmanship – 23rd Sept, 2022 onwards)
- Mr. Sumit Padmakar Joshi – Vice-Chairman & Managing Director
- Mr. Dibyendu Raychaudhury – Whole-time Director (w.e.f. 23rd September, 2022)
- Mr. Dilip Jose Puthiyidathu – Independent Director (w.e.f. 22nd December, 2022)
- Ms. Sangeeta Pendurkar – Independent Director
- Mr. Vikas Malhotra – Whole-time Director

Structure of the Key Managerial Personnel:

- Mr. Sumit Padmakar Joshi – Chief Executive Officer
- Mr. Vikas Malhotra - Whole-time Director
- Mr. Dibyendu Raychaudhury – Whole-time Director & CFO
- Mr. Nitin Mittal – Company Secretary

Remuneration paid to the Executive Directors & KMPs and sitting fees & annual commission paid to the Non-Executive & Independent Directors form part of the notes to the financial statements, which form part of the Company's Annual Report.

11. DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder and they are also registered with the Independent Directors' Data Bank, maintained by the Indian Institute of Corporate Affairs (IICA),

12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES:

Meetings of the Board of Directors were held five (5) years times during the financial year 2022-23. For further details of the number and dates of meetings of the Board and Committees thereof held during the financial year 2022-23 indicating the number of meetings attended by each Director, please refer to the Annexure I, which forms part of this Report.

13. BOARD EVALUATION:

In terms of the Nomination and Remuneration Committee Charter of the Company, duly approved by the Board, and pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has prepared and approved a "Policy for Evaluation of the Performance of the Board of Directors", which was further adopted by the Board, to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2022-23 based on a structured survey and personal discussion held between Chairperson of the Nomination and Remuneration Committee and each individual director separately.

The Nomination and Remuneration Committee also prepared structured questionnaires to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors.

The evaluation of the performance of the Directors was based on various aspects which, inter alia, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties.

The performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, performance of the Committee etc.

The Chairperson of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of the Directors. The Chairperson also held separate discussion with each Director in person. Thereafter, the Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their sperate meeting also discussed the performance of the Non-Independent Directors including the Chairman of the Board.

Your Board of Directors had discussed and analyzed its own performance, Board as whole, during the year, evaluated the Independent Directors pursuant provisions of Schedule IV of the Companies Act, 2013 and also reviewed the performance evaluation reports of various committees. Thereafter, the Board finally noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

The overall outcome of this exercise to evaluate the effectiveness of the Board and its Committees was positive and members of the Board expressed their satisfaction.

14. COMMITTEES OF THE BOARD:

14.1. AUDIT COMMITTEE:

The Audit Committee was initially set up by the Board on 27th April, 2016 pursuant to section 178 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

During the financial year under review, Mr. Mahesh Srinivasan Iyer ceased to be member of the Committee due to his resignation from the Board with effect from 24th September, 2022 (close of business hours). In view of the same, the CSR Committee was reconstituted by inducting Mr. Dibyendu Raychaudhury as a new member and Mr. Vinayak K. Deshpande was appointed as Chairman of the Committee, by the Board in its meeting held on 22nd September, 2022

Presently, the Committee consists of the following members:

1	Mr. Vinayak K. Deshpande	Independent Director	Chairman
2	Mr. Dibyendu Raychaudhury	Whole-time Director & CFO	Member
3	Ms. Sangeeta Pendurkar	Independent Director	Member

The Company Secretary acts as Secretary to the Committee.

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

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

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

The Vigil Mechanism Policy was also formulated by the Audit Committee, which details form part of this Report.

For the details of the number and dates of meetings of the Committee held during the financial year under review, indicating the number of meetings attended by each member thereof, please refer to the Annexure I, which forms part of this Report.

14.2.CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Your Company had constituted the CSR Committee pursuant to section 135 of the Companies Act 2013, with effect from 27th April, 2016. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

During the financial year under review, there was no change in composition of the Committee. Presently, the Committee consists of the following members:

1	Ms. Sangeeta Pendurkar	Independent Director	Chairperson
2	Mr. Vikas Malhotra	Whole-time Director	Member
3	Mr. Sumit Padmakar Joshi	Managing Director	Member

The Company Secretary acts as Secretary to the Committee.

The Committee was setup to oversee the corporate social responsibility activities for the consideration and recommendation of the Committee. The Committee adopted a Corporate Social Responsibility (CSR) Policy and its Charter to discharge the role of Corporate Social Responsibility Committee as envisaged under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013 and the amount of expenditure to be incurred on the same.

The CSR Policy along with its Charter is also available on your Company's website at *https://www.signify.com/en-in/our-company/company-profile*.

Your Company was engaged in Corporate Social Responsibility (CSR) initiatives in various fields, during the financial year 2022-23, the details of which are set out in Annual Corporate Social Responsibility report attached as Annexure II to the Board's report.

For the details of the number and dates of meetings of the Committee held during the financial year under review, indicating the number of meetings attended by each member thereof, please refer to the Annexure I, which forms part of this Report.

14.3.STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was set by the Board of Directors in its meeting held on 27th April, 2016 under the provisions of section 178 of the Companies Act 2013.

During the financial year under review, Mr. Mahesh Srinivasan Iyer ceased to be member of the Committee due to his resignation from the Board with effect from 24th September, 2022 (close of business hours). Thereafter, the Committee was reconstituted by inducting Mr. Dilip Jose Puthiyidathu as a new member with effect from 22nd December, 2022.

Presently, the Committee consists of the following members:

1	Mr. Vinayak K. Deshpande	Independent Director	Chairman
2	Mr. Dilip Jose Puthiyidathu	Independent Director	Member
3	Mr. Sumit Padmakar Joshi	Managing Director	Member

The Company Secretary acts as Secretary to the Committee.

The Stakeholders Relationship Committee adopted a Stakeholders Relationship Charter. The Committee oversees, inter-alia, redressal of shareholder and investor grievances related matters.

For the details of the number and dates of meetings of the Committee held during the financial year 2022-23 indicating the number of meetings attended by each member thereof, please refer to the Annexure I, which forms part of this Report.

14.4.NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was initially constituted by the Board of Directors at its meeting held on 27th April, 2016 as per section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

During the financial year under review, Mr. Mahesh Srinivasan Iyer ceased to be member of the Committee due to his resignation from the Board with effect from 24th September, 2022 (close of business hours). Thereafter, the Committee was reconstituted by inducting Mr. Dilip Jose Puthiyidathu as a new member with effect from 22nd December, 2022.

Presently, the Committee comprises the following members:

1	Ms. Sangeeta Pendurkar	Independent Director	Chairperson
2	Mr. Dilip Jose Puthiyidathu	Independent Director	Member
3	Mr. Sumit Padmakar Joshi	Managing Director	Member
4	Mr. Vinayak K. Deshpande	Independent Director	Member

The Company Secretary acts as Secretary to the Committee.

The Nomination and Remuneration Committee has adopted a Nomination and Remuneration Committee Policy, duly approved by the Board. The role of the Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013.

The broad objectives of the Committee as per the Policy are as under:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To assist the Board in fulfilling responsibilities.
- To implement and monitor policies and processes regarding principles of corporate governance.

The Nomination and Remuneration Policy for appointment and removal of Director, KMP and Senior Management provides that the Committee shall identify and ascertain the ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment. It further provides the criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013.

A Policy for remunerating Directors/ KMPs/ Senior Management Personnel was also set up, which provides the level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee has also formulated a "Policy for Evaluation of the Performance of the Board of Directors", to formally evaluate the effectiveness of the Board, its committees along with performance evaluation of each Director to be carried out on an annual basis.

The Nomination and Remuneration Policy of the Company is also available on your Company's website at *https://www.signify.com/en-in/our-company/company-profile*.

For the details of the number and dates of meetings of the Committee held during the financial year 2022-23 indicating the number of meetings attended by each member thereof, please refer to the Annexure I, which forms part of this Report.

14.5.BANKING AND OTHER OPERATIONS COMMITTEE:

The Banking and Other Operations Committee was constituted on 27th April, 2016, for taking certain decisions on behalf of the Board during the intervening period between two Board Meetings on routine matters including those which have been delegated by Board under the provisions of the Companies Act, 2013 and also the matters on which decisions were required to be made urgently other than those which are specifically reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

During the financial year under review, the Committee was reconstituted by inducting Mr. Dibyendu Raychaudhury as a new member with effect from 23rd September, 2022.

Presently, the Committee consists of the following members:

1	Mr. Sumit Padmakar Joshi	Managing Director	Chairman
2	Mr. Dibyendu Raychaudhury	Whole-time Director	Member
3	Mr. Vikas Malhotra	Whole-time Director	Member

The Company Secretary acts as Secretary to the Committee.

The broad terms of reference of the Banking and Other Operations Committee include opening and closure of bank account(s), issuance of instructions to the Bankers, granting and cancellation of the Power of Attorney, granting authorizations of execute any documents or appear or represent on behalf of the Company before any authority/court/tribunal under direct and indirect tax, civil, criminal laws and other applicable laws on the Company, granting authorization to execute documents pertaining to tenders, leave & license and other relevant agreements, approving the transfer, transmission of shares, dematerialization of shares, rematerialization of shares, issuance of duplicate share certificate(s), split, consolidation of share(s) and other matters related thereto and any other matter which the Committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law.

For the details of the number and dates of meetings of the Committee held during the financial year under review, indicating the number of meetings attended by each member thereof, please refer to the Annexure I, which forms part of this Report.

15. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Vigil Mechanism/Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013.

Your Company has established a proper mechanism, under the above Policy, for directors and employees to report any genuine concern. A disclosure should be made in writing or can log a complaint on Signify Ethic line, which provides an online tool and a phone line. Letters can be submitted by hand, courier, or by post, addressed or Email to the Compliance Officer. All reported violations whether actual or potential are reviewed by the Country Compliance Officer. He reports all violations to the Signify Fraud Investigation and Customer Screening (FICS) team and depending upon the severity of the allegation it may be decided to engage an investigator in investigating the complaint.

Any kind of complaint may also be submitted directly to the Chairperson of the Audit Committee of Signify Innovations India Limited at his email ID.

All whistleblowers complaints received along with the status are presented before the Audit Committee on quarterly basis.

The Vigil Mechanism/Whistle Blower Policy is also available on your Company's website at *https://www.signify.com/en-in/our-company/company-profile*.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2023, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure II.

17. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

Your Company is committed to ensure that its operations are carried out within a well-defined internal control framework, good governance, robust systems and processes, a vigilant finance function and an independent Internal Audit function are the foundations of the internal control systems. Your Company has the Audit Committee in place and the Audit Committee devises robust Internal Control System and Enterprise Risk Management for the Company.

Through our internal audit processes at all levels, both the adequacy and effectiveness of internal controls across various businesses and compliance with laid-down systems and policies are being regularly monitored. A trained internal audit team is periodically validating the major IT-enabled business applications for their integration, control and quality of functionality.

Your Company has appointed M/s KPMG as its Internal Auditors and their function, scope of service etc. were approved by the Board of Director based on recommendation made by the Audit committee. The Internal Auditors submit their report to the Audit Committee and the Board respectively as per the requirements of the Companies Act.

18. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

A great workplace is about great employee experience offered by company. And we ensure this by focusing on three areas namely employee value proposition, core values and culture of meritocracy. Our Employee Value Proposition structured around our core values and company's strategy is what helps in building a workplace that is highly performance driven. Our EVP is lived and felt by all employees via various programs and initiatives that run throughout the year, contextual to the focus of the organization during a specific period. Some of these initiatives are specifically tailored around creating a sense of pride and to embed a high performing value-driven culture throughout the organization:

- **SheThePeople:** It is one our flagship initiative focused on female employees, which gives an open platform to Signify women employees to come together and share their experiences and stories. This initiative also gives an opportunity to our female employees to connect with esteemed leaders across the industry (through our panel discussion) and learn from their experiences.
- **Diversity Mentoring:** The key purpose of this initiative is to strengthen the diversity of the leadership pipeline and improve the gender balance at management levels in Commercial organizations in line with Signify diversity commitments. This initiative helps in preparing women employees for the complexities of new roles/ assignments. This program started in Q2 2022 and runs for a span of 9-12 months of mentorship journey. The nominated employees are assigned a mentor wherein they will have the opportunity to connect with senior leaders across the globe and gain exposure by tapping into the knowledge and experience of someone in a leadership role.
- **Back In the Game:** It is a unique initiative that provides a platform to skilled women professionals who have taken a career-break due to maternity or other reasons. This program enables them to transition back to a corporate career through live projects across various functions. The objective of this initiative is to offer opportunity to women on break to transition to their work, enabling them to balance their professional ambitions and their personal commitments.
- **Litmus World Employee Survey:** It is a SaaS platform that enables us to understand the pulse of the organization via candid & anonymous feedback from employees across various touchpoints. The LW platform is used to conduct various surveys like Tenure surveys at completion of certain tenure milestones, to gauge pulse of people, assimilation into roles and various other similar employee-engagement variables and use the analysis to build impactful actionable to bridge the gaps.
- **Ignite:** Ignite is our global strategy deployment initiative. At the start of 2023, we launched our global strategy wherein we talked about how our organization is shifting towards a performance mindset and the kind of behaviours that are required to make this shift.
- **HR and Leadership Connect Sessions:** The objective of the HR and Leadership Connect sessions is to create an environment of openness, approachability to leadership and build an all-inclusive organization that fosters deeper relations and an enhanced sense of belongingness amongst the employees. This gives an employee the opportunity to have an open discussion with their HR Business Partner or the Leader, regarding their concerns and grievances.

All the above engagements coupled with our flexible and supportive culture, developmental and growth opportunities that we provide to our employees resulted in the company being recognized as a Great Place to Work by GPTW® Institute for the period April 2022-March 2023.

Learning & Talent Development

To stay ahead of competition, it is imperative that we as an organization continue to focus on building winning capabilities and a strong leadership pipeline, which is also the mainstay of our learning and talent management strategies. We have curated certain initiatives to empower our employees with specific skills and help them grow in the workplace.

- **Accelerated Leadership Program:** This program has been designed to nurture outstanding talent within our company at mid-management levels, who will help shape and drive our future. This tailor-made program is focused on developing key skills and competencies that are critical for an individual's career growth. It is a comprehensive 3-month long journey featuring several challenging and enriching development modules. The program features a rich blend of hands-on experiences, classroom training and cross functional learning.

- **LaunchPad:** LaunchPad is a refresher induction program for new joiners in Sales channel. The objective of this program is to provide an overview of all our product categories and ways of working to the new joiners, who are 2-3 months old in the organization. This is an opportunity for the new joiners to witness our R&D facilities and connect with stakeholders from the Head Office.
- **Ascent:** Ascent is an 8-week long comprehensive and structured training program designed for new employees in Market India to equip them with the necessary skills, knowledge, and tools to enhance productivity and become more successful in their roles. The program is divided into different phases, including introduction and orientation phase, technical training, and job specific training. By the end of this program, employees would have a clear understanding of their roles and responsibilities, as well as the organization's mission, vision, and values.
- **Edge:** Edge is transformational leadership development program for top talent (high performance and high potential resources) that focuses on building both personal edge and functional edge. Personal edge is targeted towards personal growth & profession development, and Functional edge is targeted towards effective leadership, customer impact and business mastery. This is an initiative to build female leaders in-house and prepare them for senior and more responsible roles.
- **Bright Finance:** It is a talent program for Finance professionals focused on development and career growth. The aim of this initiative is to recruit and develop a spectrum of early career talented resources and provides them an opportunity to develop the skills, not just in finance domain, but also with regards to their regional entities and business requirements. This program consists of 3 pillars: Monthly Masterclass, Hands-on projects, and Mentoring.

Talent Acquisition

We continuously encourage internal talent to take on diverse and bigger roles in both domestic and international markets through internal marketplace called "Opportunity Knocks". Employee Referrals continues to be the one of the top sources of hiring the right talent externally (13% hiring through referrals in 2022). We introduced 'Each One, Bring One' campaign for increasing diversity referrals in sales role.

