PHILIPS

Philips India Limited

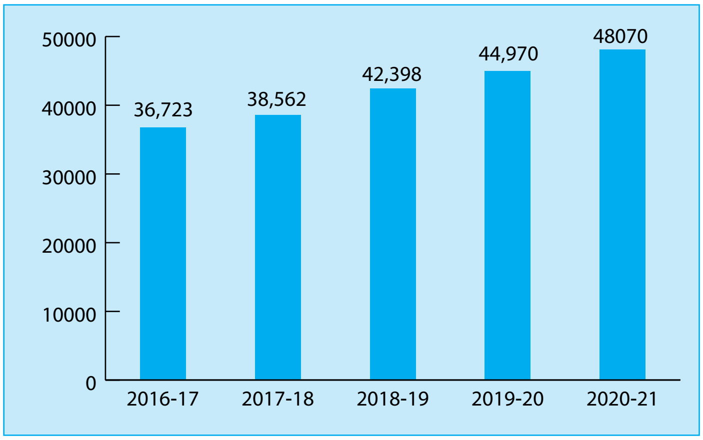
Annual Report

Making care **Accessible** & **Affordable**

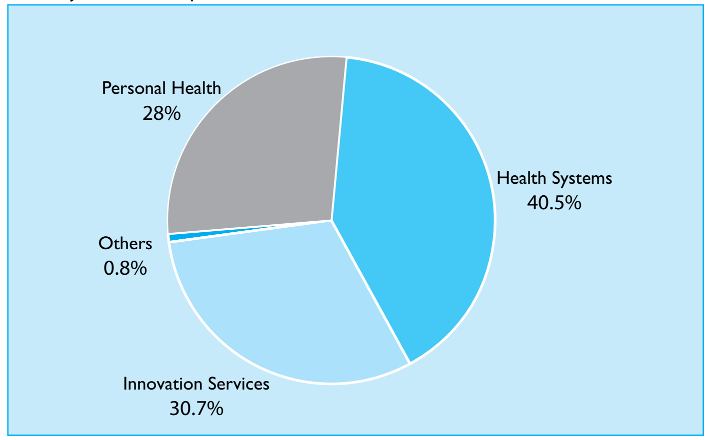
Annual report 2020-21

PHILIPS INDIA LIMITED

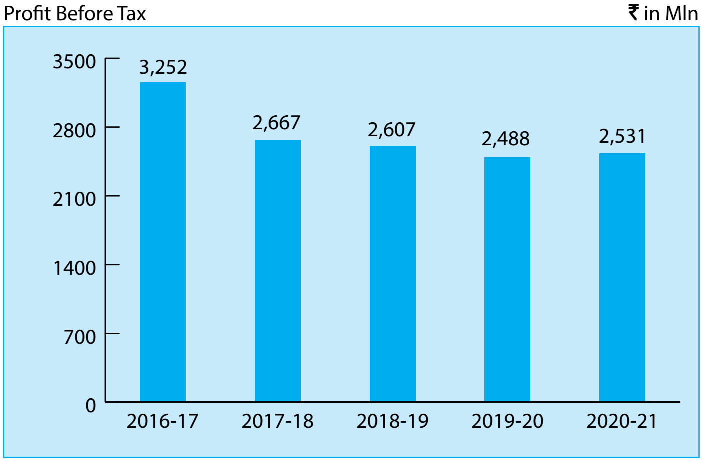
Sales ₹ in Mln



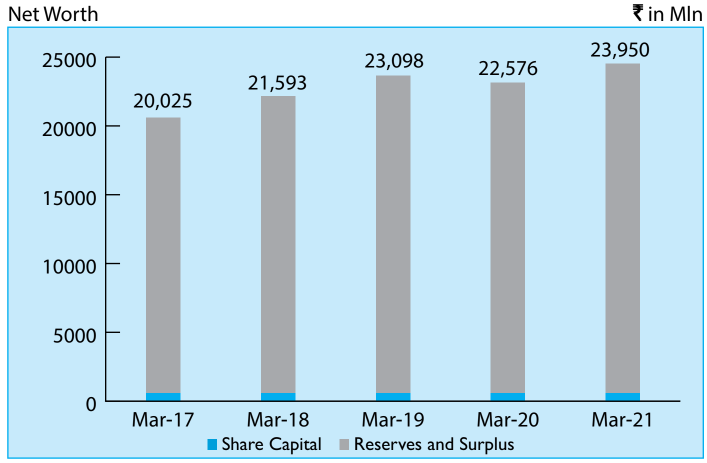
Sales by Activities- Apr 2020 - Mar 2021



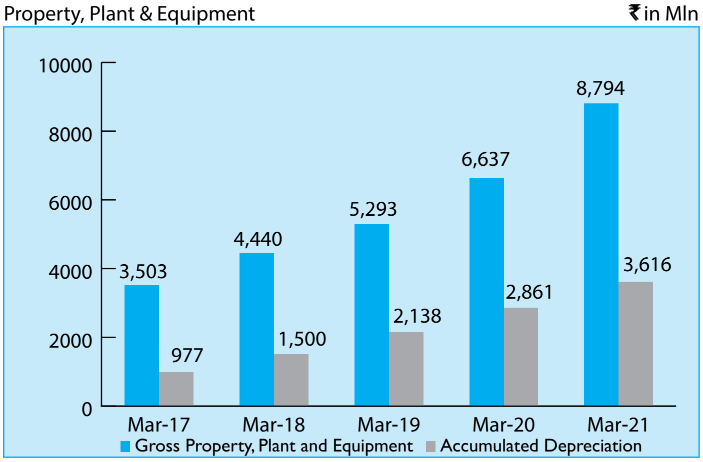
Profit Before Tax ₹ in Mln



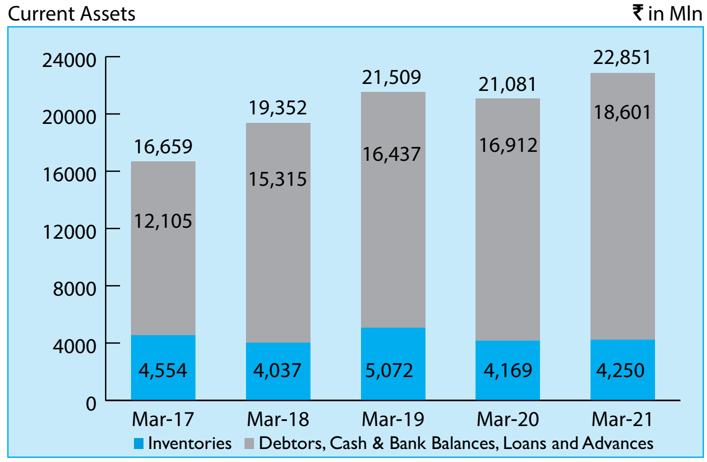
Net Worth ₹ in Mln



Property, Plant & Equipment ₹ in Mln



Current Assets ₹ in Mln



PHILIPS INDIA LIMITED

CONTENTS

Annual General Meeting on Friday, September 24, 2021 at 10.30 a.m.
through Video Conference (VC) / Other Audio Visual Means (OAVM)
For detailed procedure for joining the meeting through VC/OAVM and other relevant information, please refer to the AGM Notice that forms part of the Annual Report.

BOARD OF DIRECTORS

Chairman and Non-Executive Independent Director

S. M. Datta

Vice – Chairman and Managing Director

Daniel Mazon

Whole - Time Director and Company Secretary

Pooja Bedi

Whole - Time Director and Chief Financial Officer

Sudeep Agrawal

Non-Executive Independent Director

Geetu Gidwani Verma

STATUTORY AUDITORS

S. R. Batliboi & Co. LLP

Chartered Accountants

BANKERS

Citibank N.A.

Bank of America N.A.

State Bank of India

HDFC Bank Limited

BNP Paribas

REGISTERED OFFICE

3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road,
New Town (Rajarhat), Kolkata, West Bengal- 700156.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety-First Annual General Meeting of PHILIPS INDIA LIMITED will be held on Friday September 24, 2021 at 10.30 a.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat), Kolkata, West Bengal- 700156, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2021, including the audited Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Sudeep Agrawal (DIN 08056132), who retires by rotation and being eligible, offers himself for re-appointment.
4. To Re-appoint S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company.

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

'RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s. S.R. Batliboi & Co. LLP., Chartered Accountants, (Firm Registration Number 301003E / E300005), retiring auditor of the Company be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of Ninety-First (91st) Annual General Meeting until the conclusion of the Ninety- Sixth (96th) Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors

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

SPECIAL BUSINESS:

5. RE - APPOINTMENT OF MS. GEETU GIDWANI VERMA (DIN 00696047) AS A NON – EXECUTIVE INDEPENDENT DIRECTOR

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

   "RESOLVED THAT subject to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 read with Schedule IV of the said Act, Ms. Geetu Gidwani Verma, being eligible to be appointed as an Independent Director, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of Directors of the Company, for a period of 5 (five) years, w.e.f. September 30, 2020.

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

6. APPOINTMENT OF MS. POOJA BEDI AS A DIRECTOR (DIN 06934281)

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

   "RESOLVED THAT Ms. Pooja Bedi, being appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 (the "Act") with effect from July 1, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment.

   RESOLVED FURTHER THAT Ms. Pooja Bedi shall be a Director whose office shall be liable to determination by rotation."

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

7. APPOINTMENT OF MS. POOJA BEDI AS A WHOLE-TIME DIRECTOR OF THE COMPANY (DIN 06934281)

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

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the appointment of Ms. Pooja Bedi, as a Whole-time Director of the Company with effect from July 01, 2021 to June 30, 2026 as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and or agreement in such manner as may be agreed to between the Board of Directors and Ms. Pooja Bedi.

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

RESOLVED FURTHER THAT during her tenure Ms. Pooja Bedi shall also act as Key Managerial Person of the Company.

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

8. REVISION IN REMUNERATION OF MR. DANIEL MAZON (07954025)

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

"RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the 89th Annual General Meeting of the Company held on September 20, 2019, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Daniel Mazon, having DIN No. 07954025, Whole-time Director, designated as Vice- Chairman and Managing Director, to take effect from July 1, 2021, 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. Daniel Mazon.

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

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

9. REVISIONIN REMUNERATION OF MR. SUDEEP AGRAWAL (DIN 08056132)

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

"RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the 89th Annual General Meeting of the Company held on September 20, 2019, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Sudeep Agrawal, having DIN No. 08056132, Whole-time Director, designated as Director and CFO, to take effect from July 1, 2021, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Sudeep Agrawal.

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

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

10. APPROVAL OF REMUNERATION OF COST AUDITORS

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

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

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

By Order of the Board

Rajiv Mathur
Director and Company Secretary
Membership Number F2045

Date : June 30, 2021
Place : Gurugram

NOTES:

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2021 dated 13th January, 2021 read with the General Circular No. 20/2020 dated 5th May, 2020 and the General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 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) during the calendar year 2021. In accordance with, the said circulars, the 91st AGM of the Company shall be conducted through VC / OAVM. KFin Technologies Private 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.philips.co.in

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

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

4. The relevant Explanatory Statement pursuant in Section 102 of the Companies Act, 2013 in respect of the Ordinary & Special Businesses from Item no. 5 to 10 of the Notice, is annexed hereto.

5. The Share Transfer Books and the Register of Members of the Company will remain closed from 18th September, 2021 (9:00 am) to 24th September, 2021 (5:00 pm) (both days inclusive).

6. Subject to provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared, at the meeting, will be paid within 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members as on cut-off date i.e. 17th September, 2021. In respect of demat shares, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.

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

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

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

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

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

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

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

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

   IV. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at www.philips.co.in , and on the website of Fintech at https://evoting.kfintech.com or https://emeetings.kfintech.com

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

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

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

III. The remote e-voting period commences at 9.00 a.m. on 21st September, 2021 and end at 5.00 p.m. on 23rd September, 2021. The remote e-voting module will be disabled by KFintech for voting thereafter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Details on Step 3 are mentioned below:

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

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

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

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

11. OTHER INSTRUCTIONS

I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from 20th September, 2021 (9:00 a.m.) to 22nd September, 2021 (5.00 p.m.) Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open till 5.00 p.m. on Wednesday 22nd September, 2021.

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

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

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

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

VII. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at https://emeetings.kfintech.com./Questions / queries received by the Company till 5.00 p.m. on Wednesday, 22nd September, 2021, shall only be considered and responded during the AGM.

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

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

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

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

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

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

XIII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 17th September, 2021, 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 Private Limited
Selenium Tower B, Plot 31 - 32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Telephone: +91 - 40 6716 2222/ 6716 1631
E-mail: einward.ris@kfintech.com.

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

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

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

15. **DIVIDEND RELATED INFORMATION:**

I. The Members, whose names appear in the Register of Members / list of Beneficial Owners as 17th September, 2021, i.e. the date prior to the commencement of book closure, being the cut-off date will be paid the Dividend for the financial year ended 31st March, 2021, as recommended by the Board, if approved at the AGM.

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

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

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

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

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

c. 11 digit IFSC Code; and

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

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

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

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

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during financial year 2021-22 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 2021-22.

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 2021-22;

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 2021-22.

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

VII. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Wednesday, 15th September, 2021.