To build high brand recall amongst critical talent segments, our company actively used the social media - Signify page on LinkedIn. Our company also actively engaged with Premiere/Non-Premium B-Schools/Engineering Colleges through Campus Sparks Internship Program, Business Leadership Program, Sales Trainee Program and Postgraduate/ Graduate Engineer Trainee Program. We conducted 'Signify Sustainability Champion' contest across 10 B-Schools and received 700+ entries from students. Students with the best entries were awarded Pre-Placement Interviews for Campus Sparks 2023.

In our Innovation Centre at Bangalore, we continued with "Campus Verve Program" to hire interns from engineering colleges. Also, we had 111 conversions from last year's batch who will join us as Engineering Trainees. In our Innovation Centre at Noida, we have hired total of 5 Post Graduate and Graduate Engineer Trainees who will be joining us in July and August respectively. In our Cooper Lighting Solution's Innovation Centre at Pune, we hired 10 Technical Trainees who would be joining us in August. In the non-technical domain we had 6 joiners in Business Leadership Program and another 6 in Sales Trainee Program. We have also hired 30 summer trainees from top B-Schools across India, for undergoing a 2-month internship with us in Summers of 2023.

For new members in the Signify Innovations family, we revamped our 'First Impressions' program which enables to induct the new joiners in Lighting business environment as well as helps them transition to their new role smoothly by providing the right tools to accelerate at our organization. Subject matter experts run various sessions during the induction program followed by market visits and shadowing which enable the new joiners to start understanding the business and give their best in their professional roles.

This year we relaunched our renowned women returnee program titled 'Back In the Game' for giving women who are on career break an opportunity to restart their professional journey with us on Fixed Term Contract of 1 year with possibility of full-time employment basis performance and position availability.

We amplified our efforts towards diversity hiring focusing on both gender and age diversity (46% age diversity and 33% gender diversity in external hiring for 2022). Also, we introduced focused employer branding targeting gender diversity in sales role. In this we launched 'Women in Sales' LinkedIn group to serve as platform for showcasing success stories of our female sale employees to outside world.

Total Rewards

Sustaining a culture of recognition continued to be the focus area to engage and motivate employees. Our company continued to strengthen its flagship recognition policy 'Light-Up' executed through an online platform. The policy focuses on acknowledging and rewarding employees who deliver superior performance while demonstrating Signify's values and business principles in their ways of working. This Rewards and Recognition program is one of a kind in India amongst other Signify markets. Signify also continued the 'Long Service Awards' policy to recognize the loyalty and commitment shown by employees over the years. We continued to strengthen our position in the market by adjusting our salary bands with the latest benchmarks and best practices to attract and retain the best talent pool.

In 2019, Signify India partnered with Amaha to provide psychological, emotional and wellbeing support to the employees. Amaha is a dedicated platform for emotional, behavioral, and psychological well-being. Employee concerns are categorized in 6 major parts being:

- Sleeping Better
- Stress Control
- Mood Management
- Anger Management
- Worry Management
- Living Happiness

There are bi-weekly webinars organized by Amaha on key issues pertaining to mental wellness. Employees are also provided with free counselling sessions for themselves and their families via Amaha counsellors.

Similarly Signify India partnered with Marsh Mercer Benefits India to organize holistic wellness webinars on topics such as Yoga, Nutrition and Financial Wellness.

Industrial and Employee Relations

Our Vadodara Light Factory (VLF) achieved significant productivity improvements through the assimilation of Lean Philosophy. This was brought about through the incorporation of continuous improvement behavior at shopfloor through planned interventions and the factory enjoyed healthy and cordial Industrial Relations. We have a long history of peaceful industrial relations at Vadodara Light Factory and is a testimony of workers participation in Management. Both Management and Union ensure that all the decisions are taken after considering the welfare and interests of the workers.

Last year VLF has also expanded its manufacturing capability by producing LED Lamps, LED Drivers, MSB Battens and Stadium lighting luminaires for the Indian market.

Information under Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014, forms part of the Board's Report and are available for inspection at the registered office of your Company during working hours and any Member interested in obtaining such information may write to the Company Secretary.

19. CONSERVATION OF ENERGY, FOREIGN EXCHANGE OUTGO AND TECHNOLOGY ABSORPTION:

Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings ratio 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 III to this Report.

20. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY:

The Company's Vadodara Light Factory (VLF) has been actively involved in implementing Signify Eco Vision program. 100% of waste generated is being recycled. Many energy saving projects were undertaken. Safety of employees is the foremost concern at VLF and working towards providing a safe and accident-free working environment is a culture here. Started monitoring of participation in the Injury Prevention Rate program for people engagement. Regular training and awareness sessions are carried out on Behavior Based Safety (BBS), Machine Safety for the employees to achieve zero accidents in the factory.

The Company has started deployment of manufacturing standards for safety in VLF. Implementation of safety measures as per standard is done, which is assessed and audited by central team. The Company is pleased to share that VLF has complied with 10 safety standards out of 13 applicable. Three others are ongoing.

Firefighting and first aiders training with external expert and certifications are conducted as per local government legal requirement. Mock drills are conducted twice a year to check and verify emergency services available.

Due to spread of COVID-19, all safety measures recommended by Local government and Signify safety team are implemented and awareness to the people program "SURAKSHA SAMVAD" are regularly held to discuss on safety measures.

The Company's Vadodara Light Factory (VLF), with its focus on the environment and safety issues, National Safety week, World safety week and World Environment Day are celebrated every year in the plant to spread awareness and safety culture within the factory. Water consumption monitoring and conservation program is also conducted.

VLF had replaced the conventional lighting from the shop floor area with energy efficient LED lights- give us significant energy saving along with many energy saving programs. Also implemented many programs on waste reduction and Energy conservation to protect environment.

Regular training is conducted on Safety and started new initiatives like Night Audit for safety on quarterly basis, Monthly Safety Review with managers, Departmental safety committee meeting. Injury Prevention Rate (IPR), Industrial Equipment safety standard (IESS) going on and inculcate behavior change amongst its employees in pursuit of the Company's aim of zero accidents at the site. Training on the special hazards like- Chemical, Power tool and Electricity is conducted with respective group of people.

VLF is also actively involved in implementing the Signify Eco-Vision program. During the year, a substantial part of the waste generated at VLF was recycled. E-waste also was disposed through Proper and authorized TSDF- Treatment, Storage and Disposal Facilities.

We are pleased to share TRC (total recordable cases) are reported Nil in last year, with no case of loss of work or fatality.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans given, investments made, guarantees given and securities provided, if any, 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.

22. RELATED PARTY TRANSACTIONS:

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

23. STATEMENT OF RISK MANAGEMENT:

Risk management forms an integral part of the business planning and review cycle. 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, 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, Signify Business Control Framework, Signify Quality Management System and Signify's Integrity Code.

24. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge confirm that:-

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation 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 at the end of the financial year and of the profit and loss of the company for that period;

(iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors have prepared the annual accounts on a going concern basis;

(v) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

25. STATUTORY AUDITORS:

The Statutory Auditors, M/s SR Batliboi & Co LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were re-appointed for the another term of five (5) years at the Sixth Annual General of the Company in the financial year 2021-22, pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 and the Rules made thereunder, from the conclusion of the Sixth Annual General Meeting upto the conclusion of the Eleventh Annual General Meeting to be held after the Sixth Annual General Meeting.

26. EXPLANATION OR COMMENTS BY THE BOARD ON AUDITORS' REMARKS:

The Company is maintaining books of account and papers in electronic mode and complete backup of books of account and papers of the Company (along with Signify group) maintained in electronic mode on daily basis in the backup server located outside India. Being a large scale of data and global technical set-up for entire group, the Company was finding challenges in moving the entire sever of books of accounts of Indian entity in India. The Company has been in discussion with the subject experts to evaluate the suitable solution and implement a system to have complete backup of books of accounts (on daily basis) in a server located in India as per the requirements of the law. At any point of time, the same is accessible throughout the year.

During the year, the management received a whistleblower compliant wherein it was alleged that an employee had given preferential treatment to certain vendors in exchange of commission from certain company's vendors for which he was directly responsible. The investigation is currently ongoing, however, basis the information gathered so far, management is of the view that there is no material financial impact as of 31st March, 2023.

27. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, your Directors have approved the re-appointment of M/s Kailash Sankhlecha & Associates, Cost Accountants, having FRN-100221, to conduct the Cost Audit for the year ending 31st March, 2024, at a remuneration of ₹ 3,50,000/- (Rupees Three Lakh Fifty Thousand Only) plus applicable tax and out of pocket expenses, subject to the approval of such remuneration by the members of the Company at the ensuing Annual General Meeting. There has been no qualification, reservation or adverse remark or disclaimer in their Report for the period ended on 31st March, 2023.

28. SECRETARIAL AUDITORS:

The Secretarial Audit was carried out by M/s PI & Associates, Company Secretaries for the financial year ended on 31st March, 2023. The Report given by the Secretarial Auditors is annexed as Annexure V and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under section 204(3) of the Act read with section 134(3)(f) of the Act and under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act.

29. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company is in compliance with the applicable provisions of the Secretarial Standards (i.e. SS-1 & SS-2) specified by the Institute of Company Secretaries of India (ICSI) related to the Board and General Meetings.

30. PREVENTION, PROHIBITION AND REDRESSAL AGAINST HARASSMENT OF WOMEN EMPLOYMENT:

In order to ensure a safe working environment for all women employees, your Company has a Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees at Workplace Policy in place, adhering with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and its Rules. Consequently, the Company has set up a Core Complaints Redressal Committee at the Corporate Office in Gurgaon and Site Complaint Redressal Committees in all branch offices and factories consisting of 2-4 members, along with an external member appointed as required under the law with experience in the field of sexual harassment at workplace.

The procedure followed by the Committee is as follows - If any incident of sexual harassment occurs, 6 copies of a written complaint is to be filed by the complainant with the respective Core/Internal Complaint Redressal Committee or with the Employer within 3 months from the date of incident, along with its supporting documents and details of the witnesses and evidences. The same will be reported to the Country Compliance Officer. A copy of the same is forwarded to the respondent within 7 days. The respondent is required to file his reply, along with supporting documents and details of witnesses in the next 10 days.

The Committee attempts to reconcile the written request of the victim or proceed with the inquiry, which is to be completed within 90 days. The inquiry report is issued within 10 days from completion of the inquiry and forwarded to the CEO, Head of Legal and Head of HR. If they are satisfied with the findings of the Committee, appropriate action is taken on the lines of issuing a warning or stern warning or even termination of service, within 60 days from the date of receipt of the inquiry report. Necessary face to face trainings and online courses are provided to all employees.

During the year under review, following activities were conducted under Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees at Workplace Policy:

- First, no Sexual harassment complaint was reported to any of the internal Complaint Redressal Committee during the financial year 2022-23.
- Regular training sessions are held on Prevention of Sexual Harassment.
- Awareness messages sent to all employees.
- A clause added in the employee joining kit to adhere to Company's Prevention of Sexual Harassment Policy at workplace.

During the financial year under review no case of any sexual harassment complaint received and there is no pending case.

ACKNOWLEDGMENT:

Your Directors place on record their deep appreciation of the assistance and guidance provided by the Central Government and the State Governments, its suppliers, technology providers and all other stakeholders. Your Directors also appreciate the contribution made by the employees of your Company at all levels.

Your Directors thank the financial institutions and banks associated with your Company for their support as well. Your Directors also thank the Company's dealers and its customers for their unstinted commitment and valuable inputs.

Your Directors acknowledge the support received from you as shareholders of the Company.

For and on behalf of the Board of Directors of
SIGNIFY INNOVATIONS INDIA LIMITED

	SUMIT PADMAKAR JOSHI	**DIBYENDU RAYCHAUDHURY**
Place : Gurugram	Vice-Chairman, Managing Director & CEO	Whole-time Director & CFO
Date : 26th July, 2023	(DIN: 07018906)	(DIN: 09747317)

Annexure - I

Number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director.

Board of Directors:

During the financial year 2022-23, 5 (five) meetings of the Board of Directors were held on 30th May, 2022, 29th June, 2022, 22nd September, 2022, 22nd December, 2022 and 1st March, 2023.

Name of the Directors	Attendance at the Board meetings		Attendance at last AGM
	No. of Meetings which Director was entitled to attend	No. of Meetings attended	
Mr. Mahesh Srinivasan Iyer*	3	3	Yes
Mr. Vinayak K. Deshpande#	5	5	Yes
Mr. Sumit Padmakar Joshi	5	4	Yes
Mr. Dibyendu Raychaudhury**	2	2	NA
Mr. Dilip Jose Puthiyidathu***	2	2	NA
Ms. Sangeeta Pendurkar	5	5	No
Ms. Vikas Malhotra	5	5	Yes

Audit Committee:

During the financial year 2022-23, 4 (four) meetings of the Audit Committee were held on 29th June, 2022, 22nd September, 2022, 22nd December, 2022 and 1st March, 2023.

Name of members	Nature of membership	Attendance at the Audit Committee meetings	
		No. of Meetings which Director was entitled to attend	No. of Meetings attended
Mr. Mahesh Srinivasan Iyer*	Chairperson	2	2
Mr. Vinayak K. Deshpande#	Chairperson	4	4
Mr. Dibyendu Raychaudhury**	Member	2	2
Ms. Sangeeta Pendurkar	Member	4	4

Nomination and Remuneration Committee:

During the financial year 2022-23, 4 (four) meetings of the Nomination and Remuneration Committee were held on 29th June, 2022, 22nd September, 2022, 22nd December, 2022 and 1st March, 2023.

Name of members	Nature of membership	Attendance at the NRC meetings	
		No. of Meetings which Director was entitled to attend	No. of Meetings attended
Ms. Sangeeta Pendurkar	Chairperson	4	4
Mr. Mahesh Srinivasan Iyer*	Member	2	2
Mr. Dilip Jose Puthiyidathu***	Member	2	2
Mr. Sumit Padmakar Joshi	Member	4	3
Mr. Vinayak K. Deshpande	Member	4	4

Corporate Social Responsibility Committee:

During the financial year 2022-23, 4 (Four) meetings of the Corporate Social Responsibility Committee were held on 29th June, 2022, 22nd September, 2022, 22nd December, 2022 and 1st March, 2023.

Name of members	Nature of membership	Attendance at the CSR Committee meetings	
		No. of Meetings which Director was entitled to attend	No. of Meetings attended
Ms. Sangeeta Pendurkar	Chairperson	4	4
Mr. Sumit Padmakar Joshi	Member	4	3
Mr. Vikas Malhotra	Member	4	4

Stakeholders' Relationship Committee:

During the financial year 2022-23, 1 (one) meeting of the Stakeholders Relationship Committee was held on 22nd December, 2022.

Name of members	Nature of membership	Attendance at the SRC meetings	
		No. of Meetings which Director was entitled to attend	No. of Meetings attended
Mr. Vinayak K. Deshpande	Chairman	1	1
Mr. Dilip Jose Puthiyidathu***	Member	1	1
Mr. Sumit Padmakar Joshi	Member	1	1

Banking and Other Operations Committee:

During the financial year 2022-23, 7 (Seven) meetings of the Banking and Other Operations Committee were held on 19th April, 2022, 30th May, 2022, 29th June, 2022, 22nd September, 2022, 9th November, 2022 22nd December, 2022 and 29th March, 2023.

Name of members	Nature of membership	Attendance at the Board meetings	
		No. of Meetings which Director was entitled to attend	No. of Meetings attended
Mr. Sumit Padmakar Joshi	Chairman	7	7
Mr. Dibyendu Raychaudhury**	Member	3	3
Mr. Vikas Malhotra	Member	7	7

*Mr. Mahesh S. Iyer resigned from the Board and ceased to be Chairman of the Board, Chairman/member of the respective committee with effect from 24th September, 20221

**Mr. Dibyendu Raychaudhury was appointed on the Board and the respective Committee w.e.f. 23rd September, 2022.

***Mr. Dilip Jose was appointed on the Board and member of the respective Committee with effect from 22nd December, 2022.