VIII. Kindly note that the aforementioned documents are required to be submitted to the RTA at einward.ris@kfintech.com on or before 15th September, 2021. in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post 15th September, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

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

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

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

Dividend No.	Date of Declaration	For the year ended	Tentative date for transfer to IEPF
67	25.09.2014	31.03.2014	02.11.2021
68	28.09.2015	31.03.2015	05.11.2022
69	29.09.2016	31.03.2016	06.11.2023
70	15.09.2017	31.03.2017	22.10.2024
71	28.09.2018	31.03.2018	05.11.2025
72	20.09.2019	31.03.2019	27.10.2026
74	24.09.2020	31.03.2020	01.11.2027

Pursuant to the provisions of the Companies Act, 2013 and the rules notified thereunder, the Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which have not been encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on September 24, 2020 (date of last Annual General Meeting) are available on the website of the Company http://www.philips.co.in/a-w/about- philips/investor-relations.html.

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

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

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

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

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

17. **GENERAL INFORMATION:**

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

II. The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, 17th September, 2021, 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. 5

In order to gain from her rich experience, Ms. Geetu Gidwani Verma was appointed as an Independent Director on the Board of the Company.

Ms. Verma has done her MBA, Marketing from Faculty of Management Studies, University of Delhi. She has almost three decades of experience in marketing, business & innovation experience in leading FMCG firms – P&G, Seagram, PepsiCo in India & Europe and Hindustan Unilever Limited.

In the opinion of the Board of Directors, Ms. Geetu Gidwani Verma, proposed to be re-appointed as an Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management.

Your Directors recommend the resolution set forth in Item No. 5 for the approval of the members.

Except Ms. Geetu Gidwani Verma, being the appointee, none of the Directors are interested or concerned in the resolution placed at Item no. 5.

ITEM NO. 6 & 7

Ms. Pooja Bedi joined the Company on December 7, 2020 as Head of Legal Indian Subcontinent. Ms. Bedi has over 20 years of experience as senior strategic advisor to businesses in highly regulated sectors. Pooja will responsible for enhancing the legal and compliance capabilities within Philips India and the group companies, impacting the Philips business in India. Prior to joining Philips India, Ms. Bedi has held senior management positions at Juul Labs, AB InBev and Pernod Ricard.

Pooja is a Fellow Member of the Institute of Company Secretaries of India and also holds a degree in Law.

The Board of Directors at their meeting on June 30, 2021, Shall appoint Ms. Pooja Bedi as Company Secretary of the Company. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on June 30, 2021, had appointed Ms. Pooja Bedi as a Whole-time Director of the Company, with effect from July 1 2021 till June 30, 2026, Subject to the approval of the shareholders of the Company at the Ninety-First Annual General Meeting of the Company held on September 24, 2021.

The approval of the members is being sought with respect to the terms and conditions for the appointment of Ms. Pooja Bedi Whole-time Director and the remuneration payable to her. Ms. Pooja Bedi is proposed to be appointed for a further term of 5 years with effect from July 1 2021 till June 30, 2026, as fixed by the Board of Directors at their meeting held on June 30, 2021.

An abstract of the terms & conditions of appointment of Ms. Pooja Bedi, Whole-time Director, is given hereunder:

1. **Remuneration:**

Particulars of Remuneration	Remuneration
Salary	₹ 9,65,484.33/-per month, aggregating to ₹ 11,585,812/-per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of 9,65,484.33/- per month includes: Basic Salary: ₹ 3,37,919.5/-p.m. House Rent Allowance: 1,68,959.78/-p.m. Flexible Benefit Plan: 401,800.75/-p.m. Retrial Benefits: ₹ 56,804.30/- (as set out in Part B)
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Ms. Pooja Bedi shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.

Part- A

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

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

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

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

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

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

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

Except Ms. Pooja Bedi, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 & 7.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 6 & 7 of the accompanying Notice for the approval of the Members.

ITEM NO. 8

The Board of Directors at their meeting held on September 14, 2017, pursuant to the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Daniel Mazon as a Whole-time Director of the Company, for a period of 5 years, with effect from October 1, 2017, which was approved by the shareholders of the Company at the Eighty – Eighth Annual General Meeting of the Company held on September 28, 2018.

Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on August 7, 2019 the revision in remuneration of Mr. Daniel Mazon was approved by the shareholders of the Company at the Eighty-Nineth Annual General Meetings of the Company held on September 20, 2019.

In view of the above and as per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, accorded on June 30, 2021, revision in remuneration payable to Mr. Daniel Mazon is proposed with effect from July 01, 2021, for the approval of the members.

1. The details of the present remuneration paid to Mr. Daniel Mazon, along with the proposed remuneration are as below:

Particulars of Remuneration	Present Remuneration	Revised Remuneration w.e.f. July 1, 2021
Salary	An amount totaling ₹ 4,19,22,327/- per annum, as detailed below:	An amount totaling ₹ 4,46,41,098 per annum, as detailed below:
Amount to be paid in India in Indian Rupees	₹ 769,001/- per month, aggregating to ₹ 1,42,53,957/-	₹ 4,53,687 per month, aggregating to ₹ 54,44,244 per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The aforesaid amount includes:

Particulars of Remuneration	Present Remuneration	Revised Remuneration w.e.f. July 1, 2021
	per year or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The aforesaid amount includes: Basic Salary ₹3,18,644/- p.m. House Rent Allowance ₹ 3,75,000/- p.m. Home leave Budget ₹ 56,121/- p.m. Driver Salary ₹ 19,236/- p.m	House Rent Allowance ₹ 25,000/- p.m. + ₹ 3,50,000/- p.m. (Paid to landlord) Home leave Budget ₹ 61,510/- p.m. Driver Salary ₹ 17,177/- p.m
Amount to be paid in home country in US	US $ 22,637/- per month, aggregating to US$ 2,71,644/- per year, equivalent to ` 1,91,88,932/-* (* 1 US$ = ₹ 70.64)	US $ 28,040 per month, aggregating to US$ 336,480 per year, equivalent to ₹ 24,589,958 * (* 1 US$ = ₹ 73.08)
Variable Performance Linked Bonus	On target Annual Variable Performance Linked Bonus of 55 % of base salary of US$ 3,47,611/- amounting to US$ 1,91,186.05, payable in home country. The INR equivalent of the above amount is ₹ 1,35,05,383/-* The aforesaid amount has been calculated at on target performance and may be higher based on the performance of the Company.	On target Annual Variable Performance Linked Bonus of 55 % of base salary of US$ 363,410/- amounting to US$ 199,875, payable in home country. The INR equivalent of the above amount is ₹ 14,606,896/- * The aforesaid amount has been calculated at on target performance and may be higher based on the performance of the Company.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Daniel Mazon shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Daniel Mazon shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.

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

Part- A

Mr. Daniel Mazon has been granted LTI (Long Term Incentive) of an amount equivalent to Euro 3,00,000. The grant and the vesting of the LTI shall be in accordance with the Company's global LTI plan.

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

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

Part-B

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

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

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

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

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

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

Except Mr. Daniel Mazon, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.8 of the accompanying Notice for the approval of the Members.

ITEM NO. 9

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

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

Mr. Agrawal has been responsible for focusing on areas like driving cost efficiencies, focusing on recovery of accounts receivables in timely manner and other operational matters. Mr. Agrawal has played an important role in the key strategic initiatives undertaken by the Company, in order to achieve the targeted growth in its business. In view of these contributions from Mr. Sudeep Agrawal, it is important that he continues to steer the finance function of the Company and continues to contribute to its growth.

In view of the above and as per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, accorded on June 30, 2019, revision in remuneration payable to Mr. Sudeep Agrawal is proposed with effect from July 1, 2021, for the approval of the members.

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

Particulars of Remuneration	Present Remuneration	Revised Remuneration w.e.f. July 1, 2021
Salary	₹10,44,034/- per month, aggregating to ₹ 1,25,28,408/- per annum or such higher amount as may be approved by the Board of Directors or any Committee thereof, from time to time. The remuneration amount of ₹10,44,034/- per month includes: Basic Salary: ₹ 3,65,412 /-p.m. House Rent Allowance: ₹ 1,82,706 /-p.m. Flexible Benefit Plan: ₹ 4,34,490 /-p.m. Retiral Benefits: ₹ 61,426/- p.m. (as set out in Part B)	₹11,94,897/- per month, aggregating to ₹1,43,38,759/- per annum or such higher amount as may be approved by the Board of Directors or any Committee thereof, from time to time. The remuneration amount of ₹ 11, 94,897/- per month includes: Basic Salary: ₹418213.83 /-p.m. House Rent Allowance: ₹2,09,107 /-p.m. Flexible Benefit Plan: ₹ 4,972,74.16 /-p.m. Retiral Benefits: ₹ 70,301.75/- p.m. (as set out in Part B)

Particulars of Remuneration	Present Remuneration	Revised Remuneration w.e.f. July 1, 2021
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Sudeep Agrawal shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Sudeep Agrawal shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.

Part- A

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

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

Part-B

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

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

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

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

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

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

Except Mr. Sudeep Agrawal, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no.9 of the accompanying Notice for the approval of the Members.

ITEM NO. 10

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464, as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.

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

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at item no. 5 of the notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 5 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at item no. 5 of the notice for approval by the members.

By Order of the Board

Rajiv Mathur
Director & Company Secretary
Membership Number: F 2045

Place: Gurugram
Date: June 30, 2021

DIRECTORS' REPORT

For the financial year ended March 31, 2021

To the Members,

Your Company's Directors are pleased to present the 91st Annual Report of the Company, along with the Audited Annual Accounts for the financial year ended March 31, 2021.

1. FINANCIAL PERFORMANCE

1.1 RESULTS

₹ Million

	2020-21	2019-20
Gross Income	48,835	45,764
Profit before exceptional items and tax	2,531	2,346
Exceptional items	-	142
Profit before tax	2,531	2,488
Provision for current tax	(907)	(878)
Deferred tax – Credit / (Charge)	136	(95)
Profit after tax	1,760	1,515

1.2 SECTORWISE SALES

	2020-21	2019-20
Personal Health	13,459	11,634
Health Systems	19,461	19,055
Innovation Services	14,736	13,860
Others	414	421
Total	48,070	44,970

1.3 FINANCE & ACCOUNTS

Your Company has delivered positive net cash from operations in the financial year 2020-21. The company has not made any major borrowings in this year and has managed working capital requirements from internal cash generation.

During the year, capital expenditure was ₹ 2,880 million (vis – a – vis ₹ 967 million during Apr '19 – Mar '20) and were towards extension of lease agreements in Philips Innovation Campus, vehicles, HIC expansion, IT equipment etc.

Your company continued to facilitate Healthcare sales with innovative financial solutions to support customers and business in keeping up pace with the market growth to the tune of ₹ 1,503 million.

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

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

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

2. DIVIDEND

Your Directors recommend payment of ₹ 3/- per share as dividend on the fully paid equity shares for the financial year ended March 31, 2021. This will absorb cash of ₹ 173 million as dividend.

3. TRANSFER TO RESERVES

In the Financial year 2020 -21, your Company does not propose any transfer to General Reserve.

4. DEPOSITS

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

5. CONTINUITY DURING CURRENT PANDEMIC

As the Covid19 pandemic hit us in 2020, we committed to our triple duty of care – customer and their needs, employees and their safety, our business continuity.

Customer needs

Philips has set up a task forces that are actively monitoring and supporting Philips' operations on a daily basis, and working with customers to help ensure continued safe and timely support to meet their needs. In addition to implementing stringent measures and protocols to ensure that our field service engineers can support customers in a safe way, we are working vigilantly to provide healthcare providers with updated clinical guidance relating to the use of our professional healthcare products and solutions.

Measures to keep our employees' safe

Employees' health & wellbeing and enabling a productive work environment was our top most priority. We introduced some benefits for your employees and their families like, Home office setup reimbursement for office-based roles a one-time set-up cost of 75% of the expense incurred upto INR 10,000. Flexible and globally alignment Work from home guidelines which substitute the existing WFH policy during the implementation of Return to Work Protocol. Broadband reimbursement of INR 750 plus taxes. Covid19 Homecare expenses for your employee, spouse and kids upto INR 20,000. Covid19 Hospitalization Expenses: All Covid19 treatment related hospitalizations were covered under the selected medical insurance plan & family structure. We also introduced Covid19 emergency hotline & hospitalization support, Doctor consultation on Phone and tool-free mobile Employee Assistance Program (EAP).

Business continuity

Despite the COVID-19 pandemic, Philips has been able to continue its business operations. As expected, we are seeing decreased demand for our consumer product portfolio in the most affected regions, and increased demand for our professional healthcare portfolio.

6. BUSINESS PERFORMANCE

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

6.1 HEALTH SYSTEMS

During the year 2020-21, Health Systems business of your Company delivered another year of strong performance irrespective of Market degrowth, driven by growth in Image Guided Therapy (IGT) (47.6% Market Share) and Connected Care (CC) Business. The Health Systems Equipment Market Share increased by 1.9% at Quarter one of 2020-21 MAT (Moving Annual Turnover) level in the back drop of macro-economic challenges including low liquidity in Health Care segment due to decline in patient foot-fall in Hospitals and deferment of elective procedures.

In Image Guided Therapy (IGT), Philips Market share improved by 11.2%. The market is still reeling under the stent price capping which is causing the value and performance segments to grow. In Magnetic Resonance (MR), Philips Market share increased by 1.5% fueled by PMRS (circular economy) and improved win rate in government. In Computed Tomography (CT), your Company also showed increase of 0.5% share. Ultrasound business of your Company improved market share from 17% to 19.7% driven by strong performance of the India make Affiniti Series launched in second quarter of 2020.