#Mr. Vinayak K. Deshpande was appointed as Chairman of the Board and Audit Committee on 22nd September, 2022.

For and on behalf of the Board of Directors of
SIGNIFY INNOVATIONS INDIA LIMITED

Place : Gurugram
Date : 26th July, 2023

SUMIT PADMAKAR JOSHI
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

DIBYENDU RAYCHAUDHURY
Whole-time Director & CEO
(DIN: 09747317)

Annexure-II

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2015 read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of CSR Policy of the Company:**

The Board of Directors approved CSR Policy of the Company, pursuant to the provisions of Section 135 of the Companies Act, 2013. The CSR Policy of the Company is accessible on your Company's website at *https://www.signify.com/en-in/our-company/company-profile*

In terms of the mandate of the CSR Committee and being a Lighting Company, the focus of the CSR programs of the Company has been to unlock the extraordinary potential of light for creating brighter lives and a better world, by providing underprivileged sections of the society access to clean & renewable solar based lighting and enhancing the employability of rural youth through skill development programs. The key pillars of our CSR program are as follows:

Har Gaon Roshan (Lighting up villages) - The objective of this program is to promote rural development by providing solar energy-based lighting facilities in rural villages to enhance the safety of women and children after sunset and extend the working day of the village, thereby also enabling economic activities after sunset. A total of 56 villages across West Bengal, Rajasthan & Madhya Pradesh benefitted from this program this year.

Jagmag Pathshala (School Lighting)- The objective is this program is to promote education by providing a better learning environment for school students in rural areas, through better illuminated classrooms powered by solar microgrids, LED lighting & energy efficient fans. This year, we illuminated 178 schools across Bihar, West Bengal, Maharashtra, Assam, Punjab, Rajasthan & Uttar Pradesh. As part of our commitment to promote digital education in blind schools, we established 10 computer labs in blind schools across India, empowering them with a digital learning experience.

Khel Jyoti (Lighting up playgrounds)- The objective of the program is to promote rural sports by illuminating playgrounds in rural areas to further nurture young sports talent and enable children to play after dark. This year we illuminated 25 rural playgrounds across Assam, Karnataka, and Odisha, providing opportunities for diverse sports activities.

Swasthya Kiran (Lighting up Hospitals)- Under this program we enhance the healthcare infrastructure in rural areas by implementing solar power backup solutions in primary and community healthcare centres. Our goal is to improve healthcare accessibility and quality in underserved regions, ultimately contributing to the overall strengthening of the rural healthcare infrastructure. This year, we illuminated 44 rural healthcare centres across 4 districts of Rajasthan and 15 districts of Arunachal Pradesh with a 2.5Kw Solar power plant in each center.

2. **Composition of CSR Committee:**

Sl. no	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year (entitled to attend)	Number of meetings of CSR Committee attended during the year
1	Ms. Sangeeta Pendurkar	Independent Director	4	4
2	Mr. Sumit Padmakar Joshi	Managing Director	4	3
3	Mr. Vikas Malhotra	Whole-time Director	4	4

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** *https://www.signify.com/en-in/our-company/company*

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. **(a) Average net profit of the company as per sub-section (5) of section 135 –** ₹ 3,390.98 Million

(b) **Two percent of average net profit of the company as per sub-section (5) of section 135 -** ₹ 67.82 Million

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

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

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)] –** ₹ 67.82 Million

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 64.67 Million**

(b) **Amount spent in Administrative Overheads – ₹ 3.15 Million**

(c) **Amount spent on Impact Assessment, if applicable – NIL**

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 67.82 Million**

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (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.
67.82 Million	NIL	NA	NA	NA	NA

(f) **Excess amount for set-off, if any:** NIL

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	67.82 Million
(ii)	Total amount spent for the Financial Year	67.82 Million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	00.00 Million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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.	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)		Deficiency, if any
						Amount (in ₹)	Date of transfer	
1.	FY 2019-20	NIL	NIL	70.47 Million	NIL	NA	NIL	NIL
2.	FY-2020-21	NIL	NIL	76.56 Millon	NIL	NA	NIL	NIL
3.	FY-2021-22	NIL	NIL	68.00 Million	NIL	NA	NIL	NIL
	Total			**215.03 Million**				

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

Yes _____X______ No___✓_______

If Yes, enter the number of Capital assets created/ acquired - Not Applicable

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
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not applicable

For **SIGNIFY INNOVATIONS INDIA LIMITED**

SUMIT PADMAKAR JOSHI
Managing Director & CEO
Member- CSR Committee
(DIN:-07018906)

Place : Gurugram
Date : 26th July, 2023

SANGEETA PENDURKAR
Independent Director
Chairperson- CSR Committee
(DIN: : 03321646)

Place : Mumbai
Date : 26th July, 2023

Annexure - III

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 31st March 2023.

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year ending on 31st March, 2023:

1. **Steps taken or impact on conservation of energy**

   a) More than 73% usage of 2.0MW natural gas Power generator. Unit rate benefit in electricity.

   b) New business digital where selected all HVAC system of 110Tn capacity with energy efficient & interlock with plant. If the plant is running HVAC running remaining times its auto turn-off.

   c) Shop floors & offices conventional lighting converted in to LED lighting in results 470 Unit/Day saved.

   d) Continued reduction of compressed air consumption at VTL &GLS Plant.

   e) In Glass Danner operation, compressed air usage is eliminated by replacing the bearing roller.

   f) "No Production No Energy" program deployment with awareness& interlocking on machine implemented across production lines.

   g) 3 Nos VTL lines productivity improvement with same energy machine speed increased from 1630/lamp to 1800 lamp/hr.

   h) Replacement of existing blower with energy efficient trilobe blower which benefit of 150 Unit/Day.

   i) Normal LED street light replaced with Smart LED lighting which is benefit of 230 Unit/day.

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

   To cater the captive consumption, the Company installed a natural gas-based generator of 2.0 MW.

3. **The Capital Investment on energy conservation on equipment's**

   The Company has invested ₹ 4.3 million during this year on Capex for energy saving equipment's.

B. RESEARCH & DEVELOPMENT (R & D)

Your Company continues to derive the sustainable benefits from the strong foundation and Long tradition of Research and development. During the year the Company continued to focus on the development of its products to preserve and strengthen its competitive position in various lighting related products. Your Company believes that process development and import substitution are of paramount importance and to put all its efforts to establish the same. The Company's R & D laboratories have been instrumental in providing the Company with a sustainable competitive advantage through application of Science and Technology.

1. **Specific areas in which R & D has been carried out**

   LED luminaires, solar powered LED luminaires, configurable luminaires, DC power packs for multiple application areas like street area, sports, Garden, office, retail outlets and Industry.

2. **Benefits derived as a result of above efforts**

   Energy efficient and environment friendly lighting solution with better design and superior to competition. Significant growth in LED market with enhanced affordability (lower cost) and reliability (enhanced useful life) imparted to the new products.

3. **Future plan of action**

Continue to engage in design & development of new generation Energy efficient and environment friendly lighting solution.

4. **Expenditure incurred on R&D**

The Company has applied for renewal of its in-house research and development facility ('R&D facility') located at Sector 57, Noida, UP from Ministry of Science and Technology, Department of Scientific and Industrial Research ('DSIR'). The objective of in-house scientific research undertaken by the Company is to improve people's life through meaningful innovations. During the financial year 2022-23 and 2021-22, the Company has incurred following expenditure on in-house research and development in the said R&D facility:

(₹ in Million)

Particulars	2022-23	2021-22
A Capital Expenditure	24	17
B Net Revenue Expenditure	256	184
TOTAL	**280**	**201**

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

i) Efforts made towards technology absorption, adoption and innovation:

- Imbibing a strong capability in connected lighting/system & services, adding features related to customer interface and connectivity.

ii) Benefits derived as a result of above efforts

- Improvement in product quality, cost reduction, product development and import substitution

D. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year total inflow in foreign exchange was ₹ 5,441 million and total outflows in foreign exchange was ₹ 5,906 million.

For and on behalf of the Board of Directors of
SIGNIFY INNOVATIONS INDIA LIMITED

SUMIT PADMAKAR JOSHI
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

DIBYENDU RAYCHAUDHURY
Whole-time Director & CEO
(DIN: 09747317)

Place : Gurugram
Date : 26th July, 2023

Annexure - IV

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 (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

I. 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 31st March, 2023, which were not on an arm`s length basis.

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

S. no	Name(s) of the related party & 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:	Amount Paid as Advances, if Any	Value of Transactions during the Year Ended March 31, 2023 (₹ Million)
1	Signify Netherlands B.V. Fellow Subsidiary Company	Purchase of IT Services	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	366
2	Signify Netherlands B.V. Fellow Subsidiary Company	Purchase of Raw Material and Stock-in -trade	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	1,121
3	Signify Poland Sp. z.o.o. Fellow Subsidiary Company	Purchase of Raw Material and Stock-in -trade	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	164
4	Signify Netherlands B.V. Fellow Subsidiary Company	Sale of products	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	1,883
5	Signify Holding B.V. Holding Company	Sale of Services	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	580

S. no	Name(s) of the related party & 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:	Amount Paid as Advances, if Any	Value of Transactions during the Year Ended March 31, 2023 (₹ Million)
6	Signify Netherlands B.V. Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	2,204
7	Signify Holding B.V. Holding Company	Management Support Services	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	146
8	Signify Netherlands B.V. Fellow Subsidiary Company	Technical Royalty	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	1,320
9	Signify Netherlands B.V. Fellow Subsidiary Company	Reimbursement Received	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	126
10	Cooper Lighting LLC	Sale of Services	Yearly	Based on Transfer Pricing Guidelines	Not Applicable since the contract was entered in the ordinary course of business and on arm's length basis	Not Applicable	585

*Please note that material transactions with related parties of value ₹ 100 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 of Directors of
SIGNIFY INNOVATIONS INDIA LIMITED

Place : Gurugram
Date : 26th July, 2023

SUMIT PADMAKAR JOSHI
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

DIBYENDU RAYCHAUDHURY
Whole-time Director & CFO
(DIN: 09747317)

Annexure - V

DRAFT FORM MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
SIGNIFY INNOVATIONS INDIA LIMITED
(formerly known as Philips Lighting India Limited)
(U74900WB2015PLC206100)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Signify Innovations India Limited** (hereinafter called **"the Company"**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31st, 2023 ("Audit Period"). The company is engaged in the business of providing energy-efficient lighting products, systems and services.

Limitation of the Auditors

(i) Based on our 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, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and

(ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

(i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit **("Guidance Note")** and Auditing Standards issued by the Institute of Company Secretaries of India **("ICSI")**. The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

(ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

(iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.

(iv) 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 Board processes and compliance mechanism.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; ***(Not Applicable)***

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not Applicable)***

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable)

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(Not Applicable)***

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not Applicable)***

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***(Not Applicable)***

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(Not Applicable)***

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not Applicable)***

h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; ***(Not Applicable)*** and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). ***(Not Applicable)***

We further report that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and other specific laws applicable as mentioned hereunder:

a) The Legal Metrology Act, 2009 and

b) The Competition Act, 2002

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

(i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations ***(Not Applicable)***

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

We further report that:

(i) The Board of Directors of the Company was duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors during the Audit Period. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act and the changes that took place in the composition during the period under review are as herein mentioned:

a. Mr. Mahesh S. Iyer, a Non-Executive Director of the Company resigned w.e.f. 24th September 2022;

b. Mr. Dibyendu Raychaudhury, the Chief Financial Officer of the Company was appointed as a Whole-Time Director w.e.f. 23rd September 2022 and

c. Mr. Dilip Jose was appointed as an Independent Director w.e.f. 22nd December 2022

(ii) Further, the composition of all statutory committee(s) was also in compliance with the Act and applicable Rules and Regulations.

(iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

Matter of Emphasis

We have been informed that the books of accounts of the Company have been maintained in the electronic mode the server of which is maintained outside India and consequently, back-up of its books of accounts has not been carried out on daily basis due to absence of server physically located in India.

We further report that during the audit period, there are NIL events occurred in the Company having major bearing on the Company's affairs.

For PI & Associates,
Company Secretaries

Ankit Singhi
Partner
ACS No.: F11685
C P No.: 16274
Peer Review No.:1498/2021
UDIN: F011685E000665833

Date : 26th July, 2023
Place : Delhi

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"

To,
The Members,
SIGNIFY INNOVATIONS INDIA LIMITED
(Formerly Known as Philips Lighting India Limited)

Our Secretarial Audit Report of even date is to be read along with this letter:

(i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

(ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on sampling basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(v) The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.

(vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Ankit Singhi
Partner
ACS No.: F11685
C P No.: 16274
Peer Review No.:1498/2021
UDIN: F011685E000665833

Date : 26th July, 2023
Place : Delhi

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Signify Innovations India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Signify Innovations 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 standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Board 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 Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 accounts 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 Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act;

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 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 were no amounts which were 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, other than as disclosed in the note 43 (v) to the financial statements, 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(s) or entity(ies), 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, other than as disclosed in the note 43 (vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 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 Amit Chugh
Partner
Membership Number: 505224
UDIN: 23505224BGRURK1336

Place of Signature: Gurugram
Date: July 26, 2023

ANNEXURE I REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Signify Innovations India Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

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

(i) (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of assets.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company. Certain title deeds of the immovable Properties, in the nature of freehold land and buildings, as indicated in the below mentioned cases which were acquired pursuant to a Scheme of Arrangement approved by Hon'ble High Court of Calcutta Order dated January 27, 2016, are not individually held in the name of the Company, however the deed of merger has been registered by the Company.

Description of Property	Gross carrying value (₹ In million)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Land	650	Philips India Limited	-	-	The Company has acquired these assets, pursuant to the scheme of arrangement for Demerger amongst Philips India Limited ("Demerged Company") and Signify Innovations India Limited ("Resulting Company"), the ownership of all the immovable properties pertaining to Lighting business of the Demerged Company which included the Land and Building at Vadodara have been transferred to and vested in the name of resulting Company. The Company is in the process of getting its name mutated in revenue records.

(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 management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(ii) (b) As disclosed in note 11 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. As represented to us by the Company, since there is no fund based working capital limits sanctioned, bank has exempted the Company to file the quarterly returns/ statements to them. 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 and 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 or service of electric lamps and fluorescent tubes, 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, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of Statue	Forum where matter is pending	Nature of Matter	Financial year to which matter relates	Amount in Millions	Amount paid under protest in Millions
The Central Excise Act, 1944*	High Court	Excise Related Matter	1991-1997, 2000-2003	27.63	2.34
	CESTAT	Excise Related Matter	1990-1994, 1991-1997, 1996-1998, 1996-2001, 2006-2012, 2009-2014, 2014-2015, 2015-16	71.03	14.78
		Cenvat Related Matter	2005-2010 & 2010-2011.	3.46	-
	Additional Commissioner of Central Excise	Excise Related Matter	2005-2006, 2008-2010 & 2015-2016	0.20	-
	Commissioner of Central Excise	Excise Related Matter	2003 & 2016-2017	10.16	0.08
		Cenvat Related Matter	2011-2014 & 2016-2017	16.83	1.26
Central Sales Tax Act / Value Added Tax Act	Commissioner of Sales Tax	Sales Tax / Value added Tax (including interest)	2016-2017 & 2017-2018.	220.49	41.02
The CGST Act, 2017	Deputy Commissioner of Central GST and Excise	GST Matter	2017-2018	5.47	-
Customs Act, 1962	Commissioner of Custom	Custom Related Matter	2022-2023	6.83	6.83

*As disclosed in note 38 of financial statements, pursuant to Memorandum of Understanding (MOU) signed at the time of Demerger under Sections 391 to 394 of the Companies Act, 1956 and 2013 amongst Philips India Limited ("Demerged Company") and Signify Innovations India Limited (Formerly Philips Lighting India Limited) ("Resulting Company"), above mentioned cases will be contested by Philips India Limited and the amount of liability relating to Lighting Business, if any, upon conclusion of cases shall be payable by Signify Innovations India Limited (Formerly Philips Lighting India Limited) to Philips India Limited on the basis of agreed upon criteria mentioned under MOU.