Your Company continues to do strong business with most of its strategic key accounts focusing on multi-modality deals and in government tenders. There are multiple new Product launches such as IGT–Zenition (50 and 70), new version of Ambition - Helium free magnet and a premium, one of its kind Spectral CT 7500, that would result in your Company gaining further share in a de-growing market, whereas launch of value patient monitors (GS20) has further strengthened market share for CC business of your company in 2021-22.

Your Company's global innovation strengths at Bangalore (PIC) along with global design and manufacturing at Pune (HIC) are delivering world-class "Made in India" medical equipment. Your Company has implemented a strong strategy for regaining its market share in the next financial year, however, due to onset of second wave of COVID-19 pandemic, overall optimism remains subdued.

6.2 PERSONAL HEALTH

Financial year 2020-21 was an extraordinary year, wherein COVID -19 outbreak followed by one of the biggest and unprecedented lockdown in the world and its consequent impact on economic, consumer behaviors created both challenges and new opportunities.

Personal Health business continued its transformation journey by adopting to the external dynamic headwinds and delivered 16% growth over the previous financial year. This growth was delivered in a highly competitive environment with low cost players and challenges as increase in cost trends of the commodities and adverse currency fluctuations.

Keeping consumer centricity to our core, under Personal Care business, we launched grooming products to be used at home in both male and female grooming categories to aid the consumers in maintaining their grooming routine while skipping salons. Similarly, under Domestic Appliances business, we launched New Urban living range of Air Purifiers with an idea to create a safe in home environment and also a new range of Oven Toast and Grill (OTG) products to support the In-home Cooking trend. We leveraged several such new opportunities to keep the growth engine running with investment on high decibel marketing campaigns and multichannel activations.

With the aim to build brand relevance and preference during the challenging year, your Company utilized digital medium extensively to reach out to the young target consumers, enhanced the social presence and improved upon the Web Net Promoter Score across segments. Your Company continues to engage Cricket stars, Bollywood Celebrities and Influencers to drive engagement with the young consumers across the country.

Your Company's efforts were acknowledged by industry experts and Philips Personal Care won the ET Best Brands Award 2020 in its category, Male grooming campaign – Trim @Home won Bronze at Indian Digital Marketing Association Awards 2020 for its social media engagement and Mother and Child Care campaigns won Gold & Bronze at the renowned Maddies 2020.

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

Moreover, the Personal Health business of your Company continues to prioritize safety of our employees, their families and partners.

Pursuant to the Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 as stated in Point number 7 of the report, Domestic Appliance Business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021.

6.3 INNOVATION CAMPUS

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

The centre has extensive expertise in cutting-edge technologies and is working on solutions based on artificial intelligence and machine learning, smartphone and tablet enabled data analytics, AI-based radiology solutions, remote management of ICUs and cloud-based solutions. The hub develops clinically relevant software products and solutions across the health continuum starting with healthy living, disease prevention to diagnosis, treatment and homebased care.

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

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

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

As PIC-B celebrates twenty-five years, it is shifting gears from an acknowledged Software powerhouse to an E2E Digital Solutions partner for the BU, Markets & customers, contributing to the solution journey of Philips.

Some relevant innovations at PIC

HSDP: HSDP team at PIC has been part of delivering some of the key platform components which is set to power great innovations for Philips s storage for Digital Imaging and Communications in Medicine (DICOM) Data as part of the HSDP Store. It enables standards-based interoperability between enabled apps and devices with third-party systems via DICOMweb standard interfaces.

MR: The MR team at PIC has just delivered MR Workspace, the imaging platform that unlocks the power of AI and integrates intelligence, guidance and ease-of-use seamlessly into the radiology imaging workflow. The focus on Adaptive Intelligence in the Clinical applications like Compressed Sense will allow up to 50% higher spatial resolution within the same scan time. The sustained innovation in predictive serviceability has resulted in our customers benefiting from a higher uptime guarantee, faster deployment of software upgrades, increased productivity due to instant protocol updates and better trained staff due to remote transfer of large training packages. The team has established a strong connect with 8 of the key-opinion leaders in Radiology for India KM, forming a user group for MR Body Oncology research collaborations.

Hospital Patient Monitoring: Hospital Patient Monitoring R&D team at PIC Bangalore is a part of global R&D team of the business. Aligning with the business roadmap, this team owns design and development of key programs for the business such as Medical Device Interfacing, Operations Management. Team plays a key role in developing platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments.

PH Digital team: The solutions developed by the PH Digital team has helped in serving and supporting consumers in their health and wellbeing needs in every stage of their lives. The team continued to deliver on the Pregnancy+/Baby+ propositions resulting in superior engagement enabled by the quality and value of the proposition, the next generation Sonicare Prestige 9900 program which helps in personalization thru AI models, pilots towards the Sonicare dental payer program, enriched the Sleep mapper proposition based on consumer insights, enhanced digital experiences supporting the popular Lumea Device, and further improvisation on the Groom tribe the male touch point for all the grooming needs of men.

The team also embarked on the creation of PH digital next strategy, which acts as a guiding force in the coming 2-3 years to further deepen and fasten the digital transformation in PH. The strategy will be realized thru six transformational streams namely Co-create innovation, Unleash the power of data, intelligently apply AI, develop ubiquitous interfaces, Raise the bar and Team of choice.

During the year, Sales (Export in Foreign Currency) amounted to INR 14.7 billion (as compared to INR 13.9 billion in 2019-20). PIC's average employee strength during 2020-21 was 3,503 (3,309 in 2019-20).

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

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

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

In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021 and shareholders of the Company will be allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company on or before the Effective date and the transfer of the Demerged Undertaking shall be on a going concern basis. The Scheme shall come in effect from the Appointed Date but shall be operative from the Effective Date.

Domestic Appliances business including Preethi Kitchen Appliances wholly owned subsidiary has been carved out from our Business segment "Personal Health" as reported in Note 35 of the Consolidated Financial Statements primarily involves sale of kitchen appliances (juicers, blenders, Air fryer, food processors), home care (vacuum cleaners, air purifiers), garment care (irons, steam generators) and coffee makers (appliances and accessories).

In line with requirements of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations, the financials of Domestic Appliances business has been presented as discontinued operations. Consequently, results from the Domestic Appliances business are no longer included in the results of continuing operations. Relevant assets and liabilities of the Domestic Appliances business are reported under Assets and Liabilities directly associated with discontinued operations.

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

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

9. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

During the financial year 2020-21, your Company had three wholly owned subsidiaries, Preethi Kitchen Appliances Private Limited ("Preethi"), Philips Home Care Services India Private Limited ("Philips Home Care") and Philips Domestic Appliances India Limited ("Philips Domestic Appliances").

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, Preethi and Philips Home Care, Philips Domestic Appliances in Form AOC-1, is attached to the financial statements of the Company.

Pursuant to the provisions of section 136 of the Act, the consolidated and standalone financial statements of the Company, along with relevant documents and separate audited accounts in respect of each subsidiary, are available on the website of the Company.

10. PERFORMANCE OF THE SUBSIDARY COMPANIES

PREETHI KITCHEN APPLIANCES PRIVATE LIMITED ("PREETHI")

FY 2020 - 2021 was the most challenging period in recent memory, ended with reporting of an encouraging financial performance by Preethi in terms of 11% sales growth (excluding intercompany) with improved profitability over last year. Impact of the Covid-19 pandemic resulted in nationwide and localized lockdowns during a large part of the year, created widespread uncertainty – with significant bearing on consumer demand as well as product supply chains. Under this backdrop, we continued to focus on our three pillars of growth - innovation, quality and service; invested behind the brand by acquiring high impact media properties & enabled access to consumers in both online and offline platforms with the launch of a hybrid model #closetoyou in key markets. As a result, we saw a sharp bounce back in volumes, improvement in brand consideration and preference for Preethi as the economy opened up in second half of the year.

With the change in normal of work from home under the pandemic, consumers were exploring multiple cuisines in food preparation and were looking for products that are multifunctional & convenient. Preethi Zodiac helped bridge this need better and the launch of Zodiac Cosmo with new cube cutting technology helped boost the sales of high-end Zodiac series of mixer grinders.

Preethi's continued focus on meeting unmet consumer needs with best in class quality products & services that create value have helped the brand become the Leader in the Mixing Appliances category. (Earlier Preethi was No.1 Mixer Grinder brand).

Throughout the pandemic, the organization was working closely with customers & consumers, keeping safety of its employees and their extended family as paramount. The organization continued to invest in safety norms in all their interactions with vendors, suppliers and customers, adhering to all WHO protocols and government guidelines across various markets. Employee initiatives, engagement programs, practicing of continuous feedback culture, fair rewards and recognition process, transparency in communication, better collaboration and accessibility, has helped Preethi to attract and retain best talent. People are the biggest strength and continue to be the pride of the organization at Preethi.

Future demand for the brand and its categories continues to be robust as kitchen appliances become hygiene to food preparations across the country. Under the new normal of working from home, we see convergence of cuisines & experimentation amongst family members gaining acceptance. Search volumes for different recipes are on the rise and consumers are looking to trusted brands that can help bridge the need gaps and keep cooking simple and convenient. The brand, has demonstrated its ability to adapt to these changes quickly and positively by taking actions needed to respond, reset and renew its position even stronger than ever before.

In the near term, the volatility in commodity prices, forex rate changes, uncertainty of lockdown due to pandemic and stiff competition from established brands in the kitchen space and their expansion into Preethi's key markets may pose a few risks for Preethi, however given the strength of the brand and its long association with over a Mn+ consumers, the risks would be well mitigated.

The strategy for the forthcoming years include, a consumer centric approach of deep in sighting, investments in brand building, creating a strong innovation pipeline of meaningful innovations, focus on consumer service, making right investments in new and emerging channels (Digital) and building on people capability of attracting and retaining right talent, augurs well for the brand in the coming years.

Pursuant to the Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 as stated in Point number 6 of the report, Preethi Kitchen Appliances will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021.

PHILIPS HOME CARE SERVICES INDIA PRIVATE LIMITED ("PHILIPS HOME CARE")

Philips Home Care was incorporated in May 2016, to provide treatment, diagnosis and care for ailments such as chronic heart failure, chronic respiratory disease, post-surgical treatment, sleep disorders, nephrology care, oncology care and similar such diseases, afflictions to the patients at their homes through a team of nurses, para-medics, respiratory therapists and other trained personnel monitored remotely by doctors. Subsequently, ICU@home and sale of medical equipment like Oxygen Concentrators, were also added to the services for the patients. During the past years, in order to achieve the set financial targets, Philips Home Care, had explored certain alternate business propositions and models.

However, despite bringing in a lot of effort to its core business and venturing into some of these alternate businesses, the desired financial performance could not be achieved by Philips Home Care. there had been no significant business operations in Philips Home Care. It was felt that since Philips Home Care was losing money, it was prudent to consider discontinuing of its operations to stop the bleed.

In the meeting of the Board held on December 19, 2019, the approval of the Board was accorded to make an application with ROC, Kolkata to Strike off the name of Philips Home Care as prescribed under section 248(2) of the Companies Act, 2013 and to waive off any outstanding amount due from Philips Home Care Services India Private Limited including the outstanding amount of Inter Corporate Deposits extended by the Company.

Application to Strike off Philips Home Care was filed with Ministry of Corporate affairs (Ministry) on January 23, 2020. The approval on the aforesaid application is pending from the Ministry as on the date of this report.

All the employees engaged with the Philips Home Care and its assets were transferred and sold off, as appropriate.

PHILIPS DOMESTIC APPLIANCES INDIA LIMITED ("PHILIPS DOMESTIC APPLIANCES")

On June 25, 2020, the Board accorded its in-principle approval for the segregation of the Domestic Appliances business of your Company as a part of the global restructuring exercise. Koninklijke Philips NV, the parent company of Philips India Limited, proposed the separation of the Domestic Appliance business of the group, worldwide, into different and independent companies owned by Philips Group, thereby providing increased flexibility to attract investments and customers to accelerate growth and to exploit scale of the Domestic Appliances business.

Pursuant to the same Philips Domestic Appliances India Limited was incorporated as a wholly owned Subsidiary of Philips India Limited on July 17, 2020 to be a part of the restructuring plan. During the year there was no business activity in Philips Domestic appliances.

11. BUSINESS RESTRUCTURING

Except for segregation of the Domestic Appliances business of the Company there was no other Business Restructuring during financial year 2020-2021. An update on the disentanglement of Domestic Appliances business of the Company has already been provided in Point number 7 of this report.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the constitution of the Board of Directors of your Company, during financial year 2020-21.

However, subsequent to the close of the Financial Year, Mr. Rajiv Mathur, Whole time Director and Company Secretary, resigned from his position on the Board and as Company Secretary of the Company, to take effect from July 1,2021.

Further, the Board of Directors of the Company, on June 30,2021, appointed Ms. Pooja Bedi (DIN: 06934281), as Wholetime Director and Company Secretary, with effect from July 1,2021, subject to the approval of shareholders.

13. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board were held 7 (Seven) times during the financial year, on June 25, 2020. July 30, 2020, September 3, 2020, September 11, 2020, September 23, 2020, December 18, 2020 and February 24, 2021, which were attended by all the Directors, no leave of absence was requested for any of the meetings held during the year by any Director.

14. BOARD EVALUATION

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

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

In a separate meeting of the Independent Directors held on June 30, 2021, performance of Non- Independent Directors, performance of the Board as a Whole and performance of the Chairman was evaluated, taking into account the views from Executive Directors. The discussion was also made on the Committees of the Board and Individual Directors of the Company.

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

15. COMMITTEES OF THE BOARD

15.1 AUDIT COMMITTEE

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

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

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

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

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

* Ms. Pooja Bedi was appointed in place of Mr. Rajiv Mathur as a Secretary to the Committee with effect from July 1, 2021.

During the year, the Committee 7 (Seven) times during the financial year, on June 25, 2020. July 30, 2020, September 3, 2020, September 11, 2020, September 23, 2020, December 18, 2020 and February 24, 2021 All the meetings were attended by all the Directors. No leave of absence was sought.

Mr. S M Datta, attended the Annual General Meeting of the Company held on September 24, 2020 to Chair the Meeting and to respond to the shareholders' queries.

15.2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee was set up to oversee the corporate social responsibility and other business related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the

Committee. The Committee adopted a Corporate Social Responsibility (CSR) policy to perform the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013 and the amount of expenditure to be incurred on the same.

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

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

* Ms. Pooja Bedi was appointed in place of Mr. Rajiv Mathur as a Member & Secretary to the Committee with effect from July 1, 2021.

During the year, the meetings of the Committee were held 3 (Three) times i.e. on July 30 2020, September 23, 2020, and February 24, 2021, which were attended by all the Directors.

Your Company was engaged in Corporate Social Responsibility (CSR) Projects, during the year 2020-21, the details of which are set out in Annual Corporate Social Responsibility report attached as Annexure I to the Board's report.

15.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

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

* Ms. Pooja Bedi was appointed in place of Mr. Rajiv Mathur as a Member & Secretary to the Committee with effect from July 1, 2021.

During the year, the meetings of the Committee were held once i.e. on December 18, 2020 which was attended by all the Directors.

15.4 NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

* Ms. Pooja Bedi was appointed in place of Mr. Rajiv Mathur as a Member & Secretary to the Committee with effect from July 1, 2021.

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

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

During the year, the meetings of the Committee were held twice i.e. on July 30, 2020 and December 18, 2020, which were attended by all the Directors.

16. DECLARATION BY INDEPENDENT DIRECTORS

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

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company remains committed to maintaining internal controls designed to safeguard the efficiency of operations and security of its assets. Accounting records are adequate for preparation of financial statements and other financial information. Through its internal audit processes at the sectoral and corporate levels, both the adequacy and effectiveness of internal controls across your Company's various businesses and compliance with laid-down systems and policies are regularly monitored.

18. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

19. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company focuses on the workforce for tomorrow with the purpose to improve people's health and well-being through meaningful innovation. Inclusion, drive for personal development and being customer centric. The three core pillars of People Strategy namely – Developing our workforce for the future, shaping an inclusive environment and Enabling and empowering our people have focused on offering innovative programs and solutions to your employees in the year 2020-21.

We develop our workforce of the future:

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

In 2020-21 we continued to strengthen our strategic workforce plan and have focused on a build & buy strategy for strategic capabilities of Digital (AI and Data Science, Cloud, Dev Ops), Solutions via Need Seeker mindset and Platform & Architecture.

There is a special focus on encouraging and developing internal talent to take on diverse and bigger roles. In order to achieve this, all job openings are shared through a mailer 'Internal Job postings' with internal employees first. Moreover, we have programs like Accelerated Leadership Program (ALP), Pinnacle, Leading Teams and Leading Adaptively, to groom top talent in your company to take up bigger roles. We saw your leaders taking global roles in areas such as AI & data Science, IT Architecture and Platform, SW CoE as we drive leadership shift by developing your leaders to role model Digital leadership.

Adapting to new digital world, use of new tools and technology like Pymetrics for online assessments, bringing in awareness, engaging, assessing and onboarding candidates virtually is helping Philips to build a workforce of the future. The launch of a Graduate Development Program (GDP) in India will help to put India talent in the Philips global map. Programs like Code to Care (Hackathon), Thinkup Challenge (case study competition), Ambassador program and Chatbot launch for student community to bring in awareness that Philips is a Healthtech organization.

We also started an NBX (our structured process to guide the creation and scaling of New Businesses and Solutions in Philips) in the area of Coronary artery disease in partnership with Philips Innovation Campus Bangalore, Indian Subcontinent Key Market and Image Guided Therapy businesses.

We have encouraged your Leaders to internalize Philips Leadership Asks. These are the common set of expectations from each leader in Philips and it's a part of our Development Goals as well for all leaders. We introduced the process of continuous feedback for your employees as an outcome of the Leadership Asks. A robust plan was done with thorough communication, building awareness, leadership cascade and feedback weeks launched.

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

Your Company has continued its focus on the people's development through a variety of functional offerings. To ensure a competitive workforce of the future and to enable high performance within the organization of sales and marketing teams, programs like Winning in Sales Excellence, Customer Focused Selling, Sales Excellence, Project Management were continued with better focus on overcoming challenges to enable teams to be first and win in the market. Your company in 2020 continued Solution Booster to strengthen the solution selling capability in the market, focused on technical capabilities through programs like Clinical Competence, Architecture Leadership and System Engineering to upskill our technical workforce and also launched program to enhance financial knowledge.

You would be pleased to note that your company won the Golden Peacock National Training Award 2020 for excellence in learning and development.

Our overall build strategy has resulted in 24% of the employees changing roles last year in line with our Philosophy of providing opportunities for growth to your internal talent. Your Company has created a diverse team in Talent Acquisition with capabilities like Talent Intelligence, Talent Research and Recruitment Marketing which helps it to have a robust hiring and On-boarding process and ensures that it hires great talent who fit well in the organization.

In space of Manufacturing, your company offers a unique combination of Manufacturing operations and R&D under one roof. This site consists of complete value chain starting from production to up-stream marketing. With the best in class quality products & Lean process your HIC campus is preferred choice for global stakeholders in Philips has been identified as multimodality manufacturing footprint site, currently in growth stage. As part of Philips strategy, your HIC campus is managing critical ramp-up projects such as MR Coil Transfer Project, STET Project for localization & Value-engineering project, ASPEN - strategic initiative for DXR footprint shift from Hamburg to Pune/Bangalore with focus on speed in Executional excellence and MoS .

As the Covid19 pandemic hit us in 2020, we committed to our triple duty of care – customer and their needs, employees and their safety, our business continuity. To make this happen, your employees' health & wellbeing and enabling a productive work environment was our top most priority. We introduced some benefits for your employees and their families like, Home office setup reimbursement for office-based roles a one-time set-up cost of 75% of the expense incurred upto INR 10,000. Flexible and globally alignment Work from home guidelines which substitute the existing WFH policy during the implementation of Return to Work Protocol. Broadband reimbursement of INR 750 plus taxes. Covid19 Homecare expenses for your employee, spouse and kids upto INR 20,000. Covid19 Hospitalization Expenses: All Covid19 treatment related hospitalizations were covered under the selected medical insurance plan & family structure. We also introduced Covid19 emergency hotline & hospitalization support, Doctor consultation on Phone and tool-free mobile Employee Assistance Program (EAP)

We share an inclusive environment

Your Company has sustained the "Back in the Game" (BIG) program– an opportunity to provide a second chance to women on sabbatical to come back to the mainstream work again. Your Company has also set-up an I&D council spearheaded by management team members and HR Business partners and launched Women networking forum with the objective of connecting Women workforce across Philips. As a part of this initiative, we organized various learning programs, leadership connect, change in existing policies to make it women friendly.

We continue to focus on building an inclusive work environment for all genders, generations and LGBTQ community. Members of our Rainbow Network participated in panel discussions and we also ran a successful Ally Campaign during Pride month of June.

In 2020 our gender diversity increased to 27%. Our Women's Network touched close to 1000 employees via the initiatives build around HER, HER & Family, HER & Workplace and HER & World.

We established Young Leaders Club to get the views of younger generation on our strategy and we also established Reverse Mentoring where Millennials mentored senior leaders. The members of this club also helped us as we trained our campus interview training panel.

As we started working from home, we have also been coaching and enabling managers to be inclusive to different personality types and family requirements their teams might have.

In areas of recognition, following a priority of inclusion and diversity, a special thank you week was organized, where your employees were encouraged to recognize and thank their peers, subordinates, superiors and support staff bringing inclusivity among workforce. Your Company also took the opportunity to reward and recognize its top talents across the business verticals at Pan-India level through CEO Awards which was conducted virtually.

We enable and empower our people:

We have looked at culture of performance from two axis. The first one is how do we drive culture of performance internally within HR. This has been driven through articulation of HR strategy with clear measurable goals. Further execution of this strategy is carried by using LEAN tools like Daily Management, Problem Solving etc. You would be happy to note that majority of your HR team is LEAN certified.

The other axis is how do drive culture of performance in your company. In order to drive a culture of performance, performance based pay and increments were awarded ensuring higher pay for better performance. We also tracked the non-performance cases and ensured that they are either re-deployed or are put on performance improvement plans. We also conducted Talent Reviews to focus on top talent and ensure that we have healthy succession pipeline for critical roles. This encouraged managers to have more future focused and developmental conversations with the team members. Our engagement scores increased to 89%, and we also saw a steady increase in participation in your employees' survey which is the true indicator for engagement.

The HR shared services function of your Company continues to focus on Operational excellence and consolidate its position as an efficient, scalable and high quality HR services provider for the India market. As a result of the Covid 19 pandemic, we moved our end to end onboarding processes to virtual and ensured we were able to onboard joining formalities of all new hires from home keeping safety in mind and successfully completed 1700+ employee onboarding through the virtual session. A robust Buddy assignment awareness communication built to enable managers assign Buddy for your new hires. Introduction of Amara feedback (digital feedback assistant) ensured we are getting the feedback from your employees. This AI tool connects with employees at various milestones to hear about your journey at Philips and captures feedback around work culture, team, learning, growth, and more.

To simplify our HR tools and make it more user-friendly we introduced MyBenefits and MyPay portals to house all employee related benefit and payroll related self-service for your employees. Introduction of online claim processing through soft-copies thereby reduced manual interventions and giving great employee experience.

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

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

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

21. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

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

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

23. RELATED PARTY TRANSCATIONS

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

24. STATEMENT OF RISK MANAGEMENT

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended March 31, 2021;

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

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

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

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

26. AUDITORS

At the Annual General Meeting of the Company held on September 29, 2016, M/s S.R. Batliboi & Co. LLP, Chartered Accountants had been appointed as Statutory Auditors of the Company, for a period of 5 years, subject to ratification at each Annual General Meeting, by the members of the Company.

Further, M/s S.R. Batliboi & Co. LLP, Chartered Accountants Shall be re-appointed as the Statutory Auditors of the Company for a further period of 5 Years, subject to approval of the members of the Company in the ensuing Annual General Meeting.

27. REPLY TO THE OBSERVATION AS STATED BY THE STATUTORY AND SECRETARIAL AUDITOR OF THE COMPANY IN THEIR REPORTS

The Statutory and Secretarial Audit of the Company was carried out by S.R. Batliboi & Co. LLP, Chartered Accountants and Mr. Ashok Tyagi, Company Secretary (PCS Registration No. 7322), respectively for financial year ended March 31, 2021. The Report given by the Secretarial Auditors is annexed as Annexure IV and forms integral part of this Report. The Auditors in their report, have given a qualification with regard to a fraud committed on the Company.

The response of your Directors with respect to the same is as below:

In July, 2020, the management received a complaint wherein it was alleged that few employees and former employees had colluded with the vendors of the Company, to record and make payment in respect of service and maintenance bills, without services having been provided by the vendors as represented in the said bills. This fraud committed on the Company, pertains to period January 1, 2018 to June 30, 2020 amounting to ₹280 million (₹ 28 Cr) (including ₹19 million (₹ 1.9 Cr) for the period April 1, 2020 to June 30, 2020). Due process is being followed by the Company to investigate the matter to the fullest extent, including filing of complaint with local police and law enforcement authorities, filing of cases against the suspected employees and vendors in the courts having appropriate jurisdiction and appointment of independent third party KPMG to investigate the matter. The Company has also taken strict action against the suspected employees (including the former employees involved in the fraud) by formally separating them from the services of the Company and initiating criminal proceedings against all the accused, including the vendors involved. The matter is progressing towards the recovery of substantial amount involved and appropriate remedial action has been taken for the same. The Hon'ble Court has rejected the anticipatory bail applications of all the accused persons. The Company is pursuing appropriate legal action against the accused persons and taking all other measures to recover the loss.

28. COST AUDITORS

Your Company is required to carry out an audit of the Company's cost accounts in respect of healthcare equipment. Pursuant to the provisions of Section 148 of the Companies Act, 2013, your Directors have approved the appointment of M/s Nanabhoy & Company, a firm of cost accountants, to conduct the Cost Audit for the year ending March 31, 2022, at a remuneration of ₹ 6,61000 (Rupees Six Lacs Sixty-one thousand only) plus applicable taxes and out of pocket expenses, subject to the confirmation of such remuneration by the members of the Company at its Annual General Meeting.

29. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company adhered to the provisions of applicable Secretarial Standards 1 & 2 during the financial year 2020 - 21.