(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 does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(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 by the Company or no material fraud on the Company has been noticed or reported during the year except results of a pending investigation for a whistle blower complaint as detailed in note 46.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or 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. Also, as explained in note 46 there is one whistle blower complaint which is currently been investigated results of which are not known as of now.

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

(xii) (b) 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)(b) of the Order is not applicable to the Company.

(xii) (c) 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)(c) of the Order is not applicable to the Company.

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

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

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

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

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

(xvi)(b) The Company 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 and in the immediately preceding 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 40 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, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32(b) to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32(b) to the financial statements.

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

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

per Amit Chugh
Partner
Membership Number: 505224
UDIN: 23505224BGRURK1336

Place of Signature: Gurugram
Date: July 26, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SIGNIFY INNOVATIONS 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 **Signify Innovations 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 Amit Chugh
Partner
Membership Number: 505224
UDIN: 23505224BGRURK1336

Place of Signature: Gurugram
Date: July 26, 2023

Balance sheet as at 31 March 2023

(₹ in million)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,218	895
Capital work-in-progress	3A	55	86
Intangible assets	3	838	939
Right-of-use assets	4	1,161	1,055
Financial assets			
(i) Other financial assets	5	645	223
Deferred tax assets (net)	6	298	208
Non current tax assets (net)	14	137	137
Other non-current assets	7	86	95
Total non-current assets		**4,438**	**3,638**
Current assets			
Inventories	8	2,974	2,556
Financial assets			
(i) Investments	9	11	-
(ii) Trade receivables	10	2,688	2,328
(iii) Cash and cash equivalents	11	5,437	5,580
(iv) Other bank balances	12	218	184
(v) Other financial assets	13	371	348
Current tax assets (net)	14	121	64
Other current assets	15	848	1,214
Total current assets		**12,668**	**12,274**
Total assets		**17,106**	**15,912**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	575	575
Other equity	17	5,849	5,352
Total equity		**6,424**	**5,927**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	18	850	749
Provisions	19	38	36
Other non-current liabilities	20	361	442
Total non-current liabilities		**1,249**	**1,227**
Current liabilities			
Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	21	196	1,050
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,363	5,007
(ii) Lease Liabilities	18	420	331
(iii) Other financial liabilities	22	403	398
Other current liabilities	23	1,025	985
Provisions	24	1,026	987
Total current liabilities		**9,433**	**8,758**
Total liabilities		**10,682**	**9,985**
Total equity and liabilities		**17,106**	**15,912**
Summary of significant accounting policies	2		

The accompanying notes forms an integral part of these financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Per Amit Chugh
Partner
Membership No. 505224

Place : Gurugram
Date : 26 July 2023

For and on behalf of Signify Innovations India Limited

Sumit Padmakar Joshi
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

Vikas Malhotra
Whole Time Director
(DIN: 09253036)

Dibyendu Raychaudhury
Whole time director & CFO
(DIN: 09747317)

Nitin Mittal
Company Secretary
(M. No. F - 7044)

Place : Gurugram
Date : 26 July 2023

Statement of profit and loss for the year ended 31 March 2023

(₹ in million)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Revenue from contract with customers	25	31,063	27,946
Other income	26	233	298
Total income		**31,296**	**28,244**
Expenses			
Cost of raw materials and components consumed	27	1,752	1,710
Purchases of traded goods		15,398	13,279
Changes in inventories of finished goods and traded goods	28	(229)	167
Employee benefits expense	29	4,687	4,197
Finance costs	30	88	88
Depreciation and amortization expense	31	797	606
Other expenses	32	5,141	4,848
Total expenses		**27,634**	**24,895**
Profit before exceptional items and tax		**3,662**	**3,349**
: Less/(Add) Exceptional items	42	130	199
Profit before tax		**3,532**	**3,150**
Tax expense	6		
- Current tax		951	752
- Deferred tax		(86)	79
Total tax expense		**865**	**831**
Profit for the year (A)		**2,667**	**2,319**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plans		(17)	34
Income tax relating to remeasurement of defined benefit plans (Refer note 35)	6	4	(39)
Total other comprehensive income for the year (B), Net of tax		**(13)**	**(5)**
Total comprehensive income for the year (A + B)		**2,654**	**2,314**
Earnings per equity share (face value of ₹ 10 each)			
Basic (in ₹)		46.36	40.32
Diluted (in ₹)		46.36	40.32
Summary of significant accounting policies	2		

The accompanying notes forms an integral part of these financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Per Amit Chugh
Partner
Membership No. 505224

Place : Gurugram
Date : 26 July 2023

For and on behalf of Signify Innovations India Limited

Sumit Padmakar Joshi
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

Vikas Malhotra
Whole Time Director
(DIN: 09253036)

Dibyendu Raychaudhury
Whole time director & CFO
(DIN: 09747317)

Nitin Mittal
Company Secretary
(M. No. F - 7044)

Place : Gurugram
Date : 26 July 2023

Statement of changes in equity for the year ended 31 March 2023

(a) Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount (₹ in million)	No. of Shares	Amount (₹ in million)
Balance at the beginning of the year	57,517,242	575	57,517,242	575
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	**57,517,242**	**575**	**57,517,242**	**575**

(b) Other equity

	Reserves and surplus			Total (₹ in million)
	Capital Reserve (₹ in million)	Retained earnings (₹ in million)	Other Comphrensive Income (₹ in million)	
Balance at 31 March 2021	**2,109**	**4,607**	**(82)**	**6,634**
Profit for the year	**-**	**2,319**	**-**	**2,319**
Other comprehensive income	-	-	(5)	(5)
Dividends paid	-	(3,595)		(3,595)
Total comprehensive income for the year	**-**	**(1,276)**	**(5)**	**(1,281)**
Balance at 31 March 2022	**2,109**	**3,330**	**(87)**	**5,352**
Profit for the year	-	2,667		2,667
Remeasurement loss of Defined benefit plan	-	-	(13)	(13)
Dividends paid	-	(2,157)		(2,157)
Total comprehensive income for the year	**-**	**510**	**(13)**	**497**
Balance at 31 March 2023	**2,109**	**3,840**	**(100)**	**5,849**

The accompanying notes are an integral part of these financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Per Amit Chugh
Partner
Membership No. 505224

Place : Gurugram
Date : 26 July 2023

For and on behalf of Signify Innovations India Limited

Sumit Padmakar Joshi
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

Vikas Malhotra
Whole Time Director
(DIN: 09253036)

Dibyendu Raychaudhury
Whole time director & CFO
(DIN: 09747317)

Nitin Mittal
Company Secretary
(M. No. F - 7044)

Place : Gurugram
Date : 26 July 2023

Statement of cash flows for the year ended 31 March 2023

(₹ in million)

		For the year ended 31 March 2023	For the year ended 31 March 2022
A.	**Cash flow from operating activities**		
	Net profit before tax and exceptional items	3,532	3,150
	Adjustment for :		
	Depreciation and amortization	797	606
	Interest expense	88	88
	Interest income	(217)	(180)
	Unrealized forex exchange (gain)/loss	52	27
	Impairment loss on trade receivable	1	(73)
	Provision for other receivables	-	29
	Loss on sale of property, plant and equipment	10	-
	Operating profit before working capital changes	**4,263**	**3,647**
	Movements in working capital :		
	(Decrease) / increase in provisions	28	(113)
	(Decrease) / increase in trade payables	450	(1,410)
	(Decrease)/ increase in other liabilities	(41)	46
	(Decrease)/ increase in other financial liabilities	60	83
	(Increase)/ decrease in inventories	(418)	81
	(Increase)/ decrease in trade receivables	(361)	35
	(Increase)/ decrease in other financial assets	(476)	(275)
	(Increase)/ decrease in other assets	374	(395)
	Cash generated from operations	**3,879**	**1,699**
	Less : Income tax paid (net of refunds)	(1,012)	(693)
	Net cash flows from operating activities	**2,867**	**1,006**
B.	**Cash flow from investment activities**		
	Purchase of property, plant and equipment	(548)	(263)
	Interest income received	203	178
	Net cash flow (used in) investing activities	**(345)**	**(85)**
C.	**Cash Flow from Financing Activities**		
	Interest paid (including interest on lease payments)	(88)	(88)
	Dividends paid to equity shareholders	(2,157)	(3,595)
	Payment of lease liabilties (Principal)	(420)	(361)
	Net cash flow (used in) financing activities	**(2,665)**	**(4,044)**
	Net increase in Cash and Cash Equivalents	**(143)**	**(3,123)**
	Cash and Cash Equivalents at the beginning of the year	5,580	8,703
	Cash and Cash Equivalents at the end of the year	**5,437**	**5,580**

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balance with banks:		
- In current account	98	182
- Cheques in hand	678	664
- Deposits with original maturity of less than three months	4,661	4,734
Cash on hand	0	0
	5,437	**5,580**

The accompanying notes forms an integral part of these financial statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Per Amit Chugh
Partner
Membership No. 505224

Place : Gurugram
Date : 26 July 2023

For and on behalf of Signify Innovations India Limited

Sumit Padmakar Joshi
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

Vikas Malhotra
Whole Time Director
(DIN: 09253036)

Dibyendu Raychaudhury
Whole time director & CFO
(DIN: 09747317)

Nitin Mittal
Company Secretary
(M. No. F - 7044)

Place : Gurugram
Date : 26 July 2023

Notes to the financial statements for the year ended 31 March 2023

1. Reporting Entity

Signify Innovations India limited (“the Company”) was incorporated as a public limited company on 22 April 2015 with its registered office at PS Arcadia central, 3A, 3rd floor, 4A, Abanindranath Thakur Sarani (Camac Street), Kolkata, West Bengal- 700017. The Company is domiciled in India and engaged in manufacturing, trading and distribution of all kinds of lighting and allied products and lighting system solution.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

(a) Basis of preparation and measurement

The Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost basis except the following items, which are measured on fair value basis on each reporting date:

- Financial assets and liabilities that is measured at fair value (Refer Note 36)
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation (Refer Note 35)

The financial statements are presented in Indian Rupees ('INR') in millions and all amounts are rounded to nearest million, except number of shares, face value of share, earning/ (loss) per share or wherever otherwise indicated.

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

a) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate’.

c) 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.

These financial statements are approved for issue by the Board of Directors on 26 July 2023.

(b) 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 the asset or liability affected in future periods.

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 has taken various commercial properties on leases. Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Company has analyzed each lease contract on a case by case basis to classify the arrangement as an operating lease or a finance lease.

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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payment payments

The cost of cash-settled transactions is measured initially at fair value at the grant date using a "Black-Scholes" option pricing model, further details of which are given in Note 37. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

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.

Gratuity benefit

The cost of defined benefit plan and the present value obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which 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 complexity of the valuation, the underlying assumptions 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.

In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 35.

Useful life of Property, plant and equipment

For the useful life of Property, plant and equipment's refer Note 2(d) on Property, plant and equipment.

Fair value measurement of financial instrument

When the fair value 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 Discounted Cash Flow (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. (Refer Note 36)

Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's or CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

(c) Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities. The operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains or losses arising from derecognition of Property, Plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation on property, plant and equipment's (except dies and tools and leasehold improvement) is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act.

Dies and tools are depreciated over the estimated useful lives of 5 years, on the basis of technical assessment made by the management.

Leasehold improvements are depreciated over the shorter of lease term and their useful life. Freehold land is not depreciated.

Management believes that the useful life as given above best represent the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

(e) 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. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and embedded derivatives in the host contract.

Financial Assets

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

Subsequent measurement for purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) 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 (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a 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 entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables 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.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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, payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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 modification 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 or loss.

Offsetting of financial instruments

Financial 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.

(f) Inventories

Raw materials (including packing material), stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials (including packing material) and stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out method basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of finished goods includes excise duty. Cost is determined on First In First Out method basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out method basis.

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

(g) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

- **Replacement 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.
- **Environmental restoration:** The Company periodically assess the liability for expenses to be incurred on restoration of environmental damage caused by carrying out of production activity in company manufacturing plants.
- **Extended warranty:** For certain products, customer has the option to purchase an extension of warranty. Accordingly, a provision for deferral of revenue is made at the time of sale of goods and recognition of revenue. Revenue recognition in future period occurs on straight-line basis over extended warranty contract period.

- **E-waste:**

Provision for E-Waste is recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation. The Company has assessed the liability to arise on year to year basis.

(h) Contingent liability:

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.

(i) Revenue from contract with customer

The Company manufactures, trades and sells a range of lighting and allied products and lighting system solution. Revenue from sale of these products is recognized at a point in time when control of the product is transferred to customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue Recognition principal adopted by Company for its contracts with customers are given below:

➢ **Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Company considers, whether there are other promises in the contract those are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, warranty obligation, significant financing components, schemes (if any): -

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Certain contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognizes revenue from the sale of goods measured at the expected value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration and are estimated at contract inception and updated thereafter.

(ii) Warranty obligations

The Company generally provides for warranties for general repairs that existed at the time of sale, as required by contract. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. For certain products, customer has the option to purchase an extension of warranty. Accordingly, a deferral of revenue is made at the time of sale of goods and recognition of revenue. Revenue recognition in future period occurs on straight-line basis over extended warranty contract period. Therefore, accounted for as separate performance obligations to which the Company allocates a portion of the transaction price.

(iii) Significant Financing Components

In respect of short-term 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 good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

In respect of long-term contracts, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

(iv) Schemes

The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, tours, gifts etc. Revenue from contract with customer is presented net of scheme.

➢ **Sale of services**

The Company recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

➢ **Contract balances**

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.

Trade receivables represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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.

➢ **Interest income**

Interest income is recognized using the EIR method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(j) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

(k) Employee benefits

Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by employee trust maintained with Life Insurance Corporation. The cost of the defined benefit gratuity plan 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, expected rate of return on assets, 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

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 mortality rates from Indian Assures Lives Mortality 2006-08. 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. Further details about gratuity obligations are given in note 35.

Provident fund

Retirement benefit in the form of provident fund is a defined contribution plan. The Company recognizes contribution payable to the provident fund scheme as an expenditure when an employee renders the related services. Provident fund is deposited with the Employees Provident Fund organisation.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to statement of Profit and Loss in the period in which they occur. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Long term incentive plan

Signify Innovations India Limited group company (Signify N.V.) introduced the Long-term Incentive Plan (LTI Plan) during the financial year ended 31 March 2018. Under the Signify LTI Plan, which is equity settled, eligible employees are granted both conditional shares and performance shares. Vesting of performance shares is conditional on the achievement of performance conditions measured over a period of three years. Also, vesting is conditional to the grantee still being employed with Signify at the vesting date. In addition to shares awarded under the LTI Plan, Signify may in individual cases, such as in the hiring process of members of senior-management, also grant restricted shares.

During the vesting period, the costs of the LTI plan is calculated and accounted by the Company as an employee benefit expense with corresponding increase in payable to the holding company in accordance with the recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments.

The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

Employee stock purchase plan (ESPP)

ESPP is a company-run program in which company contributes an additional 15% on top of employee's voluntary share purchase contribution. Employees pay into the plan through payroll deductions, which are used to buy shares of the Group company (Signify N.V.), which is listed on the Euronext Amsterdam Stock Exchange. The Company uses the funds to purchase shares on behalf of the participating employees. The Company contribution is recognized as an expense in the month of contribution.

(l) Foreign currency transactions

The Company's financial statements are presented using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in INR, which is the company's functional and presentation currency, being the currency in which the Company's share capital is denominated.

Derivative

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/ expense.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit or loss.

(m) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Income tax

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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.

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.

Deferred tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(o) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

(p) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

Results of the operating segments are reviewed regularly by the Company's Chief Executive Officer (CEO) who has been identified as the Chief Operating Decision Maker ('CODM'), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company is operating under only one segment i.e. Lighting Segment. Though the Company has various range of products, all of them have been considered into lighting segment based upon their final use by end consumer.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(r) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

- Office / Buildings: 3 to 9 years
- Motor Vehicles: 3 to 5 years

The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(s) Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Non -current assets held for sale

The company classifies non -current assets and (or disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate ale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned.

(u) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, 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 combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(v) Exceptional item.

Items of income or expense of non-routine are presented separately when their nature and amount of such significance and is relevant to an understanding of the entity's financial performance.

Notes to the financial statements for the year ended 31 March 2023

3 Property, plant and equipment

(₹ in million)

Particulars	Gross block				Depreciation				Net block	Net block
	As at 31 March 2022	Additions	Deletions /adjustment	As at 31 March 2023	As at 31 March 2022	Additions	Deletions /adjustment	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Tangible assets										
Freehold land*	4	-	-	4	-	-	-	-	4	4
Buildings	603	48	5	646	380	21	7	394	252	223
Plant and equipments	4,107	266	57	4,316	3,559	141	55	3,645	671	548
Office equipments	69	14	0	83	62	4	1	65	18	7
Furniture and fixtures	176	51	5	222	140	12	3	149	73	36
Leasehold improvements	164	66	4	226	159	12	1	170	56	5
Computers	248	134	15	367	176	57	10	223	144	72
Total	**5,371**	**579**	**86**	**5,864**	**4,476**	**247**	**77**	**4,646**	**1,218**	**895**
Intangible assets										
Intangible assets**	939	-	-	939	-	101	-	101	838	939
Total	**939**	**-**	**-**	**939**	**-**	**101**	**-**	**101**	**838**	**939**

(₹ in million)

Particulars	Gross block				Depreciation				Net block	Net block
	As at 31 March 2021	Additions	Deletions /adjustment	As at 31 March 2022	As at 31 March 2021	Additions	Deletions /adjustment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible assets										
Freehold land*	4	-	-	4	-	-	-	-	4	4
Buildings	603	-	-	603	360	20	-	380	223	243
Plant and equipments	4,249	139	281	4,107	3,708	132	281	3,559	548	541
Office equipments	69	-	-	69	60	2	-	62	7	9
Furniture and fixtures	155	22	1	176	132	9	1	140	36	23
Leasehold improvements	164	-	-	164	154	5	-	159	5	10
Computers	200	48	-	248	113	63	-	176	72	87
Total	**5,444**	**209**	**282**	**5,371**	**4,528**	**231**	**282**	**4,476**	**895**	**917**
Intangible assets										
Intangible assets**	939	-	-	939	-	-	-	-	939	**939**
Total										

On transition to Ind AS (i.e. 1 April 2015), the group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

*Land measuring 104,406 sq meter amounting to ₹ 4 Mn situated at Vadodara have been transferred and vested in the name of the company pursuant to the scheme of arrangement of demerger. The Company is in the process of getting its name mutated in revenue records.

Notes to the financial statements for the year ended 31 March 2023

** During the year ended 31 March 2020, the Company had acquired business of Cooper India, a division of Eaton on slump sale basis at an aggregate consideration of ₹ 939 million against which net assets acquired was of ₹ Nil and accordingly excess of purchase consideration over net assets acquired on fair value had been recognized as 'Intangibles assets' in the financial statements. The said intangibles primarily relate to customer contract, customer relationships and others* and are not separately identifiable in terms of Ind AS 103. The company has considered Cooper India a cash generating unit for the purpose of evaluation of impairment testing on acquired intangible assets.The company performed its annual impairment test for years ended 31 March 2023 and 31 March 2022. The company considers the relationship between its head count of employees and markup agreed for the services, when reviewing for indicators of impairment. As at reporting date, there were no indicators for impairment of intangible assets considering the below set of key assumptions.

* Others refer to the technical know how, assembled workforce, business processess & business generating potential.

Key assumptions used for value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

a) Employee head count

b) Discount rates

c) Growth rates used to extrapolate cash flows beyond the forecast period

Employee head count

Headcount additions for FY 2023- 2024 has been considered as per the approved business plan by the management.Increase in head count from next year onwards has been considered based on future growth road map considering the current business scenarios. Decreased operations of the CGU can lead to a decline in the employee head count. A decrease in the head count by 5% would not result in any impairment.

Discount rates

Discount rates represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money and risks of underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account equity. The cost of equity is derived from the expected return on investment by the company's investors. CGU specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the pre-tax discount rate to 17.0% (i.e., +1%) would not result to any impairment.

Growth rates used to extrapolate cash flows beyond the forecast period

The Growth rate at terminal value is considered as 5% basis management estimate of future cash flow considering businees outlook and agreement for services. A decline in 1% of growth rate would not result to any impairment.

3A Capital Work In Progress

Ageing of Capital work in progress as on 31 March 2023

(₹ in million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
Capital work in progress	55	0	-	-	55

Ageing of Capital work in progress as on 31 March 2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3years	More than 3 years	Total
Capital work in progress	79	4	3	-	86

Capital Work in Progress majorly includes Plant & Machinery in Vadodra factory. There are no projects in progress or suspended projects as at reporting dates.

4 Right of Use Assets

(₹ in million)

Particulars	As at 31 March 2022	Additions	Deletions /adjustment	Depreciation	As at 31 March 2023
Office/Buildings & Furniture	945	539	51	409	1,024
Vehicles	110	109	42	40	137
Total	**1,055**	**648**	**93**	**449**	**1,161**

Particulars	As at 31 March 2021	Additions	Deletions /adjustment	Depreciation	As at 31 March 2022
Office/Buildings & Furniture	966	344	38	327	945
Vehicles	73	85	-	48	110
Total	**1,039**	**429**	**38**	**375**	**1,055**

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
5. Other non-current financial assets		
(Unsecured considered good unless otherwise stated)	123	26
Security deposits	5	-
Interest accrued but not due	517	197
Unbilled Revenue	**645**	**223**

6. Deferred tax assets (net)

A. Amounts recognized in profit or loss

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax expense		
Current income tax charge	951	752
	951	**752**
Deferred tax expense		
Origination and reversal of temporary differences	(86)	79
	(86)	**79**
Tax expense	**865**	**831**
B. Other comprehensive income (OCI) section		
Deferred tax related to items recognized in OCI during the year		
Income tax relating to remeasurement of defined benefit plans (Refer note 35)	(4)	39
Income tax related to items recognized in OCI during the year	(4)	39
Total tax expense	**861**	**870**

C. Reconciliation of effective tax rate

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
	Amount	Amount
Profit before tax	**3,532**	**3,150**
At India's statutory income tax rate of 25.168% (31 March 2022: 25.168%)	889	793
Tax effect of:		
Non-deductible expenses	17	18
Tax on items related to OCI	(4)	39
Prior year income tax	4	-
Others	(45)	20
	861	**870**

Notes to the financial statements for the year ended 31 March 2023

D. Movement in deferred tax balances

(₹ in million)

	As at 31 March 2022	Recognized in P&L	Recognized in OCI/Equity	As at 31 March 2023
Deferred tax assets				
Property, plant and equipment	49	8	-	57
Right to use asset	6	21	-	27
Employee benefits	147	(1)	4	150
Provisions	96	51	-	147
Other assets	36	9	-	45
Sub- total (a)	**334**	**88**	4	**426**
Deferred tax liabilities				
Intangible assets	126	2	-	128
Sub- total (b)	**126**	**2**	-	**128**
Net deferred tax assets (a)-(b)	**208**	**86**	**4**	**298**

(₹ in million)

	As at 31 March 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
Deferred tax assets				
Property, plant and equipment	64	(15)	-	49
Right to use asset	17	(11)	-	6
Employee benefits	188	(3)	(39)	147
Provisions	78	18	-	96
Other assets	68	(31)	-	36
Sub- total (a)	**415**	**(42)**	**(39)**	**334**
Deferred tax liabilities				
Intangible assets	89	37	-	126
Sub- total (b)	**89**	**37**	-	**126**
Net deferred tax assets (a)-(b)	**326**	**(79)**	**(39)**	**208**

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
7. Other non-current assets		
(Unsecured considered good unless otherwise stated)		
Deposits against legal cases (Refer note 38)	67	54
Prepaid expenses	18	33
Defined Benefit Assets-Gratuity (Refer note 35 (ii))	1	8
	86	**95**
8. Inventories		
(At lower of cost and net realizable value)		
Raw materials*	675	486
Finished goods	77	76
Traded Goods**	2,204	1,976
Stores and spares	18	18
	2,974	**2,556**

* Raw materials include goods-in-transit - ₹ 119 million (as at 31 March 2022 - ₹ 49 million)

**Traded & Finished Goods include goods-in-transit - ₹ 145 million (as at 31 March 2022 - ₹ 219 million)

During the year ended 31 March 2023, ₹ 53 million (31 March 2022: ₹ 44 million) was recognised as an expense for inventories carried at net realisable value.

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
9. Current investments		
Investment in Bonds (Measured at fair value through profit and loss)		
6.75% Piramal Capital & Housing Finance Limited	11	-
(14041 units of fair value: ₹ 788)		
IL&FS Financial Services Limited & Infrastructure Leasing & Financial Services Ltd*	-	-
(Net of provision of ₹16 million)		
	11	**-**
Aggregate amount of quoted investment at market value thereof	11	-

* During the previous year, after considering the then fiscal crisis of ILFS & IFIN, the Company had provided for the amount paid towards the acquisition of Investments in said Companies amounting to ₹ 29 million out of which it received the amount of ₹ 13 million in current year.

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
10. Trade receivables		
From customers (unsecured)		
Trade receivables considered good	1,887	1,777
Trade receivables which have significant increase in credit risk	29	86
Trade receivables credit impaired	105	60
	2,021	**1,923**
Less: Impairment allowance	(134)	(146)
	1,887	**1,777**
From related parties (unsecured) (Refer note 33)		
Considered good	801	551
	2,688	**2,328**

Trade receivables ageing as on 31 March 2023 is as follows

(₹ in million)

Particulars	Unbilled	Current But Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Grand Total
(i) Undisputed Trade receivables – considered good	125	2,257	299	1	5	1	-	2,688
(ii) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	15	11	3	-	-	-	29
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(v) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -credit impaired	-	-	-	-	-	-	105	105
	125	**2,272**	**310**	**4**	**5**	**1**	**105**	**2,822**

Notes to the financial statements for the year ended 31 March 2023

Trade receivables ageing as on March 31, 2022 is as follows

(₹ in million)

Particulars	Unbilled	Current But Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Grand Total
(i) Undisputed Trade receivables – considered good	219	1,642	380	30	17	14	26	2,328
(ii) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	30	13	2	15	-	60
(iv) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(v) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	86	86
(vi) Disputed Trade Receivables -credit impaired	-	-	-	-	-	-	-	-
	219	**1,642**	**410**	**43**	**19**	**29**	**112**	**2,474**

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 are non-interest bearing and are normally settled between 7 to 30 days

For terms and conditions relating to related party receivables. (Refer Note 33).

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
11. Cash and cash equivalents		
Balance with banks:		
- In current account	98	182
- Deposits with original maturity of less than three months	4,661	4,734
Cheques on hand	678	664
Cash on hand*	0	0
	5,437	**5,580**

* Cash balances as at 31 March 2023 is ₹ 50,399 (as at 31 March 2022 ₹ 47,675)

Cash at banks earns interest at fixed rates based on bank deposit rates. Short-term deposits are made for period varying between seven days to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At 31 March 2023, the Company had available ₹ 10,551 million (31 March 2022: ₹ 10,551 million) of undrawn committed borrowing facilities.

The Company has been sanctioned working capital limits in excess of ₹ fifty million in aggregate from banks during the year on the basis of security of current assets of the Company. Since there is no fund based working capital limits sanctioned, bank has exempted the Company to file the quarterly returns/ statements to them. Hence there is no requirement to submit any quarterly returns/statement.

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
12. Other bank balances		
Earmarked bank balance#	151	124
Bank deposits with original maturity of more than 12 months	67	60
	218	**184**
# Bank balance is earmarked against the unpaid dividend		

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
13. Other current financial assets		
Security deposits		
Considered Good	71	140
Considered doubtful	34	34
Less: Impairment of doubtful deposits	(34)	(34)
	71	**140**
Interest accrued but not due	31	18
Other Recoverables	60	59
Unbilled Receivables	209	99
Advance for purchase of investments*		
Considered Good	-	32
Considered doubtful	-	29
Less: Provision	-	(29)
	-	**32**
	371	**348**

* As a part of liquidation of Philips Electronics India Limited Management Staff Provident Fund Trust, in the previous year the Company has paid ₹ 58 million for the acquisition of Investment in Piramal Capital & Housing Finance Limited, Infrastructure Leasing & Finance Service Limited (IL&FS) and IL&FS Financial Services Limited (IFIN) held by Provident Fund trust. Considering the current fiscal crisis of ILFS & IFIN, the Company had provided for the amount paid towards the acquisition of Investments in said Companies amounting to ₹ 29 million. The said units are transferred in the name of the Company in current year hence disclosed in current investments (Also refer note -9).

** Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
14. Net tax assets		
Non Current Tax assets	137	137
Current Tax assets	121	64
	258	**201**

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
15. Other current assets		
(Unsecured considered good unless otherwise stated)		
Advance to suppliers	88	58
Prepaid expenses	140	106
Advances to employees	1	3
Balances with statutory/government authorities	619	1,047
	848	**1,214**

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
16. Share capital		
Authorized:		
58,000,000 (Previous Year 58,000,000) equity shares of ₹10/- each	580	580
Issued, subscribed and fully paid up:		
57,517,242 (Previous Year 57,517,242) equity shares of ₹10/- each	575	575
	575	**575**

a. Terms and rights attached to equity shares

The Company has one class of equity shares. Accordingly all the equity shares of face value of ₹ 10 each rank equally with regard to voting rights, dividends and shares in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Notes to the financial statements for the year ended 31 March 2023

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ in million)

	Number of Shares	Amount
Outstanding at the 31 March 2021	57,517,242	575
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2022	**57,517,242**	**575**
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2023	**57,517,242**	**575**

c. Shareholders holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
Signify Holding B.V.(formerly Philips Lighting Holding B.V.)	55,290,242	96.13%	55,290,242	96.13%

d. Details of equity shares held by the promoters (holding and the ultimate holding Company)

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
Holding Company				
Signify Holding B.V.(formerly Philips Lighting Holding B.V.)	55,290,242	96.13%	55,290,242	96.13%

* There has been no change in the shareholding of the promoters in the current and previous year.

e. Aggregate number of equity shares bought back during a period of five years immediately preceding the reporting date - Nil (previous year - Nil).

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
17 Other equity		
a. Capital reserve		
Balance at the beginning of the year	2,109	2,109
At the end of the year	**2,109**	**2,109**
b Retained earnings		
Balance at the beginning of the year	**3,243**	**4,525**
Add: Profit for the year after taxation as per statement of profit and loss	2,667	2,319
Less: Dividends paid (Refer note 41)	(2,157)	(3,595)
Remeasurement loss of Defined benefit plan (net of tax)	(13)	(5)
At the end of the year	**3,740**	**3,243**
	5,849	**5,352**

*During the year, the Company has paid a dividend @ ₹ 37.5 per share for 57,517,242 shares amounting to ₹ 2,157 million.(Previous year @ ₹ 62.5 Per share for 57,517,242 amounting to ₹ 3,595 Million).