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

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

During the year, the Company did not receive any complaint of sexual harassment.

ACKNOWLEDGEMENT

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

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

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

On behalf of the Board of Directors
For Philips India Limited

Place : Gurugram
Date : June 30,2021

S.M. Datta (Chairman)
DIN: 00032812

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES

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

   Healthcare and related development issues remain the CSR focus of the Company. Over the last seven years, the aim of the organization has been to provide access to basic but quality and preventive healthcare facilities to the underprivileged and create awareness on healthy living, preventive healthcare especially of mother and child.

   During the reporting year, the focus of the Company's CSR programs has been mostly on improving maternal & child health and related mental health issues, nutrition of sick newborns and school students from economically weaker backgrounds, accessibility of affordable health care and reducing childhood pneumonia through technology for pneumonia management in India, COVID-19 relief support, etc.The approach in implementation of these project was reviewed and customized basis the challenges posed by COVID-19 lockdown and limitation in implementing the work on ground as envisaged., The Company has worked towards providing need based basic healthcare services especially in the primary health space and focused on improving access to care for the underserved communities.

   During the reporting year, the Company worked closely with several NGO partners including Save the Children, SNEHA, Mamta, Smile Foundation, Charities Aid Foundation, Oxfam India, Centre for International Development Services, St. Jude's India Childcare Center, Piramal Swasthaya Management and Research Institute, etc.

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

   https://www.philips.co.in/healthcare/resources/landing/csr

2. **Composition of the CSR Committee**

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

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

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

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

   https://www.philips.co.in/healthcare/resources/landing/csr

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

   Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programmes. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and shall initiate steps to conduct impact assessment of CSR projects through an independent agency from the financial year 2021-22, as applicable

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

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

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

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

Financial year (as per Section 198)	2017-18	2018-19	2019-20
	Average Net profit for last 3 FY (₹ in million)	Average Net profit for last 3 FY (₹ in million)	Average Net profit for last 3 FY (₹ in million)
	4168	2926	2609

The average net profit for the last three financial years is : ₹ 2609 million (FY 2019-20)

7. a) Two percent of average net profit of the company as per section 135(5) ₹ 52.20 million

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹ 0

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

d) Total CSR obligation for the financial year (7a+7b+7c). ₹ 52.20 million

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

Philips has spent 82% of its prescribed CSR budget for the financial year 2020-21 and has transferred more than the provisioned funds to Unspent CSR Account.

Total Amount Spent for the Financial Year. (in ₹ in million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹ in million)	Date of transfer	Name of the fund	Amount	Date of Transfer
36.59	19.40	30.04.2021	Not Applicable	0	Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)		11
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in ₹ in million)	Amount spent in the current FY (in ₹ in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ in million)	Mode of Implementation Direct		Mode of Implementation - Through Implementing Agency
				State	District					(Yes/ No)	Name	CSR Registration number
1	Setting up and operating Healthcare Community Centres for pregnant & lactating women, young couples & adolescent boys/girls and promote healthcare seeking behaviour and adopting a holistic approach to care through Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCHA) and addressing associated mental health	Item (i)[1]	Yes	1. Uttar Pradesh 2. Jharkhand 3. Karnataka 4. Maharashtra	1. Khagaria 2. Sahibgunj 3. Bangalore 4. Pune	2 Years 11 months	43.03	1.03*	0	No	Mamta Health Institute for Mother & Child	CSR00001978
2	Providing access to basic healthcare to community members across urban slums and rural locations through Mobile Medical Vans	Item (i)	Yes	1. Karnataka 2. Maharashtra 3. West Bengal 4. Tamil Nadu	1. Bangalore 2. Pune 3. Kolkata 4. Chennai	2 Years	27.03	3.86*	0	No	Smile Foundation	CSR00001634
3	Providing access to basic healthcare to community members across urban slums and rural locations through Mobile Medical Vans	Item (i)	Yes	1. Karnataka 2. Maharashtra 3. West Bengal 4. Tamil Nadu	1. Bangalore 2. Pune 3. Kolkatta 4. Chennai	2 Years	6.52	6.65	0	No	Smile Foundation	CSR00001634
4	Vishwaas - Setting the Global Benchmark for Quality Management of Tackling Childhood Pneumonia in India	Item (i)	Yes	1. Rajasthan, 2. Uttar Pradesh	1. Tonk 2. Bahraich	2 Year	34.45	13.07	0	No	Save the Children (Bal Raksha Bharat)	CSR00000065
5	Building Bridges - Maternal and New-born Health Program to improve health indicators of mothers and newborns by empowering communities and strengthening existing health system in 7 cities of Mumbai Metropolitan Regional Development Authority (MMRDA) regions	Item (i)	Yes	Maharashtra	Mumbai	2 Year 5 months	61.70	2.76	0	No	SNEHA (Society for Nutrition, Education and Health Action)	CSR00002137
6	Women Empowerment Program - An Employability and Placement for the young women in Beauty and Wellness program	Item (ii)[2]	Yes	1. Karnataka 2. Maharashtra 3. West Bengal 4. Tamil Nadu 5. Haryana	1. Bangalore, 2. Pune, 3. Kolkata, 4. Chennai, 5. Gurgaon	8 months	31.02	0.83	0	No	Smile Foundation	CSR00001634
7	Philips Scholarship Program - Scholarship Support to 25 Students belonging to Scheduled Tribes	Item (ii)	Yes	All States	Across India	3 Years	3.30	0.25	3.00	No	Buddy4Study India Foundation	CSR00000121
8	India Reverses Diabetes Type2 - To create and test a low cost, scalable and digitized program which to help reverse the Diabetes type 2 epidemic	Item (i)	Yes	1. Rajasthan 2. Assam	All districts of the states	1 Year	3.70	3.78	0	No	Piramal Swasthaya Management and Research Institute	CSR00000217

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)		11
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in ₹ in million)	Amount spent in the current FY (in ₹ in million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ in million)	Mode of Implementation Direct		Mode of Implementation - Through Implementing Agency
				State	District					(Yes/ No)	Name	CSR Registration number
9	Increasing Access to Quality Primary Healthcare through Mobile Telemedicine Unit	Item (i)	Yes	1. Karnataka 2.Maharashtra 3.Tamil Nadu 4. Haryana	1. Gadag, 2. Shirur, 3.Virudhunagar, 4. Mewat.	1 Year	24.19	0	12.59	No	Smile Foundation	CSR00001634
10	Childhood Pneumonia Campaign - To increase awareness, especially in vulnerable communities and direct the focus on Childhood Pneumonia which accounts for approx. 14% of deaths in under 5 children in India	Item (i)	Yes	All States	Across India	2 Years	35.00	1.64*	3.81	Yes	NA	NA
	Total						**269.96**	**33.88**	**19.40**			

 # The amount spent in the financial year 2020-2021also includes monitoring & evaluation expenses.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ in million)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Relief Support Program for Amphan Cyclone - OXFAM	Item (xii)[3]	Yes	West Bengal	District South 24 Parganas	0.50	No	Oxfam India	CSR00000839
2	Relief Support Program for Amphan Cyclone - CAF	Item (xii)	Yes	Odisha	Basudevpur and Chandabali blocks in District Bhadrak	0.50	No	Charities Aid Foundation (CAF)	CSR00001692
3	COVID-19 Equipment Donation	Item (i)	Yes	Maharashtra	Aurangabad	5.60	Yes	NA	NA
	Total					**6.60**			

d) Amount spent in Administrative Overheads ₹1.74 million

e) Amount spent on Impact Assessment, if applicable ₹ 0

f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 36.59 million
*The above table (8 (b)) also includes spend of INR 5.63 million provisioned from Financial Year 2019-20.

g) Excess amount for set off, if any –

Sl. No.	Particular	Amount (in ₹ in million)
(i)	Two percent of average net profit of the company as per section 135(5)	52.20
(ii)	Total amount spent for the Financial Year	36.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

**During the financial year 2019-20 a provision of INR 9.44 million was created on account of CSR programs that were / are in progress out of which an amount of INR 5.63 million was also spent during the current Financial Year. As the amount relates to the CSR budget of FY 2019-20, the same has not been considered as an excess spent in the table above.

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

(Yes/ No)	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total	-	-	-	-	-	-

As per the CSR Rules, this shall be tracked from FY 2021-2022.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SL No	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total Amount allocated for the project (in ₹ in million)**	**Amount spent on the project in the reporting financial year (in ₹ in million)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹ in million)**	**Status of the project –Completed/ Ongoing.**
1	NA	Setting up and operating Healthcare Community Centres for pregnant & lactating women, young couples & adolescent boys/girls and promote healthcare seeking behaviour, and adopting a holistic approach to care through Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCHA) and also addressing associated mental health issues	FY 2017-18	2.9 Years	43.04	1.03	44.06	Completed
2	NA	Setting up Comprehensive Lactation Management Centres (CLMCs) across selected government hospitals in different locations and providing technical support including training to help reduce neonatal mortality and morbidity, through uptake of breastfeeding practice and promotion of Human Milk donation & banking in India	FY 2019-20	2 Year	65.00	0	27.60	Ongoing
3	NA	Vishwaas - Setting the Global Benchmark for Quality Management of Tackling Childhood Pneumonia in India	FY 2019-20	2 Year	34.46	13.07	34.89	Ongoing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SL No	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total Amount allocated for the project (in ₹ in million)**	**Amount spent on the project in the reporting financial year (in ₹ in million)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹ in million)**	**Status of the project –Completed/ Ongoing.**
4	NA	Childhood Pneumonia Campaign - To increase awareness, especially in vulnerable communities and direct the focus on Childhood Pneumonia which accounts for approx. 14% of deaths in under 5 children in India	FY 2019-20	2 Year	35.00	1.64	31.19	Ongoing
5	NA	Women Empowerment Program - An Employability and Placement for the young women in Beauty and Wellness program	FY 2019-20	8 months	31.02	0.82	3.21	Completed
6	NA	Providing access to basic healthcare to community members across urban slums and rural locations through Mobile Medical Vans	FY 2018-19	2 Years	27.03	3.86	13.39	Completed
7	NA	Providing access to basic healthcare to community members across urban slums and rural locations through Mobile Medical Vans	FY 2020-21	6 months	6.52	6.65	6.74	Completed
8	NA	Lotus Petal - Aarogya Wellness & Scholarship Program	FY 2019-20	2 Year	5.07	0	5.07	Completed
9	NA	Building Bridges - Maternal and New-born Health Program to improve health indicators of mothers and newborns by empowering communities and strengthening existing health system in 7 cities of Mumbai Metropolitan Regional Development Authority (MMRDA) regions	FY 2019-20	8 months	61.70	2.75	8.91	Completed
	TOTAL				**308.84**	**29.82**	**175.06**	

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

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

a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

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

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

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

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

Philips has spent 82% of its prescribed CSR budget for the financial year 2020-21 and has transferred more than the provisioned funds to Unspent CSR Account.

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

Rajiv Mathur
Director and Company Secretary
Member, CSR Committee
(DIN: 06931798)

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

Date: June 30, 2021
Place: Gurugram

Annexure - II

Information in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March 2021

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2020-21:

1. Steps taken or impact on conservation of energy

   I. Your Company has installed 350 KWH roof top solar plant at its IGT factory. with this installation the Company is able to harness around 40K to 45K Units on a monthly basis.

   II. Your ENCON team continues to work on optimization of HVAC operation & other kaizens

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

   For the last few years, your Company, at its Healthcare Innovation Campus (HIC), Pune, has been using the solar powered lights to light up the streets. This has helped your Company to conserve resources and make its contribution to the environment. Further, your Company has set up and made operationalize roof solar plant for capacity of 350 KW, which has helped the company to save more energy.

3. the capital investment on energy conservation equipment

   During the year your company has spent a considerable amount towards installation of roof solar plant at its Healthcare Innovation Campus (HIC), Pune.

B. RESEARCH & DEVELOPMENT (R & D)

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

2. Benefits derived as a result of above efforts:

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

   HSDP: HSDP team at PIC has been part of delivering some of the key platform components which is set to power great innovations for Philips s storage for Digital Imaging and Communications in Medicine (DICOM) Data as part of the HSDP Store. It enables standards-based interoperability between enabled apps and devices with third-party systems via DICOMweb standard interfaces.

   MR: The MR team at PIC has just delivered MR Workspace, the imaging platform that unlocks the power of AI and integrates intelligence, guidance and ease-of-use seamlessly into the radiology imaging workflow. The focus on Adaptive Intelligence in the Clinical applications like Compressed Sense will allow up to 50% higher spatial resolution within the same scan time. The sustained innovation in predictive serviceability has resulted in our customers benefiting from a higher uptime guarantee, faster deployment of software upgrades, increased productivity due to instant protocol updates and better trained staff due to remote transfer of large training packages. The team has established a strong connect with 8 of the key-opinion leaders in Radiology for India KM, forming a user group for MR Body Oncology research collaborations.

   Hospital Patient Monitoring: Hospital Patient Monitoring R&D team at PIC Bangalore is a part of global R&D team of the business. Aligning with the business roadmap, this team owns design and development of key programs for the business such as Medical Device Interfacing, Operations Management. Team plays a key role in developing platform capabilities for the business. A strong technology and domain focus motivates the team to drive quality and commitments.