Notes to the financial statements for the year ended 31 March 2023

Nature and purpose of Reserves/ other equity

i Capital Reserve

Capital reserves represent the excess of assets of the demerged undertaking over the liabilities of the demerged undertaking over the face value of shares issued by the Company as per Memorandum of Understanding (MOU) signed at the time of Demerger under Sections 391 to 394 of the Companies Act, 1956 and 2013 amongst Philips India Limited ("Demerged Company" or "Philips India") & resultant company being "Signify Innovations India Limited (earlier known as Philips Lighting India Limited)). All costs, charges and expenses related to the scheme is adjusted against the capital reserve as part of the scheme.

The said reserve is not available for distribution.

ii Other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

(₹ in million)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-Current		Current	
18. Lease Liabilities				
Lease Liabilities	850	749	420	331
	850	**749**	**420**	**331**

* The effective rate of interest ranges between 6% to 8% depending on tenure of the leases.

The company has lease contracts for various items of vehicles and properties taken on lease. The average lease term range from 3years to 9 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets.

The company also has certain leases of office equipment's/furniture & fixtures with lease terms of 12 months or less and with low value. The company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of lease liabilities and the movements during the year:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening liability	1,080	1,107
Additions during the year	648	429
Termination/Decapitalization	(37)	(95)
Accretion of interest on lease liability	88	86
Lease Payments	(508)	(447)
Closing liability	**1,271**	**1,080**
Current lease liability	420	331
Non Current lease liability	850	749

Notes to the financial statements for the year ended 31 March 2023

The Maturity analysis of undiscounted lease liabilities is as shown below:-

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Upto 1 year	488	397
more than 1 years to 3 Years	647	562
more than 3 years to 5 years	298	235
more than 5 years	20	28

The following are the amounts recognized in statement of profit & loss:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets (Note 4)	449	375
Interest expense on lease liabilities	88	86
Expenses relating to short-term leases and leases of low value items (included in other expenses)	57	58
Total amount recognized in statement of profit & Loss	**594**	**519**

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
19. Non-current provisions		
Provision for decommissioning liability (Refer Note 24.2)	38	36
	38	**36**
20. Other non-current liabilities		
Deferred revenue	361	442
	361	**442**
21. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	196	1,050
Total outstanding dues of creditors other than micro enterprises and small enterprises*	6,363	5,007
	6,559	**6,057**

Trade payables are non-interest bearing and are normally settled upto 120 days

Trade payables includes acceptances due to others amounting to ₹ 3,189 million (Previous year - ₹ 3,633 million)

* Includes payables to related parties of ₹ 974 million (Previous year- ₹ 368 million). For terms & conditions to related parties (Refer Note 33).

Additional disclosure as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures below in respect of the amounts payable to such enterprises as at the reporting date had been made based on information received and available with the Company.

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
- Principal amount due to micro and small enterprises	196	1,050
- interest due on the above amount	-	-
- The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
- The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
- The 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Trade Payables ageing as on March 31, 2023 is as follows

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	178	18	-	-	-	196
Undisputed dues of creditors other than micro enterprises and small enterprises	1,057	4,787	382	46	26	65	6,363
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	1,057	**4,965**	**400**	**46**	**26**	**65**	**6,559**

Trade Payables ageing as on March 31, 2022 is as follows

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	831	219	-	-	-	1,050
Undisputed dues of creditors other than micro enterprises and small enterprises	952	3,772	183	24	20	56	5,007
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	952	**4,603**	**402**	**24**	**20**	**56**	**6,057**

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
22. Other current financial liabilities		
Unpaid dividend	151	124
Employee related payables	252	274
	403	**398**
23. Other current liabilities		
Deferred revenue	391	458
Advance received from customers	214	153
Statutory dues	420	374
	1,025	**985**
24. Current provisions		
Provision for employee benefits (Refer note 35)		
Compensated absences	159	152
Others (Refer note 24.1)		
Provision for environmental liability	-	12
Replacement guarantee & E-waste	412	440
Legal and regulatory	448	383
Provision for decommissioning liability (Refer Note 24.2)	7	-
	1,026	**987**

Additional disclosure relating to provisions:

24.1. Movement in provisions:

(₹ in million)

Particulars	Environmental restoration liability	Decommissioning liability	Replacement guarantee & E-waste	Legal and regulatory
As at 31 March 2021	54	36	455	311
Add: Accruals during the year	-	-	329	134
Less: Utilization during the year	(42)	-	(344)	(62)
As at 31 March 2022	**12**	**36**	**440**	**383**
Add: Accruals during the year	-	14	434	65
Less: Utilization during the year	(12)	-	(462)	-
As at 31 March 2023	**-**	**50**	**412**	**448**

24.2. Nature of provisions:

(a) Decommissioning liability

Decommission liability is the estimated amount of dismantling and restoration cost that the company expects to incur in the future years on the dismantling of assets and restoring the site to a specified state upon the termination of lease.

(b) Replacement guarantee

The Company provides for the estimated liability on guarantees given on sale of its products based on past performance of such products. The provision represents the expected cost of replacement and free of charge services and it is expected that the expenditure will be incurred over the guarantee period which usually ranges from 6 months to 24 months.

Notes to the financial statements for the year ended 31 March 2023

(c) Legal and regulatory

The Company has made provision for taxes and duties relating to cases that are pending assessments before Adjudicating Authorities where probable outflow of resources may arise in future which would depend on the ultimate outcome on conclusion of the cases.

(d) Employee related payables

The Company has made provisions in respect of amounts payable to employees on account of accumulated leaves (leave encashment) and defined benefits payable in respect of provident fund.

(e) Contingencies

The Company has created provisions in respect of certain claims against the Company in which there is probable outflow of resources.

(f) Environmental Provisions

The Company has created provisions in respect of probable chances of amount payable for environmental losses to the regulatory authorities as applicable to the Company.

(g) E-waste Provisions

The Company has made provision for E-waste liability in accordance with E-waste Management Rules, 2016 as notified by Government of India.

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
25. Revenue from contract with customers		
Sale of products	27,586	25,157
Sale of services	3,432	2,739
Other operating revenues		
- Export incentives	32	38
- Scrap sales	13	12
	31,063	**27,946**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

(₹ in million)

Revenue by Market	For the year ended 31 March 2023	For the year ended 31 March 2022
Within India	25,602	23,316
Outside India	5,461	4,630
Total	**31,063**	**27,946**
Timing of Revenue recognition		
Goods transferred at a point in time	27,631	25,207
Services transferred over time	3,432	2,739
Total	**31,063**	**27,946**

Notes to the financial statements for the year ended 31 March 2023

Contract balances

The following table provides information about contract assets and contracts liabilities from contracts with customers in the current year:

(₹ in million)

Contract balances	As at 31 March 2023	As at 31 March 2022
Contract assets		
- Trade receivables	2,688	2,328
Contract liabilities		
Deferred revenue - Current	391	458
Deferred revenue - Non Current	361	442
Advances from customers	214	153

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	33,396	30,023
Adjustments		
Extended Warranties	(314)	(259)
Sales Return	(736)	(547)
Discount	(1,283)	(1,270)
Revenue from contract with customers	**31,063**	**27,946**

Performance obligations

Sale of products:

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

Installation service:

The performance obligation in respect to of installation services is satisfied upon completion of installation and acceptance of customer.

Warranty obligation:

For certain products, customer has the option to purchase an extension of warranty. Accordingly, a provision for deferral of revenue is made at the time of sale of goods and recognition of revenue. Revenue recognition in future period occurs on straight-line basis over extended warranty contract period. Therefore, accounted for as separate performance obligations to which the Company allocates a portion of the transaction price.

Schemes:

The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes. Revenue from contract with customer is presented net of scheme.

Notes to the financial statements for the year ended 31 March 2023

Significant financing component:

In respect of long-term contracts, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component.

Significant judgments:

Significant judgment in determining the timing of satisfaction of performance obligation

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Critical judgment in determining the transaction price

Judgement is also required to determine the transaction price for the contract. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

For this, Judgment is required in determining the probability and level of discounts that will be granted. The estimate is updated throughout the term of the contract.

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
26. Other Income		
Net gain on investments measured at FVTPL	15	-
Interest income		
- Bank and other deposits	204	168
- Income tax Refund	-	2
- Financial assets at amortized cost	14	10
Miscellaneous income	0	45
Reversal of Impairment loss on trade receivables	-	73
	233	**298**
27. Cost of materials consumed		
Opening Stock	486	399
Add: Purchases	1,941	1,797
Less: Closing stock	675	486
	1,752	**1,710**
Purchases of traded goods	**15,398**	**13,279**
28. Changes in inventories of finished goods and traded goods		
Opening inventory		
- Finished goods	76	36
- Traded Goods	1,976	2,183
	2,052	**2,219**

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing inventory		
- Finished goods	77	76
- Traded Goods	2,204	1,976
	2,281	**2,052**
Changes in inventories of finished goods and traded goods	**(229)**	**167**
29. Employee benefits expense		
Salaries, wages and bonus	4,244	3,858
Gratuity expense	48	44
Contribution to provident and other funds (Refer note 35)	192	95
Expense on share based incentives (Refer note 37)	62	92
Staff welfare expenses	141	108
	4,687	**4,197**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
30. Finance cost		
Interest expense on lease liabilities	88	86
Interest expense others	0	2
	88	**88**
31. Depreciation and amortization expense		
Depreciation on property, plant and equipment	247	231
Amortization on intangible assets	101	-
Depreciation on right of use assets	449	375
	797	**606**
32. Other expenses		
Consumption of stores and spares	54	53
Power and fuel	458	264
Packing, freight and transport	740	566
Rent	57	58
Repairs to		
- buildings	39	33
- plant and machinery	41	31
- others	2	3
Insurance	69	63

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rates and taxes	12	2
Travelling and conveyance	316	178
Legal and professional	95	100
Payment to Auditors (Refer note "a" below)	7	7
Advertisement and Publicity	288	335
Information technology and communication	534	716
Replacement guarantee & E-waste	434	329
Technical royalty	1,320	1,447
Management support services	146	132
Loss on sale/ discard of property, plant and equipment (net)	10	-
Corporate Social Responsibility (CSR) expense (Refer note "b" below)	68	68
Foreign exchange loss (net)	22	27
Provision for other receivables	-	29
Provision for doubtful trade receivables and loans and advances	1	-
Miscellaneous expense	428	407
	5,141	**4,848**
a) Payment to Auditors		
- Audit Fees	5	5
- Tax Audit Fees	1	1
- Other Services	1	1
	7	**7**
(b) Details of CSR expenditure:		
(I) Gross amount required to be spent by the Company during the year*	68	68
(II) Amount approved by the Board to be spent during the year	68	68
(III) Amount spent during the year on:		
(i) Construction/ Acquisition of any asset	-	-
(ii) On purposes other than (i) above	68	68
Total amount spent	**68**	**68**
Amount yet to be spent in cash	-	-

33 Related party transactions

(a) Names of companies where control exists:

(i) Ultimate holding company : Signify N.V.

(ii) Holding Company : Signify Holding B.V.(earlier known as Philips Lighting Holding B.V.)

Notes to the financial statements for the year ended 31 March 2023

(b) Other related parties with whom transactions have taken place during the period:

(i) Fellow Subsidiary Companies

: Signify North America Corporation (earlier known as Philips Lighting North America Corporation)

: Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)

: Signify Products B.V.

: Signify Luminaires (Chengdu) Co., Ltd.(earlier known as Philips Luminaires (Chengdu) Co., Ltd.)

: Signify Luminaires (Shanghai) Co., Ltd.(earlier known as Philips Lighting Luminaires (Shanghai) Co., Ltd.)

: Signify Hong Kong Limited(earlier known as Philips Lighting Hong Kong Ltd)

: Signify Belgium N.V.(earlier known as Philips Lighting Belgium NV)

: Signify Poland Sp. z.o.o.(earlier known as Philips Lighting Poland Sp. z o.o.)

: Signify Singapore Pte. Ltd.(earlier known as Philips Lighting Singapore Pte Ltd)

: Signify Poland Bielsko Sp. z.o.o.(earlier known as Philips Lighting Bielsko Sp.z.o.o.)

: Signify Bangladesh Limited(earlier known as Philips Lighting Bangladesh Ltd)

: Signify Lanka (Private) Limited(earlier known as Philips Lighting Lanka P Ltd)

: Signify Malaysia Sdn Bhd(earlier known as Philips Lighting Commercial Malaysia Sdn. Bhd)

: Signify Commercial (Thailand) Ltd.(earlier known as Philips Electronics (Thailand) Ltd)

: Signify Philippines, Inc.(earlier known as Philips Electronics & Lighting, Inc)

: PT. PMA Signify Commercial Indonesia (earlier known as PT. Philips Indonesia)

: Signify Industry (China) Co., Ltd.(earlier known as Philips Lighting Industry (China) Co., Ltd.)

: Signify Manufacturing Spain, S.L.U(earlier known as Philips Indal S.L.)

: Signify Electronics Technology (Shanghai) Co., Ltd.(earlier known as Philips Electronics Technology (Shanghai) Co Ltd)

: Signify Australia Limited(earlier known as Philips Lighting Australia Limited)

: Signify Vietnam Limited(earlier known as Philips Electronics Vietnam Limited)

Notes to the financial statements for the year ended 31 March 2023

: Signify Egypt LLC(earlier known as Philips Lighting Egypt Llc)

: Signify Mexico S.A. de C.V.(earlier known as Philips Mexicana SA de CV)

: Signify Colombiana S.A.S.(earlier known as Philips Lighting Colombiana S.A.S.)

: Signify Commercial South Africa (Proprietary) Ltd. (formally known as Philips South Africa (Proprietary) Limited)

: Signify France (formally known as Philips France)

: Dynalite Pty Ltd

: Signify Maroc SARL

: Signify Aydinlatma Ticaret A.S.

: Signify Iluminação Brasil Ltd.

: Signify International B.V.

: Signify Korea Inc

: Cooper Lighting LLC

: Cooper Lighting Canada Limited

: Cooper Lighting Solutions UK Limited

: Vari-Lite LLC

: Genlyte Thomas Group LLC

: Signify Canada Ltd.

: Zhejiang Klite Lighting Holdings Co., Ltd.

(ii) Key Management Personnel

(i) Mr. Sumit Padmakar Joshi (Managing Director & Vice Chairman)

(ii) Mr. Sukanto Aich (Whole-time Director till 21 July 2021)

(iii) Mr. Dibyendu Raychaudhury (Whole-time Director w.e.f 23 September 2022 & Chief Financial Officer)

(iv) Mr. Vikas Malhotra (Whole-time Director w.e.f 23 July 2021)

(v) Mr. Nitin Mittal (Company Secretary)

(2) Non- executive directors:

(i) Mr. Mahesh Srinivasan Iyer (Chairman and Director till 24 September 2022)

(ii) Ms. Sangeeta Pendurkar (Independent Director)

(iii) Mr. Vinayak Kashinath Deshpande (Chairman w.e.f 25 September 2022 and Independent Director)

(iv) Mr. Dilip Jose Puthiyidathu (Independent Director w.e.f 22 December 2022)

The sales to and purchases from 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 interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: INR Nil).

Notes to the financial statements for the year ended 31 March 2023

(c) Nature of transactions happended during the year

(₹ in million)

Description	Year ended 31 March 2023				Year ended 31 March 2022			
	Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Total	Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Total
Purchase of Raw Material and Stock-in -trade	-	1,305	-	1,305	-	1,081	-	1,081
Technical Royalty paid	-	1,320	-	1,320	-	1,447	-	1,447
Management support services charge	146	-	-	146	132	-	-	132
Purchase of IT Services	-	385	-	385	-	432	-	432
Reimbursements paid	-	28	-	28	-	1	-	1
Expense on share based incentives#	62	-	-	62	92	-	-	92
Sale of Fixed assets	-	-	-	-	-	-	-	-
Sale of products	-	2,029	-	2,029	-	1,891	-	1,891
Sale of Services	580	2,852	-	3,432	486	2,253	-	2,739
Reimbursement received	-	142	-	142	-	263	-	263
Managerial Remuneration								
Mr. Sumit Padmakar Joshi	-	-	65	65	-	-	71	71
Mr. Dibyendu Raychaudhury	-	-	18	18	-	-	20	20
Mr. Nitin Mittal	-	-	8	8	-	-	12	12
Mr. Sukanto Aich	-	-	-	-	-	-	24	24
Mr. Vikas Malhotra	-	-	18	18	-	-	14	14
Commission to Non-executive directors	-	-						
Mr. Vinayak Kashinath Deshpande	-	-	1.5	1.5	-	-	1.5	1.5
Ms. Sangeeta Pendurkar	-	-	1.5	1.5	-	-	0.5	0.5
Mr. Mahesh Srinivasan Iyer	-	-	0.8	0.8	-	-	-	-
Sitting fees to Non-executive directors	-	-	-					
Mr. Vinayak Kashinath Deshpande	-	-	0.5	0.5	-	-	0.4	0.4
Ms. Sangeeta Pendurkar	-	-	0.6	0.6	-	-	0.5	0.5
Mr. Mahesh Srinivasan Iyer	-	-	0.2	0.2	-	-	-	-
Mr. Dilip Jose Puthiyidathu	-	-	0.2	0.2	-	-	-	-
Outstandings								
Payable	45	929	-	974	-	368	-	368
Receivable	1	800	-	801	-	551	-	551
Key managerial personnel compensation								
(a) short-term employee benefits	-	-	109	109	-	-	133	133
(b) other long-term benefits	-	-	-	-	-	-	0	0
Other short term benefits				-	-	-		-
- Commission to Non executive directors	-	-	4	4			2	2
- Sitting fees to Non executive directors	-	-	1	1	-	-	1	1

#This transaction is with Ultimate Holding Company.

The above mentioned transactions were made on normal commercial terms and conditions and at market rates.

*Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

Notes to the financial statements for the year ended 31 March 2023

(d) Balances at the end of the year

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions*	
		Year ended 31 March 2023 (₹ in million)	Year ended 31 March 2022 (₹ in million)
(i) Ultimate holding company			
Signify N.V.	Expense on share based incentives	62	92
(ii) Holding Company			
Signify Holding B.V.(earlier known as Philips Lighting Holding B.V.)	Management support services charge	146	132
	Sale of Services	580	486
(iii) Fellow Subsidiary Companies			
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Purchase of Raw Material and Stock-in -trade	1,121	881
Signify Poland Sp. Z o.o.(earlier known as Philips Lighting Poland Sp. z o.o.)	Purchase of Raw Material and Stock-in -trade	164	138
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Purchase of IT Services	366	406
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Technical Royalty paid	1,320	1,448
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Reimbursements paid	19	1
Signify Lanka (Private) Limited	Reimbursements paid	5	-
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Reimbursement received	126	219
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Sale of products	1,883	1,731
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Sale of Services	2,204	1,712
Cooper Lighting LLC	Sale of Services	585	498

* Transactions with parties which comprises more than 10% of aggregate value of related party transactions

Outstanding balances at year/period end**	Payable / Receivable	Year ended 31 March 2023 (₹ in million)	Year ended 31 March 2022 (₹ in million)
(i) Fellow Subsidiary Companies			
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Payable	759	288
Signify Netherlands B.V.(earlier known as Philips Lighting B.V.)	Receivable	746	397
Cooper Lighting LLC	Receivable	-	60

** Balances with parties which comprises more than 10% of aggregate value of related party balances

Notes to the financial statements for the year ended 31 March 2023

34. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the Company's Chief Executive Officer (CEO) who has been identified as the Chief Operating Decision Maker ('CODM'), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is primarily engaged in manufacturing, trading and distribution of all kinds of lighting and allied products and lighting system solution. Given that the economic environment in which the Company operates is significantly similar and not subject to materially different risks and rewards and all of the activities whether on a stand alone basis or in aggregate do not exceed the quantitative threshold mentioned in Ind AS 108 (Operating Segments), the Company has identified and operates as a single reportable operating segment.

Entity wide disclosures

(₹ in million)

Segment Revenue	Year ended 31 March 2023	Period ended 31 March 2022
Within India	25,602	23,316
Outside India	5,461	4,630

Information about major customers (from external customers)

During the current year and previous year, no customer constituted more than 10% of the entity's revenue.

35. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in million)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to Statutory Provident Fund	182	143

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan of the company is funded for which the Company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

Notes to the financial statements for the year ended 31 March 2023

Location	Funding Status
Vadodara Light Factory	Funded
Corporate Employees	Funded
Signify Innovation Campus	Funded
Cooper Lighting Solutions	Funded

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

(₹ in million)

	31 March 2023	31 March 2022
Present value of defined benefit obligation	443	406
Fair value of plan assets	444	414
Plan assets / (liability)	**1**	**8**

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in million)

Particulars	Gratuity					
	31 March 2023			31 March 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	405	414	(8)	388	394	(6)
Acquisition / Divestiture	-	-	-	-	-	-
Included in profit or loss						
Current service cost	50	-	50	46	-	46
Past service credit	-	-	-	-	-	-
Interest cost (income)	27	29	(2)	24	26	(2)
	77	**29**	**48**	**70**	**26**	**44**
Included in OCI						
Remeasurements loss (gain)	-	-	-	-	-	-
– Actuarial loss (gain) arising from:						
- demographic assumptions	(2)	-	(2)	(2)	-	(2)
- financial assumptions	(5)	(13)	8	(8)	(0)	(8)
- experience adjustment	10	-	10	8	-	8
	3	**(13)**	**16**	**(2)**	**(0)**	**(2)**
Other						
Contributions paid by the employer	-	57	(57)	-	37	(37)
Benefits paid	(43)	(43)	-	(50)	(42)	(8)
	(43)	14	(57)	(50)	(5)	(45)
Balance as at 31 March	**442**	**444**	**(2)**	**405**	**414**	**(8)**

Notes to the financial statements for the year ended 31 March 2023

C. Plan assets

	31 March 2023	31 March 2022
Funds Managed by Insurer (investment with insurer)	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2023	31 March 2022
Discount rate	7.20%	7.00%
Expected rate of future salary increase	8.00%	8.00%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate	Mgmt,PIC,VLF: CG,Cooper-17%, VLF : Non- CG-2%	Mgmt,PIC,VLF: CG,Cooper-16%, VLF : Non- CG-2%
Retirement age	EATON (Cooper business), Mgmt, PIC, VLF: CG - 60 years, VLF: Non-CG - 58 years	EATON (Cooper business), Mgmt, PIC, VLF: CG - 60 years, VLF: Non-CG - 58 years

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in million)

	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	418	471	381	435
Expected rate of future salary increase (1% movement)	456	431	434	381

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. The following payments are expected contributions to the defined benefit plan in future years:

(₹ in million)

	31 March 2023	31 March 2022
Within the next 12 months (next annual reporting period)	66	52
Between 2 and 5 years	218	189
Beyond 5 years	178	159
	461	**400**

Notes to the financial statements for the year ended 31 March 2023

(iii) Other long-term employee benefits:

During the year ended 31 March 2023, the Company has incurred an expense on compensated absences amounting to ₹ 49 million (previous year ₹ 54 million). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.

(iv) Provident Fund

In accordance with Indian law, eligible employees of Signify Innovations India Limited are entitled to receive benefits in respect of provident fund, a defined benefit plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary (currently 12% of employees' salary). Employees who have joined on or after 1 April 2016 are part of EPFO set up and old employees who are on rolls on or before 31 March 2016 are part of Philips India PF Trust (erstwhile demerged company's PF trust). The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

In the previous year, the Philips India Provident Fund Trust was closed and the company settled all its net liability payable as on the closure date i.e. 9 September 2021. As communicated to us, The Philips India PF trust has transferred all the contributions to EPFO.

From the previous year the company's policy has been changed from defined benefit plan to defined benefit contribution plan.

Change in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	Provident Fund	
	31 March 2023	31 March 2022
Balance as at 1 April	**-**	**1,490**
(1) Current service cost	-	5
(2) Interest cost	-	78
(3) Benefits settled	-	(28)
(4) Settlement Gain	-	(54)
(5) Actuarial (gain) / loss	-	(19)
(6) Employees' contribution	-	7
(7) Transfer in	-	-
(8) Transfer to RPFC	-	(1,479)
Balance as at 31 March	**-**	**-**

Notes to the financial statements for the year ended 31 March 2023

Change in the fair value of plan assets are as follows:

(₹ in million)

Particulars	Provident Fund	
	March 31, 2023	March 31, 2022
Balance as at 1 April	-	**1,292**
(1) Expected return on plan assets	-	78
(4) Employer and Employee contribution	-	125
(5) Transfer in	-	
(6) Benefit payments	-	(28)
(7) Asset gain / (loss)	-	24
(7) Transfer to RPFC	-	(1,491)
Plan assets as at end of the year	-	-
Surplus	-	-

36. Financial instruments – Fair values and risk management

I. Fair value measurements

A. The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in million)

	As at 31 March 2023		As at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets at fair value through profit and loss				
Investments	11	11	-	-
Financial assets				
Other non-current financial assets	645	645	223	223
Trade receivables	2,688	2,688	2,328	2,328
Cash and Cash equivalents	5,437	5,437	5,580	5,580
Other bank balance	218	218	184	184
Other current financial assets	371	371	348	348
	9,369	**9,369**	**8,663**	**8,663**
Financial liabilities				
Lease Liabilities (current and non-current)	1,270	1,270	1,079	1,079
Other non current financial liabilities	-	-	-	-
Trade Payables	6,559	6,559	6,057	6,057
Other current financial liabilities	403	403	398	398
	8,232	**8,232**	**7,534**	**7,534**

B. Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above have 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).

Notes to the financial statements for the year ended 31 March 2023

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.

(i) For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

(₹ in million)

	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at fair value	11	-	-	11
	As at 31 March 2022			

There are no assets and laibilities measured at fair value.

There are no transfers between level 1 and level 2 during the year ended 31 March 2023 and 31 March 2022.

(ii) Financial Instrument measured at amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk framework for developing and monitoring the Company's risk management policies.

The Company's risk management framework is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management framework is reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Notes to the financial statements for the year ended 31 March 2023

ii. Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

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

An impairment analysis is performed on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Basis the evaluation, the management has determined that there are credit impairment loss on the trade and other receivables.

(₹ in million)

Ageing	Not due	0-30 days	30-60 days	60-90 days	90-120 days	120-180 days	More than 180 days	Total
As at 31 March 2023								
Gross carrying amount (A)	2,397	122	48	13	4	123	115	2,822
Expected credit losses (B)	15	-	8	3	-	-	108	134
Net Carrying amount (A-B)	**2,382**	**122**	**40**	**10**	**4**	**123**	**7**	**2,688**
As at 31 March 2022								
Gross carrying amount (A)	2,237	33	3	10	3	8	181	2,475
Expected credit losses (B)	6	4	-	3	1	4	128	146
Net Carrying amount (A-B)	**2,231**	**29**	**3**	**7**	**2**	**4**	**53**	**2,329**

Movement in expected credit loss allowance of financial assets:

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	145	234
Provision/(Reversal) for impairment allowance including expected credit losses	1	(73)
Provision utilized	(12)	(16)
Balance at the end of the year	**134**	**145**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the financial statements for the year ended 31 March 2023

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	10,551	10,551
	10,551	**10,551**

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at the reporting date based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date

(₹ in million)

	Carrying Amounts 31 March 2023	Contractual cash flows			
		0–6 months	6–12 months	1–5 years	More than 5 years
Non-derivative financial liabilities					
Lease Liabilities	1,270	260	228	945	20
Trade payables	6,559	6,559	-	-	-
Other current financial liabilities	403	403	-	-	-
Total non-derivative liabilities	**8,232**	**7,222**	**228**	**945**	**20**

(₹ in million)

	Carrying Amounts 31 March 2022	Contractual cash flows			
		0–6 months	6–12 months	1–5 years	More than 5 years
Non-derivative financial liabilities					
Lease Liabilities	1,079	205	191	798	28
Other non current financial liabilities	6,057	6,057	-	-	-
Trade payables	398	398	-	-	-
Total non-derivative liabilities	**7,534**	**6,660**	**191**	**798**	**28**

Notes to the financial statements for the year ended 31 March 2023

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives (forward contracts) to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, and EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(₹ in million)

	As at 31 March 2023			As at 31 March 2022		
	USD	EUR	Others	USD	EUR	Others
Non derivative						
Trade / Unbilled receivables	721	815	3	245	693	9
Trade payables	854	27	43	464	25	73
Derivative forward contract						
Trade / Unbilled receivables	58	-	-	-	-	-
Trade payables	207	-	-	268	-	-
Net statement of financial position exposure	**(16)**	**(788)**	**40**	**441**	**718**	**82**

The following significant exchange rates have been applied

(₹ in million)

	Year end spot rates	
	31 March 2023	31 March 2022
USD 1	82.16	75.80
EUR 1	89.08	84.21

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the financial statements for the year ended 31 March 2023

(₹ in million)

	Profit or loss	
	Strengthening	Weakening
31 March 2023		
USD (10% movement)	13	(13)
EUR (10% movement)	(79)	79
Others	4	(4)
31 March 2022		
USD (10% movement)	22	(22)
EUR (10% movement)	(67)	67
Others	5	(5)

Sensitivity analysis for fair value risk of forward contracts

(₹ in million)

	Profit or loss	
	Strengthening	Weakening
31 March 2023		
Derivative forward contract (10% movement in USD)	15	(15)
31 March 2022		
Derivative forward contract (10% movement in USD)	27	(27)

Capital management

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

(₹ in million)

	31 March 2023	31 March 2022
Borrowings	-	-
Net debt	-	-
Equity	6,424	5,927
Total capital	6,424	5,927
Gearing ratio	**0%**	**0%**

37. Employees' Share-based Payments:

Signify Long-term Incentive Plan

During the year 2017-18 Signify introduced the Long-term Incentive Plan (LTI Plan). Under the Signify LTI Plan, which is equity settled, eligible employees are granted both conditional shares and performance shares of the Group company (Signify N.V.). Conditional shares have a three-year cliff vesting period and will vest if a grantee is still employed with Signify at the vesting date.

Vesting of performance shares is conditional on the achievement of performance conditions measured over a period of three years. The performance condition measurement is based on four measures, Relative Total Shareholder Return (TSR) (25% of the shares), Free Cash Flow (FCF) (25% of the shares) , return on capital employed (25% of the

Notes to the financial statements for the year ended 31 March 2023

shares) Sustainability (25% of the shares). In addition, vesting is conditional to the grantee still being employed with Signify at the vesting date.

For the Board of Management and certain members of senior management, the LTI Plan consists of performance shares only. Shares are conditionally granted annually.

In addition to shares awarded under the Signify LTI Plan, Signify may in individual cases, such as in the hiring process of members of senior-management, also grant restricted shares. Restricted shares have either three-year cliff vesting period or vest gradually over the vesting period of one, two or three years.

Under the terms of the employee stock purchase plan (ESPP) established by Signify in the FY 2017-18 , employees are eligible to purchase a limited number of Signify shares at discounted prices through payroll withholdings.

Signify performance shares

TSR performance measurement is a market performance condition.

The fair value of shares granted under TSR is measured based on Monte Carlo simulation. The closing share price at grant date is adjusted for the present value of expected dividends during the vesting period, as participants are not compensated for Signify dividend payouts. Monte Carlo simulation takes into account market conditions expected to impact relative Total Shareholders' Return performance in relation to selected peers.

Assumptions used in Monte Carlo Simulation

for valuation in %

	FY 2022-23
Risk-free interest rate	`0.6%
Expected share price volatility	40%

The assumptions were used for these calculations only and do not necessarily represent an indication of Signify management's expectation of future developments for other purposes. Historic volatility was measured over the same timeframe as the simulation period (weighted average 2.6 years).

The amount calculated as an expense for TSR shares is not adjusted for actual performance.