   PH Digital team: The solutions developed by the PH Digital team has helped in serving and supporting consumers in their health and wellbeing needs in every stage of their lives. The team continued to deliver on the Pregnancy+/Baby+ propositions resulting in superior engagement enabled by the quality and value of the proposition, the next generation Sonicare Prestige 9900 program which helps in personalization thru AI models, pilots towards the Sonicare dental payer program, enriched the Sleep mapper proposition based on consumer insights, enhanced digital experiences supporting the popular Lumea Device, and further improvisation on the Groom tribe the male touch point for all the grooming needs of men. The team also embarked on the creation of PH digital next strategy, which acts as a guiding force in the coming 2-3 years to further deepen and fasten the digital transformation in PH. The strategy will be realized thru six transformational streams namely Co-create innovation, Unleash the power of data, intelligently apply AI, develop ubiquitous interfaces, Raise the bar and Team of choice. During the year, Sales (Export in Foreign Currency) amounted to INR 14.7 billion (as compared to INR 13.9 billion in 2019-20). PIC's average employee strength during 2020-21 was 3,503 (3,309 in 2019-20)

3. Future plan of action

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

4. Expenditure incurred on R&D

During the year, your Company has incurred an expenditure of INR 1,428 Million on activities related to research and development.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

During the year, total inflows (on cash basis) in foreign exchange was INR 21,849 MLN and total outflows (on cash basis) in foreign exchange was INR 18,876 MLN.

Annexure - III

Form No. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

   There were no contracts or arrangements or Transactions entered into during the year ended March 31, 2021, which were not on an arm`s length basis.

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Value of Transactions during the year ended March 31, 2021 (`Millions)
Philips Electronics Nederland B.V. Fellow Subsidiary Company	Sale of services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	4,264
Philips Consumer Lifestyle B.V. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	4,683
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	2,139
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Sale of services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	4,203
Philips Electronics Singapore Pte Ltd. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	2,271

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Value of Transactions during the year ended March 31, 2021 (₹ Millions)
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Sale of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	3,133
Philips Healthcare Informatics, Inc. Fellow Subsidiary Company	Sale of services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	1,343
Koninklijke Philips Electronics N.V. Holding Company	Sale of services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	1,984
Philips Ultrasound, Inc. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm`s length basis	Not Applicable	1,075
Philips Electronics North America Corporation Fellow Subsidiary Company	Purchase of goods	Fellow Subsidiary Company	Fellow Subsidiary Company	Fellow Subsidiary Company	Fellow Subsidiary Company	1,022

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

For and on behalf of the Board

S. M. Datta
Chairman
(DIN: 00032812)

Place: Gurugram
Date: June 30, 2021

Annexure - IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

SECRETARIAL AUDIT REPORT

I have conducted the Secretarial Audit of the compliances for the Financial Year ended March 31, 2021 of applicable statutory provisions and the adherence to good corporate practices by Philips India Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

Management's Responsibility for Secretarial Compliances

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

Auditor's Responsibility

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

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner, subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

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

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time - **Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time **- Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **- Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time - **Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **- Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;– **To the extent applicable;**
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **- Not applicable to the Company being unlisted;**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company being unlisted;**
- The Secretarial Standards issued by the Institute of Company Secretaries of India;
- Other laws specifically applicable to the Company during the year under review:

A. Sectoral Laws:

1) The Legal Metrology Act, 2009;

B. Commercial and other Laws:

2) The Water (Prevention and Control of Pollution) Act, 1974;
3) The Air (Prevention and Control of Pollution) Act, 1981;
4) The Environment (Protection) Act, 1986;
5) The Shops and Establishment Act, 1953;
6) The Indian Contract Act, 1872;
7) The Competition Act, 2002;
8) The Entry Tax Act;
9) The Professional Tax Act.

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

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

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

(b) Filing of the requisite forms and returns with the Registrar of Companies and Central Government within the time prescribed under the Act and rules made there under;

(c) Service of Documents by the Company on its Members, Auditors;

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

(e) Convening and holding of the Ninetieth Annual General Meeting of the Company on September 24, 2020;

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

(g) Disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by the Directors;

(h) Appointment, re-appointment and retirement of Directors including the Managing Director and Executive Directors and payment of remuneration to them was in compliance with the provisions of the Act;

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

(j) Board's Report for the Financial Year ended March 31, 2020;

(k) Declaration and payment of dividend for the Financial Year 2019-20;

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

(m) Form of Financial Statements and disclosures to be made therein was as per the Schedule III to the Act;

(n) Appointment of Internal Auditor as per the provisions of Section 138 of the Companies Act, 2013;

(o) Appointment of Cost Auditor as per the provisions of Section 148(3) of the Companies Act, 2013;

(p) Appointment of Secretarial Auditor as per the provisions of Section 203 of the Companies Act, 2013;

I further report that:

(1) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Women Director in terms of the Act. The changes in the composition of the Board of Directors and the Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act. Mr. Rajiv Mathur was re-appointed as Whole-time Director of the Company for a term of 5 years effective August 01, 2020.

(2) Adequate notice was given to all the Directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(3) Majority decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the Financial Year under review. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board.

(4) The Company was not required to take any approval from Regional Director, Registrar of Companies and Central Government.

(5) As reported during the Financial Year 2016-17, we observed that the Company is focusing on recovery of the amount. The Award of the Arbitrator was received by the Company to recover INR 21,284,754 from the Channel Partner. The Company has already filed the Execution petition for the arbitration award at the Court in Chennai, in response to which the other party has filed a petition to set aside the arbitration award in the Court in Gurgaon. Due to countrywide lockdowns consequent to outbreak of Covid -19, the matter could not proceed. The decision of the Hon'ble Court is awaited on the above matters.

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

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

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

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

governance efforts but also made remarkable recovery in this case and their efforts are commendable.

(8) During the year under review the Company has spent ₹ 36,587,304 towards its Corporate Social Responsibility (CSR) obligation in terms of Section 135 of the Act and the amount ₹ 15,597,409 remained unspent for the Financial Year under review, amount being related to the on-going projects undertaken by the Company in pursuance of its Corporate Social Responsibility Policy has been transferred to the Unspent CSR Account within the prescribed time.

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

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific laws, under both Central and State legislations, reliance has been placed on the Compliance Certificates issued by the Company Secretary of the Company to the Board from time to time. Based on the aforesaid internal Compliance Certificates, we are of the opinion that the Company has generally complied with the following:

I. Deposit of Provident Fund, Employee State Insurance and other employee related statutory dues;

II. Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Contract Labour (Regulation and Abolition) Act and other related legislations.

III. Deposit of taxes relating to Income Tax, CGST SGST & IGST, Excise Duty, Entry Tax, Professional Tax and other applicable taxes;

IV. Applicable state and central laws including those related to environment and applicable licenses and permits pertaining to the operations of the Company.

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

1. As reported earlier the application for proposed Share Capital Reduction in terms of Section 66 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, was filed by the Company on April 13, 2018. The proceedings in the matter were pending before the NCLT, Kolkata Bench, however on September 10, 2020 the said application for reduction of shares was withdrawn.

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

   In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. July 1, 2021 and shareholders of the Company will be allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company on or before the Effective date and the transfer of the Demerged Undertaking shall be on a going concern basis. The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. The Dividend at the rate of 30% amounting to ₹ 3 per share amounting to ₹ 172.60 million was declared and paid for the Financial Year ended March 31, 2020 during the year under review.

CS Ashok Tyagi
Company Secretaries
FCS No: 2968
C P No: 7322
UDIN: F002968C000538481

Place: New Delhi
Date: June 29, 2021

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

ANNEXURE - A

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I have followed provide a reasonable basis for my opinion.
3. I have conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to nationwide lockdown to fight COVID-19, some of the documents and records mentioned above have been received via electronic means and as such, could not be verified from the original's thereof. The management has confirmed that the records submitted to us are the true and correct. I have also relied upon representation given by the Management of the Company for certain areas, which otherwise requires physical verification.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on the random test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Ashok Tyagi
Company Secretaries
FCS No: 2968
C P No: 7322
UDIN: F002968C000538481

Place: New Delhi
Date: June 29, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **Philips India Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Philips India Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, 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 Ind AS 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 standalone Ind AS 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, 2021, 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 standalone Ind AS 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 Standalone Ind AS 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 Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS 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 Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone Ind AS 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, 2021 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 standalone Ind AS financial statements – Refer Note 30 to the standalone Ind AS financial statements;

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

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906
UDIN: 21083906AAAAAR5255
Place of Signature: Gurugram
Date: June 30, 2021

Annexure 1 referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date

Re: Philips India Limited (The "Company")

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. No material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a Company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, good and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount of demand without netting of amount paid under protest (INR in million)	Amount paid under protest and provided (INR in million)	Recourse*	Net Amount	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Individual State Sales Tax Act	Sales Tax including Interest and penalty	1,716	172	1,028	516	1987-88 to 2017-18	Appellate Authority upto commissioner (Appeals)
		304	19	257	28	1986-87 to 2014-15	Tribunal
		58	13	44	1	1998-99 to 2006-07	High Court
Service tax, Finance Act, 1944	Service tax including interest and penalty where applicable	7	-	-	7	Above 7 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	11	-	-	11	Above 7 years	Appellate Authority upto commissioner (Appeals)
Custom Act, 1962	Custom duty including interest and penalty where applicable	252	117	-	135	2012-13 and 2013-14	Appellate Authority upto commissioner (Appeals)
Income Tax Act, 1961	Income Tax Disallowances and transfer Pricing additions including Interest and Penalty where applicable	1,635	278	-	1,357	AY 2004-05 to AY 2016-17	Appellate Authority upto commissioner (Appeals)
		1,550	15	252	1,284	AY 2004-05 to AY 2015-16	Tribunal
		181	70	-	111	AY 2003-04	High Court

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

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowings towards the Government or debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instrument and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) The management has completed investigations relating to a fraud perpetuated in earlier years on account of collusion between employees and vendors of the Company. Upon completion of the investigation the amount of exposure is determined at ₹ 280 million pertaining to the period January 1, 2018 to June 30, 2020. The Company has taken all necessary actions including filing criminal case against the perpetrators.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906
UDIN: 21083906AAAAAR5255
Place of Signature: Gurugram
Date: June 30, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PHILIPS INDIA LIMTED

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

We have audited the internal financial controls over financial reporting of Philips India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting with reference to these standalone 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 control over financial reporting with reference to these standalone 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 Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906
UDIN: 21083906AAAAAR5255
Place of Signature: Gurugram
Date: June 30, 2021

Balance Sheet As at 31 March, 2021

Amounts in ₹ Mln

Particulars	Notes	As at 31-03-2021	As at 31-03-2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	**3,929**	3,169
Capital work-in-progress	2	**414**	247
Investment property	2 (a)	**836**	360
Investment in subsidiaries and associates	3	**-**	7,431
Financial Assets			
a. Trade Receivables	5(a)	**1,304**	938
b. Other Financial Assets	5(b)	**454**	486
Deferred tax assets (net)	6	**846**	642
Advance income tax (net of provision)		**3,122**	3,033
Other non current assets	7	**686**	709
		11,591	17,015
Current assets			
Inventories	8	**4,250**	4,169
Contract Assets	4	**380**	234
Financial Assets			
a. Trade receivables	9(a)	**5,741**	7,943
b. Cash and cash equivalents	9(b)	**9,313**	5,586
c. Other Financial Assets	9(c)	**186**	139
Other current assets	10	**2,967**	2,995
		22,837	21,066
Assets classified as held for sale	11	**14**	15
Assets directly associated with discontinued operations	42	**8,967**	-
TOTAL ASSETS		**43,409**	38,096
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**575**	575
Other Equity	13	**23,375**	22,001
Equity attributable to equity shareholders		**23,950**	22,576
LIABILITIES			
Non-current liabilities			
Contract Liabilities	4	**906**	720
Financial Liabilities			
Lease Liabilities	14	**1,584**	570
Other non-current liabilities	15	**165**	160
Provisions	16	**2,435**	2,945
		5,090	4,395
Current liabilities			
Contract Liabilities	4	**2,282**	1,894
Financial Liabilities			
Lease Liabilities	17	**721**	565
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	17	**12**	28
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	**5,521**	5,847
Other financial liabilities	17	**316**	117
Other current liabilities	18	**1,670**	1,537
Provision for taxation (net of advances)		**127**	208
Provisions	16	**1,885**	929
		12,534	11,125
Liabilities directly associated with discontinued operations	42	**1,835**	-
TOTAL EQUITY AND LIABILITIES		**43,409**	38,096
Basis of preparation, measurement and significant accounting policies	1		

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Statement of Profit and Loss for the year ended 31 March 2021