FCF and Sustainability measurements are non-market performance conditions. Fair value of shares granted under FCF and Sustainability conditions equals the closing share price on the grant date, again adjusted for the present value of expected dividends during the vesting period.

The amount calculated as an expense for FCF and Sustainability shares is adjusted for actual performance.

A summary of Signify performance shares movements as of 31 March, 2023, is presented below:

Particulars	Performance Shares	Weighted average grant-date fair value
Balance as of 1 April 2022	**79,479**	**18.88**
Granted	24,216	34.13
Vested	(29,458)	24.29
Forfeited	(2,056)	29.86
Transfer in / (out)	(1,976)	33.64
Performance adjustment	(25,718)	34.45
Balance as of 31 March 2023	**44,487**	**25.89**

Signify conditional shares

Fair value of conditional shares is determined by subtracting the present value of expected dividends from the closing share price on the grant date as participants are not compensated for Signify dividend payouts.

Notes to the financial statements for the year ended 31 March 2023

A summary of Signify conditional shares movements as of 31 March, 2023, is presented below:

Particulars	Conditional Shares	Weighted average grant-date fair value
Balance as of 1 April 2022	**28,135**	**17.53**
Granted	12,087	31.83
Vested	(8,144)	21.75
Forfeited	(1,027)	28
Transfer in / (out)	(986)	31.35
Balance as of 31 March 2023	**30,065**	**30.20**

Signify restricted shares

The fair value of restricted shares is equal to the share price on the grant date, as participants are compensated for Signify dividend payouts during the vesting period.

A summary of Signify Restricted shares movements as of 31 March, 2023, is presented below:

Particulars	Restricted shares	Weighted average grant-date fair value
Balance as of 1 April 2022	**4,634**	**47.16**
Granted	3,480	25.10
Vested	(2,317)	47
Forfeited	-	-
Transfer in / (out)	-	-
Balance as of 31 March 2023	**5,797**	**33.92**

Expense recognized on account of "Employee Share-Based Payment" for the period ended 31 March 2023 is ₹ 62 million (Previous year 2022 ₹ 92 million) and corresponding liability is Nil (Previous year Nil).

38. Contingent liabilities, claims, guarantees and commitments (to the extent not provided for)

(a) Contingent liabilities

(₹ in million)

	Particulars	As at 31 March 2023	As at 31 March 2022
(i)	**Income Tax Act 1961**		
	- Income Tax cases contested by Philips India Limited (refer note (a))	-	268
(ii)	**Indirect Taxes**		
	- Excise and sales tax related matters contested by Philips India Limited (refer note b)	605	1,191
	- Excise related matters contested by Signify Innovations India Limited (refer note c)	100	131
(iii)	**Other cases**		
	- Labour law related matters	4	-

Notes to the financial statements for the year ended 31 March 2023

Note (a) The Contingent Liability on account of Income Tax cases relating to erstwhile Lighting Business of Philips India Limited (PIL) is estimated at Nil (Previous year – ₹ 268 million) out of Common estimated Income Tax Liability of lighting business and other businesses of Philips India Limited in various years. As per the MOU (Memorandum of Understanding) dated 31 March 2016 signed between Philips India Limited and Signify Innovations India Limited (formally known as Philips Lighting India Limited) at the time of demerger of lighting business, the Income Tax cases upto 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 Signify Innovations India Limited (formally known as Philips Lighting India Limited) to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

Based on the confirmation of Philips India Limited and advise of tax experts, the Company is confident that the economic outflow of resources on account of outcome of these cases is 'possible' only and accordingly, no provision is considered in the financial statements.

Note (b) As per Memorandum of Understanding (MOU) signed at the time of Demerger under Sections 391 to 394 of the Companies Act, 1956 and 2013 amongst Philips India Limited ("Demerged Company" or "Philips India") and the Company wherein it was agreed that all current or potential litigations in relation to Sales Tax/ VAT and Service Tax matters pertaining to earlier years shall be contested by Philips India and based upon the outcome of such matters, the Company will be liable to pay Philips India all such liabilities once decided against the Company post conclusion of appellate proceedings, if any.

At the year end, Philips India Limited has intimated the Company about potential liabilities amounting to ₹ 605 million (previous year ₹ 1,191 million) in respect of such litigations pertaining to Sales Tax/VAT, service tax and other matters which has been allocated to the Company upto the effective date of de-merger.

Based on the confirmation of Philips India Limited and advise of indirect tax experts, the Company is confident that the economic outflow of resources on account of outcome of these cases is 'possible' only and accordingly, no provision is considered in the financial statements.

Note (c) Sales Tax / VAT / Excise Duty and Goods and Service tax related matters comprises demand from the Indian tax authorities for payment of additional tax in relation to various tax matters. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the Ind AS financial statements for the tax demand raised (except for provisioning of liability on account of demand relating to pending C &F Forms to be submitted where the Company believes liability could arise in the near future). The management believes that ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. Further, the Company does not foresee any liability to be paid in the near future.

The company has deposited the requisite amounts with the appropriate authorities wherever the litigation in respect to above cases.

(b) Contract Performance bank guarantees

The Company has given contract performance bank guarantees amounting to ₹ 2,802 million (Previous year - ₹ 2,660 million). No contract performance bank guarantees has been invoked in the past three years.

(c) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ 50 million (As at 31 March 2022 - ₹ 218 million).

(d) Contingent assets

There are no contingent assets of the Company as at the year ended 31 March 2023 (As at 31 March 2022 - Nil).

Notes to the financial statements for the year ended 31 March 2023

39. Earnings per share

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Calculation of earnings per share	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of shares at the beginning of the year	57,517,242	57,517,242
Total number of equity shares outstanding at the end of the year	57,517,242	57,517,242
Weighted average number of equity shares outstanding during the year	57,517,242	57,517,242
Profit after tax attributable to equity share holders (Rupees in million)	2,667	2,319
Basic and diluted earnings per share (in Rupees)	46.36	40.32

40. Ratios

Particulars	Numerator	Denominator	March 31,2023	March 31,2022	% Change
(a) Current Ratio	Current Assets	Current Liabilities	1.34	1.40	-4.17%
(b) Return on Equity Ratio	Net Profit after Taxes	Average Shareholder's Equity	0.1	0.1	22.31%
(c) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	1.5	1.6	-1.88%
(d) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.1	2.9	5.29%
(e) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payable	0.7	0.6	22.99%
(f) Net capital turnover ratio	Net Sales=Total Sales-Sales return	Current Assets-Current Liabilities	9.6	7.9	20.79%
(g) Net profit ratio	Net Profit	Net Sales	0.1	0.1	3.46%
(h) Return on Capital employed	Earnings before interest & taxes	Capital Employed= Tangible Net Worth +Total Debt+Deferred Tax Liability	0.3	0.3	6.34%

Notes to the financial statements for the year ended 31 March 2023

41. Dividend paid and proposed

(₹ in million)

	As at 31 March 2023	As at 31 March 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2023 (for the year ended 31 March 2022: Nil)	-	3,595
Interim dividend for the year ended on 31 March 2023: ₹ 62.5 per share (for the year ended 31 March 2022: ₹ 37.5 per share*)	3,595	2,157
	3,595	**5,752**

* Subsequent to the year end, the company had declared an interim dividend @ ₹ 62.5 per share for 57,517,242 shares amounting to ₹ 3,595 million in its board meeting held on 29 June 2023 in pursuant to the provisions of the Companies Act, 2013 and the same has been paid on 26 July 2023.

42. Exceptional Items:

Voluntary retirement scheme for early retirement of existing employees

(a) The company has made payment of ₹ 130 million (previous year ₹ 199 million) towards voluntary retirement scheme which has been presented as exceptional item in the statement of profit and loss.

43 Other Statutory Information

(i) The company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.

(iii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes to the financial statements for the year ended 31 March 2023

44. The Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules, the Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein.

Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, filed a Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules on various grounds.

The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Vide the said order, the Hon'ble Court had also made it clear that all further steps taken under the impugned Rules qua the producers/ manufacturers of fluorescent and other mercury containing bulbs shall be subject to the result of the main writ petition.

45. The Company currently maintains a complete backup of books of account and papers (maintained in electronic mode) on daily basis in the backup server located outside India. The same is accessible at any time throughout the year. The Company is in the process of evaluating & implementing a system to have complete backup of books of accounts (on daily basis) in a server located in India for the period specified under section 128(5) of the Companies Act, 2013.

46. During the year, management received a whistleblower complaint wherein it was alleged that an employee had given preferential treatment to certain vendors in exchange of commission from certain company vendors for which he was directly responsible. The investigation is currently ongoing, However, basis the information gathered so far, management is of the view that there is no material financial impact as of 31 March 2023.

47. Previous year figures have been regrouped / reclassified to conform the current year's groupings/ classification.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Per Amit Chugh
Partner
Membership No. 505224

Place : Gurugram
Date : 26 July 2023

For and on behalf of Signify Innovations India Limited

Sumit Padmakar Joshi
Vice-Chairman, Managing Director & CEO
(DIN: 07018906)

Vikas Malhotra
Whole Time Director
(DIN: 09253036)

Dibyendu Raychaudhury
Whole time director & CFO
(DIN: 09747317)

Nitin Mittal
Company Secretary
(M. No. F - 7044)

Place : Gurugram
Date : 26 July 2023

Registered Office
Signify Innovations India Limited
PS ARCADIA CENTRAL, 3A, 3rd floor, 4A,
Abanindranath Thakur Sarani (Camac Street),
Kolkata – 700 017, India
Tel: +91 7303084237

Corporate Office
Signify Innovations India Limited
9th Floor, DLF – 9B, DLF Cyber City,
DLF Phase – 3, Gurugram 122002
Tel: +91 7303084234

Northern Region
Signify Innovations India Limited
9th Floor, DLF – 9B, DLF Cyber City,
DLF Phase – 3, Gurugram 122002

Eastern Region
Signify Innovations India Limited
PS ARCADIA CENTRAL, 3A, 3rd floor, 4A,
Abanindranath Thakur Sarani (Camac Street),
Kolkata – 700 017, India

Western Region
Signify Innovations India Limited
Boomerang, B2 Wing, 5th Floor, Unit No. 506,
Chandivali Farm Road, Near Chandivali Studio,
Andheri (East) Mumbai-400 072.

Southern Region
Signify Innovations India Ltd
Sunny Side, 3rd Floor, Block C,
Shafee Mohammed Rd, Off Greams Road,
Chennai, Tamil Nadu 600008, India

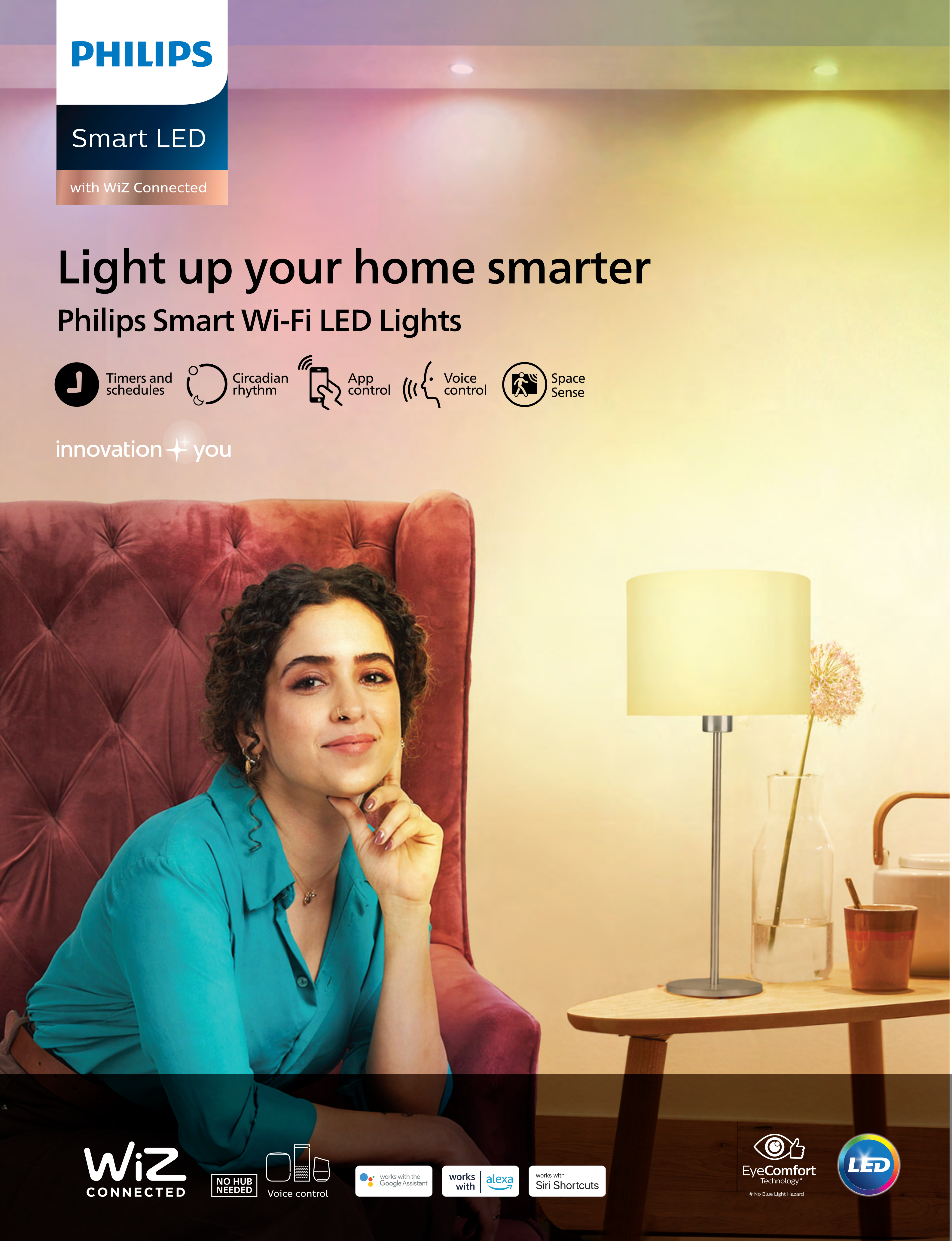
Factory:
Vadodara:
Signify Innovations India Limited
Kural Village, Padra-Jambusar Road
Taluka Padra, Vadodara - 391403
Gujarat

Other Centers & Offices:
Bangalore:
Signify Innovations India Limited
Signify Innovations Lab
5th Floor, Green Heart Building
MFAR Phase IV, Manyata Tech Park
Nagavara, Bangalore – 560045

Bangalore:
Signify Innovations India Limited
Unit D & E, 13th Floor,
Madhavan North Avenue, Block-M2,
Manyata Embassy Business park,
Nagavara, Bengaluru- 560045

Noida:
Signify Innovations India Limited
C-46/47, Sector-57, Noida- 201301, UP

Pune:
Signify Innovations India Limited
Division - "Cooper Lighting Solution"
'Quadra 1", 4th Floor, Survey No.
238/239, Hadapsar, Taluka Haveli,
Pune – 411028


PHILIPS
Smart LED
with WiZ Connected
Light up your home smarter
Philips Smart Wi-Fi LED Lights
Timers and schedules
Circadian rhythm
App control
Voice control
Space Sense
innovation + you
WiZ CONNECTED
NO HUB NEEDED
Voice control
works with the Google Assistant
works with alexa
works with Siri Shortcuts
EyeComfort Technology#
No Blue Light Hazard
LED


ECOLINK
BACHAT
KA LINK
ECOLINK
Up to 60% savings on electricity bill*
BLDC inverter technology
Multi directional remote
GreenFlo
ProSaver
*EcoLink BLDC fans consume 32W power against 70 - 80W induction fans
For more information call us on
1800 120 800 008

PHILIPS
Home lighting
Beauty
that moves you
Philips home lighting
Make your world sparkle with our exquisite range of chandeliers.
Philips Home Lighting Range
hue personal wireless lighting
LED

signify