Amounts in ₹ Mln

Particulars	Notes	Year 2020-21	Year 2019-20
Income			
Revenue from operations	**19**	**48,427**	45,342
Other income	**20**	**408**	422
Total Income		**48,835**	45,764
Expenses			
Cost of raw materials consumed	**21**	**3,098**	2,309
Purchases of stock-in-trade	**22**	**18,348**	17,329
Changes in inventories of work-in-progress, finished goods and stock-in-trade	**23**	**212**	581
Employee benefits expense	**24**	**14,603**	13,514
Finance costs	**25**	**252**	196
Depreciation and amortization expense	**26**	**1,343**	1,180
Other expenses	**27**	**8,448**	8,309
Total expenses		**46,304**	43,418
Profit before exceptional items and tax		**2,531**	2,346
Exceptional items (net) Loss / (Profit)	**33**	**-**	(142)
Profit before tax		**2,531**	2,488
Profit / (loss) from continuing operations		**2,396**	
Tax expense			
Current tax	**6(a)**	**(864)**	(878)
Deferred tax expenses - credit / (charge)	**6(a)**	**113**	(95)
Total Tax expense - continuing operations		**(751)**	(973)
Profit / (loss) after tax from continuing operations		**1,645**	
Profit / (loss) from discontinued operations	**42**	**135**	
Tax expense			
Current tax	**6(a)**	**(43)**	
Deferred tax expenses - credit / (charge)	**6(a)**	**23**	
Profit / (loss) after tax from discontinued operations		**115**	-
Profit for the year (A)		**1,760**	1,515
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or Loss			
Re-measurement gains / (losses) on defined benefit plans	**28**	**(305)**	(763)
Income tax effect on defined benefit plans continuing operations	**6(a)**	**90**	197
Income tax effect on defined benefit plans discontinued operations	**6(a)**		
Other Comprehensive Income for the year (B)		**(215)**	(566)
Total Comprehensive income for the year (A+B)		**1,545**	949
Earnings per equity share for continuing and discontinued operations			
Basic and diluted earnings per equity share of ₹10 each (in ₹)	**40**	**30.61**	26.34
Basis of preparation, measurement and significant accounting policies	**1**		

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Statement of Changes in Equity for the year ended 31 March 2021

Amounts in ₹ Mln

A. EQUITY SHARE CAPITAL

Equity shares of ₹10 each issued, subscribed and fully paid up	Number of shares	Amount
As at March 31 2019	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at 31 March, 2020	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at 31 March, 2021	**5,75,17,242**	**575**

B. OTHER EQUITY

Particulars	Reserves and Surplus		Items of OCI	Total
	General reserve	Retained earnings*	Remeasurement	
As at 31 March, 2019	2,315	20,164	44	**22,523**
Profit for the year	-	1,515	-	**1,515**
Transition impact of Ind AS 116, net of tax (refer note 2)	-	(4)	-	**(4)**
Transition impact of Appendix C to Ind AS 12	-	(1,258)	-	**(1,258)**
Remeasurement benefit of defined benefit plans	-	-	(566)	**(566)**
Total Comprehensive Income for the year	-	253	(566)	**(313)**
Reductions during the year				
Dividend	-	(173)	-	**(173)**
Dividend distribution tax	-	(35)	-	**(35)**
Total	-	(208)	-	**(208)**
As at 31 March, 2020	**2,315**	**20,209**	**(522)**	**22,001**
Profit for the year	**-**	**1,761**	**-**	**1,761**
Transition impact of Ind AS 116, net of tax	**-**	**-**	**-**	**-**
Transition impact of Appendix C to Ind AS 12	**-**	**-**	**-**	**-**
Remeasurement benefit of defined benefit plans	**-**	**-**	**(215)**	**(215)**
Total Comprehensive Income for the year	**-**	**1,761**	**(215)**	**1,545**
Reductions during the year				
Dividend	**-**	**(173)**	**-**	**(173)**
Total	**-**	**(173)**	**-**	**(173)**
As at 31 March, 2021	**2,315**	**21,797**	**(737)**	**23,375**

* Refer note 13

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Cash Flow Statement for the year ended 31 March 2021

Amounts in ₹ Mln

Particulars		Notes	Year 2020-21	Year 2019-20
A.	Cash generated from operating activities			
	Profit before tax from continuing operations		**2,396**	2,488
	Profit before tax from discontinued operations		**135**	
	Exceptional items		**-**	(142)
	Profit before tax and exceptional items		**2,531**	2,346
	Adjusted for			
	Write off & other adjustment of Property, Plant & Equipment		**6**	31
	Depreciation and amortization		**1,343**	1,180
	Unrealized foreign exchange (gain) and loss (net)		**2**	(4)
	Allowances for doubtful trade receivables & loans & advances		**233**	163
	Liabilities no longer required written back		**(7)**	(62)
	Interest on advances, current accounts and deposits		**(407)**	(510)
	Finance costs		**252**	196
			1,421	994
	Operating profit before working capital changes		**3,952**	3,340
	Changes in			
	Trade receivables and other loans & advances		**706**	(951)
	Inventories		**(657)**	903
	Trade payables and other liabilities		**4,145**	(735)
	Cash generated from operations		**8,146**	2,557
	Income tax paid (net of refunds)		**(977)**	(695)
A.	**Net Cash generated from operating activities**		**7,169**	1,862
B.	**Cash generated from investing activities**			
	Purchase of Property, Plant and Equipment		**(2,847)**	(1,226)
	Proceeds from sale of Property, Plant & Equipment		**-**	47
	Investment in subsidiaries		**(1)**	(20)
	Intercorporate deposits given		**-**	(44)
	Intercorporate deposits repaid		**-**	-
	Cash received on sale of investments		**-**	350
	Advances received against sale of Property, Plant & Equipment		**-**	-
	Interest received		**356**	443
	Net Cash used in investing activities		**(2,492)**	(450)
C.	**Cash flow from financing activities**			
	Finance costs		**(252)**	(216)
	Finance lease obligations		**-**	-
	Principal repayment of lease liabilities		**(527)**	(615)
	Dividend paid (including tax thereon)		**(173)**	(208)
	Net Cash used in financing activities		**(952)**	(1,039)
	Increase / (Decrease) in cash and cash equivalents (A+B+C)		**3,727**	373

Cash Flow Statement for the year ended 31 March 2020 (Contd.)

Amounts in ₹ Mln

Particulars	Notes	Year 2020-21	Year 2019-20
D. Cash and cash equivalents - Opening Balance			
Cash and cash equivalents	9 (b)	**91**	128
Unpaid dividend	9 (b)	**13**	13
Deposits with Banks	9 (b)	**5,482**	5,072
Total		**5,586**	5,212
E. Cash and cash equivalents - Closing Balance			
Cash and cash equivalents	9 (b)	**180**	91
Unpaid dividend	9 (b)	**15**	13
Deposits with Banks	9 (b)	**9,118**	5,482
Total		**9,313**	5,586
Net increase/(decrease) in cash and cash equivalents (E-D)		**3,727**	373

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

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman	S.M.DATTA (DIN: 00032812)
Managing Director	DANIEL MAZON (DIN: 07954025)
Director & CFO	SUDEEP AGRAWAL (DIN: 08056132)
Director & Company Secretary	RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Notes to Standalone Financial Statements for the year ended March 31, 2021

CORPORATE INFORMATION:

Philips India Limited (the 'Company') is a public limited company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business segments comprise of (a) Personal Health, (b) Healthcare Systems and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra and Software Development center in Bangalore. The company sells its products primarily in India through independent distributors and modern trade. The Financial statements for the year ended 31 March 2021 were authorized by the Board of Directors for issue in accordance with resolution passed on June 30, 2021.

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. (a) Basis of preparation of financial statements

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

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

(b) Current / Non-Current classification

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

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

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

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

1.2. Significant accounting judgements, estimates and assumptions

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

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

- Measurement of defined benefit obligations – Note 28
- Measurement and likelihood of occurrence of provisions and contingencies – Note 16

Notes to Standalone Financial Statements for the year ended March 31, 2021

- Recognition of deferred tax assets – Note 6
- Measurement of Lease liabilities and Right of Use Asset – Note 2 and 41

1.3. Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

MCA issued notifications dated 24 March 2021to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021.

1.4. (a) Property, Plant and Equipment

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

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

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

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

(b) Investment Properties:

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

(c) Capital work in progress and Capital Advances

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

1.5. Intangible Assets

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

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

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

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

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

1.6. Investments in Subsidiaries and Associates:

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

1.7. Inventories:

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

1.8. Non-current assets classified as held for sale

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

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

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

1.9. Cash and Cash equivalents:

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

1.10. Financial Instruments:

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

a) Financial Assets:

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

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

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

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

Debt instruments at amortized cost:

- A debt instrument is measured at amortized cost if both the following conditions are met:

  Business Model Test: The objective is to hold the debt instrument to collect the contractual cash flows rather than to sell the instrument prior to its contractual maturity to realize its fair value changes.

- Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is 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 EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at amortized cost:

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instruments at Fair Value through OCI:

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On de-recognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

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

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

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

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

b) Financial Liabilities:

Initial recognition and measurement

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

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

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. 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 medication is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments:

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

Reclassification of financial assets:

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

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

1.11. Provisions & Contingencies:

Provisions

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

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

Contingent liabilities

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

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

1.12. Revenue Recognition

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

- **Sale of goods**

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

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

- **Variable Consideration**

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

- **Significant financing component**

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

- **Warranty obligations**

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

- **Contract Balances:**

  Contract assets:

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

  Contract liabilities:

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

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

  Right of return assets:

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

  Refund Liabilities:

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

- **Rendering of Services**

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

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

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

  Revenue from software development services is billed to clients on cost plus basis as per the terms of the specific contracts.

  Cost and earnings in excess of billings are classified as unbilled revenue.

- **Export benefit**

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

- **Interest Income**

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

1.13. Employee Benefits:

Short-term obligations

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

Defined Contribution Plans

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

Defined Benefit Plans

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

Termination benefits are recognized as and when incurred.

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

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

Post-Retirement Medical benefit plan

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

Share-based payments

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

1.14. Impairment of Non-Financial Assets

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

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

1.15. Income Taxes:

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

Current Tax:

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

Deferred Tax:

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

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

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

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

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

1.16. Leases:

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

As a lessee

The Company mainly has lease arrangements for vehicles, plant & equipment (IT Devices) and buildings (office premises).

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

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

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

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

Short-term leases and leases of low-value assets (IT Devices): The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets. Lease payments on short term leases and leases of low value assets are recognized as an expense on a straight-line basis over the lease term. The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option)."

Until March 31, 2019:

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same re recognized as an expense in line with contractual term.

Leases are classified as finance leases whenever their terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

1.17. Foreign Currencies:

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

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

Measurement of foreign currency items at the balance sheet date:

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

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

Exchange differences

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

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

The estimated fair value amounts of forward exchange contracts as at March 31, 2021 have been measured as at that date. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.18. Fair value measurement of Financial Instruments:

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

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

The categories used are as follows:

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

1.19. Exceptional items:

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

1.20. Earnings Per Share:

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

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

1.21. Government Grants:

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

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value						Accumulated Depreciation						Net book value
	As at March 31 2020	Reclassification #	Additions	Disposals	Discontinued Operations	As at March 31 2021	As at March 31 2020	Reclassification	Additions	Disposals	Discontinued Operations	As at March 31 2021	As at March 31 2021
Owned Assets													
Leasehold Land	182		-	-	-	**182**	3		7	-	-	**10**	**172**
Buildings	267		-	-	-	**267**	31		9	-	-	**40**	**228**
Leasehold Improvements	1,062	(366)	32	(19)	-	**709**	428	(6)	113	(14)	-	**521**	**188**
Plant & Equipment	2,119		232	(1)	(407)	**1,944**	1,079		368	(0)	(336)	**1,111**	**833**
Plant & Equipment (given on operating lease)	125		27	-	-	**152**	70		17	-	-	**86**	**65**
Office Equipment	407		-	(1)	(1)	**405**	230		54	(1)	(1)	**282**	**123**
Furniture	374		4	(5)	-	**373**	176		45	(5)	-	**215**	**158**
Vehicles	-		-	-	-	**-**	-		-	-	-	**-**	**-**
Leased Assets (taken on finance lease)						**-**						**-**	
Vehicles	-		-	-	-	**-**	-		-	-	-	**-**	**-**
Plant & Machinery	-		-	-	-	**-**	-		-	-	-	**-**	**-**
Right of Use (ROU) Assets						**-**	-					**-**	
Vehicles	613		123	(181)	(12)	**542**	355		131	(148)	(6)	**333**	**209**
Buildings	1,240		1,785	(78)	-	**2,947**	490		583	(77)	-	**996**	**1,950**
Total	**6,390**	**(366)**	**2,202**	**(285)**	**(420)**	**7,522**	**2,861**	**(6)**	**1,327**	**(245)**	**(342)**	**3,594**	**3,929**

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at March 31, 2019	Transition / Reclassification **	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	Transition / Reclassification **	Additions	Disposals	As at March 31, 2020	As at March 31 2020
Owned Assets											
Leasehold Land	147		35	-	182	2		1	-	3	179
Buildings	270		-	(3)	267	23		9	()	31	236
Leasehold Improvements	729		366	(34)	1,062	311		142	(25)	428	634
Plant & Equipment	1,756		384	(21)	2,119	823		268	(12)	1,079	1,041
Plant & Equipment (given on operating lease)	123		2	-	125	54		16	-	70	55
Office Equipment	394		19	(5)	407	164		68	(2)	230	177
Furniture	348		37	(11)	374	132		47	(3)	176	199
Vehicles	-		-	-	-			-	-	-	-
Leased Assets (taken on finance lease)						-					
Vehicles	585	(585)	-	-	-	338	(338)	-	-	-	-
Plant & Machinery	637	(637)	-	-	-	291	(291)	-	-	-	-
Right of Use (ROU) Assets						-	-				
Vehicles	-	585	182	(154)	613		338	139	(122)	355	258
Buildings	-	1,240	-	-	1,240			490	-	490	750
Total	**4,989**	**603**	**1,024**	**(228)**	**6,390**	**2,138**	**(291)**	**1,180**	**(166)**	**2,861**	**3,529**

** Transition / Reclassification consequent to adoption of Ind AS 116 effective April 1 2019. # Reclassification due to internal transfer to Investment Property

Capital Work in Progress	**As at March 31 2021**	As at March 31 2020
Book value	**414**	247

Capital Work in Progress as at 31 March 2021 includes mainly assets under construction due to expansion work in Company's plant at Pune

2 (a) Investment Property

Amounts in ₹ Mln

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at April 1 2020	Reclassification	Additions	Disposals	As at March 31 2021	As at April 1 2020	Reclassification	Additions	Disposals	As at March 31 2021	As at March 31 2021
Investment Property	-			-	-	-				-	-
Buildings					-					-	-
Leasehold Improvements		366	492		858		6	16		22	836
Total	**-**	**366**	**492**	**-**	**858**	**-**	**6**	**16**	**-**	**22**	**836**

The investment property consists of buildings and leasehold improvements held by the Company and located in the State of Maharashtra given on long term lease during the year 2020-21. Cost of the said investment property approximates to its fair value.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

3 Investment in subsidiaries and associates

Particulars	As at 31-03-2021	As at 31-03-2020
Unquoted Investments		
Investment in equity instruments		
95,187,940 (31 March 2020 - 95,187,940) equity shares of ₹10/- each fully paid up in Preethi Kitchen Appliances Private Limited - wholly owned subsidiary	**7,431**	7,431
50,000 (31 March 2020 - Nil) equity shares of ₹10/- each fully paid up in Philips Domestic Appliances India Limited - wholly owned subsidiary	**1**	-
	7,432	7,431
Less: Closing balance attributable to discontinued operations	**(7,432)**	-
	-	7,431

4 Contract balances

Particulars	As at 31-03-2021	As at 31-03-2020
Contract assets	**380**	234
Non-current	**-**	-
Current	**380**	234
Contract liabilities	**3,188**	2,614
Non-current	**906**	720
Current	**2,282**	1,894

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

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

Amounts in ₹ Mln

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

Particulars	As at 31-03-2021	As at 31-03-2020
Trade receivables	1,304	938
Total	**1,304**	938

Break up for security details

Trade receivables	As at 31-03-2021	As at 31-03-2020
Trade receivables - Secured, considered good {(refer note 9(a)}	1,304	938
Trade receivables - Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	110	68
	1,414	1,006
Less: Allowance for Trade Receivable - credit impaired	(110)	(68)
	1,304	938

5(b) Non-current financial assets - others

Loans (Unsecured considered good unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
Security Deposits		
- Security Deposits Considered good	454	485
- Security Deposits Credit impaired	-	-
- Less: Allowances for Security Deposits - credit impaired	-	-
Bank Deposits (due to mature after 12 months from reporting date)	-	1
	454	486

6 Deferred Tax Assets (Net)

a. Components of Income Tax Expense

(i) Tax expense recognised in Statement of Profit and Loss	Year 2020-21	Year 2019-20
- Current Tax Continuing operations *	(864)	(878)
- Current Tax Discontinued operations	(43)	-
* includes ₹130 (2019-20 - ₹204) recognized on impact of Appendix C to Ind AS 12	(907)	(878)
Deferred tax expenses - credit / (charge)		
- Relating to origination and reversal of temporary differences continuing operations	113	(95)
- Relating to origination and reversal of temporary differences discontinued operations	23	
(ii) Tax on Other Comprehensive Income		
Deferred tax		
- Gain / (Loss) on measurement of net defined benefit plans continuing operations	90	197
- Gain / (Loss) on measurement of net defined benefit plans discontinued operations	-	
Total	(681)	(776)

Notes to Standalone Financial Statements for the year ended March 31, 2021

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

Amounts in ₹ Mln

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

Particulars	**Year 2020- 21**	Year 2019-20
Profit before tax	**2,531**	2,488
Income tax calculated @%	**25.168%**	25.168%
Computed tax expense	**637**	626
Differences due to:		
- Expenses not deductible for tax purposes	**(13)**	(29)
- Impact of differential rate used for deferred tax	**-**	156
- Others	**147**	220
Income tax charged to Statement of Profit and Loss at effective tax rate of **30.46%** (Previous year - 39.12%)	**771**	973
Income tax expense reported in statement of Profit and Loss	**771**	973

Impact of tax rate change :

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit & Loss during the previous year.

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

Particulars	**Balance Sheet**		**Recognized in Statement of Profit and Loss**	
	As at 31-03-2021	As at 31-03-2020	**Year 2020-21**	Year 2019-20
Net deferred tax assets/(liabilities)				
- Provision for employee benefits	**243**	189	**53**	(62)
- Doubtful trade receivables and advances	**22**	193	**(171)**	(58)
- Difference between book and tax depreciation	**584**	(232)	**815**	98
- Other timing differences	**(249)**	312	**(561)**	(73)
Total (A)	**600**	463	**136**	(95)
Re-measurement (gains) / losses on defined benefit plans (B)	**269**	179	**90**	197
Less: Net deferred tax assets attributable to discontinued operations (C)	**(23)**		**(23)**	
Net deferred tax assets/(liabilities) (A+B+C)	**846**	642	**204**	102

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

Particulars	**As at 31-03-2021**	As at 31-03-2020
Opening balance as of 1 April	**642**	540
Tax income/(expense) during the year recognized in profit and loss continuing operations	**136**	(95)
Tax income/(expense) during the year recognized in OCI continuing operations	**90**	197
Less: Net deferred tax assets attributable to discontinued operations	**(23)**	
Closing balance as at 31 March	**846**	642

Amounts in ₹ Mln

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	**As at 31-03-2021**	As at 31-03-2020
Advance Rentals	**71**	42
Capital Advances	**18**	35
VAT credit receivable	**65**	65
Deposits against legal cases	**533**	567
Considered doubtful		
Deposits against legal cases	**17**	22
Special additional duty receivables and drawback claims	**56**	56
Claims receivables	**92**	54
Less: Allowances for doubtful other loans and advances		
Deposits against legal cases	**(17)**	(22)
Special additional duty receivables and drawback claims	**(56)**	(56)
Claims receivables	**(92)**	(54)
	686	709

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

Particulars	**As at 31-03-2021**	As at 31-03-2020
Raw Materials	**949**	652
Raw Materials-in-Transit	**81**	31
	1,030	683
Work-in-Progress	**1,330**	1,091
Finished Goods	**35**	20
Stock-in-Trade (goods purchased for re-sale)	**1,556**	2,022
Stock-in-Trade (goods purchased for re-sale) - In Transit	**287**	344
	1,843	2,366
Stores and spares	**12**	9
	4,250	4,169

9 (a) Current Financial assets - Trade Receivables

Particulars	**As at 31-03-2021**	As at 31-03-2020
Trade receivables	**3,210**	4,904
Trade Receivables from other related parties (Note 31)	**2,531**	3,039
	5,741	7,943

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

Break up for security details

Trade receivables	**As at 31-03-2021**	As at 31-03-2020
Trade receivables -Secured, considered good **	**558**	693
Trade receivables - Unsecured, considered good	**5,183**	7,250
Trade Receivables which have significant increase in Credit Risk	**-**	-
Trade Receivables - credit impaired	**585**	475
	6,326	8,418
Allowances for Trade Receivables - credit impaired	**(585)**	(475)
	5,741	7,943

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

**** Additional disclosure relating to finance lease receivables:**

Secured trade receivables includes finance lease receivables amounting to ₹ **943** (31 March 2020 - ₹ 762) relating to medical equipment leased out by the Healthcare division of the Company. The lease term varies between 5-7 years. The total minimum lease payments for assets given on finance lease is ₹ **1,388** (31 March 2020 - ₹ 1,051) which includes unearned interest of ₹ **445** (31 March 2020 ₹ 289). The maturity profile of finance lease obligation is as follows:

Particulars	**As at 31-03-2021**	As at 31-03-2020
Minimum lease payments		
Receivable within 1 year	**333**	275
Receivable between 1-5 years	**837**	610
Receivable after 5 years	**218**	166
Total	**1,388**	1,051
Present value		
Receivable within 1 year	**182**	180
Receivable between 1-5 years	**588**	430
Receivable after 5 years	**173**	152
Total	**943**	762
Unearned interest	**445**	289

9 (b) Cash and cash equivalents

Particulars	**As at 31-03-2021**	As at 31-03-2020
Balances with banks:		
– On current accounts	**143**	63
– Deposits with original maturity of less than three months**	**9,118**	5,482
Cheques/ drafts on hand	**37**	28
Cash on hand	**-**	-
	9,298	5,573
Other Bank Balances		
Unpaid dividend accounts	**15**	13
	9,313	5,586

** Refer note 9 (c)

Amounts in ₹ Mln

Changes in Liabilities arising from financing activities

Particulars	As at 31-03-2021	As at 31-03-2020
Lease Liabilities		
Opening balance as of 1 April	**1,135**	
Cash Flows during the year		
Transition impact due to adoption of Ind AS 116 (refer note 41)	**-**	1,268
Reclassification from Borrowings to Lease Liabilities	**-**	307
Cashflows	**1,177**	(440)
Closing balance as of 31 March	**2,312**	1,135
Break up of Cash Flows during the year		
Additions during the year	1,899	182
Deletions during the year	(52)	(7)
Payment of lease liabilities (Principal)	(670)	(615)
Total	**1,177**	(440)

9 (c) Current Financial assets - Others

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Interest accrued on Loans to Subsidiary	**-**	-
(ii) Interest accrued on deposits with banks	**51**	16
(iii) Government grants	**96**	84
(iv) Security Deposits		
(Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good	**39**	39
Security Deposits Credit impaired	**23**	34
Allowances for Security Deposits - credit impaired	**(23)**	(34)
	186	139

10 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Rentals	**40**	23
Advance to suppliers (other than related party)	**476**	515
Advance to related party	**-**	70
CENVAT credit receivable	**279**	196
GST Input tax credit receivable	**472**	1,245
VAT credit receivable	**2**	6
Special additional duty receivables and drawback claims	**31**	175
Balances with customs and port trust	**-**	46
Prepaid expenses	**404**	85
Claims receivables	**1,254**	621
Advances to employees	**9**	14
Considered doubtful		
Advance to suppliers	**27**	29
Claims receivables	**6**	9
Special additional duty receivables and drawback claims	**13**	21
Allowances for doubtful other loans and advances		
Advance to suppliers	**(27)**	(29)
Claims receivables	**(6)**	(9)
Special additional duty receivables and drawback claims	**(13)**	(21)
	2,967	2,995

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

11 Assets Classified As Held For Sale

Particulars	As at 31-03-2021	As at 31-03-2020
Property, plant and equipment		
Assets retired from active use (refer note below)	**14**	15
	14	15

During the previous years, the Company initiated identification and evaluation of potential buyers for the properties located in the states of Maharashtra, Gujarat & Goa. Consequently, the Company completed sale of certain properties located in the State of Maharashtra during FY 2019-20 and anticipates completion of sale of remainder properties in the State of Maharashtra by March 2022. These are recognized and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell.

12 Equity Share Capital

	As at 31-03-2021	As at 31-03-2020
Authorised Share Capital		
92,000,000 (March 31 2020 - 92,000,000) Equity shares of ₹10 each	**920**	920
20,000,000 (March 31 2020 - 20,000,000) Non-convertible cumulative preference shares of ₹10 each	**200**	200
Total	**1,120**	1,120
Issued, subscribed and paid-up		
57,517,242 (March 31 2020 - 57,517,242) Equity shares of ₹10 each	**575**	575
Total	**575**	575

(i) Reconciliation of the number of equity shares outstanding

	Number of shares	Equity share capital
As at March 31 2019	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2020	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2021	**5,75,17,242**	575

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

The Company has only one class of equity shares having a par value of ₹10/- per share (31 March 2020 : ₹10/- per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31-03-2021	As at 31-03-2020
Koninklijke Philips N.V (KPNV)		
55,290,182 (March 31 2020 - 55,290,182) Equity shares of ₹10 each	**553**	553

(iv) Details of shareholders holding more than 5% shares of the company

	As at 31-03-2021	As at 31-03-2020
Koninklijke Philips N.V (KPNV)		
Number of equity shares	**5,52,90,182**	5,52,90,182
% of Holding	**96.13**	96.13

Amounts in ₹ Mln

13 Other Equity

Particulars		As at 31-03-2021	As at 31-03-2020
(a)	**General reserve**	**2,315**	2,315
(b)	**Retained Earnings**		
	As at the beginning of the year	**19,687**	20,207
	Add: Profit for the year	**1,761**	1,515
	Less: Reductions during the year		
	Dividend	**(173)**	(173)
	Dividend distribution tax	**-**	(35)
	Transition impact of Ind AS 116, net of tax (refer note 2)	**-**	(4)
	Transition impact of Appendix C to Ind AS 12	**-**	(1,258)
	Items of Other Comprehensive Income (OCI) recognized directly in retained earnings		
	Re-measurement gains/ (losses) on defined benefit plans (net of tax)	**(215)**	(566)
	As at the end of the year	**21,060**	19,687
Total Other Equity (a+b)		**23,375**	22,001

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

Particulars	As at 31-03-2021	As at 31-03-2020
Re-measurement gains / (losses) on defined benefit plans	**(305)**	(763)
Income tax effect on defined benefit plans	**90**	197
	(215)	(566)

A. Summary of Other Equity

Particulars	As at 31-03-2021	As at 31-03-2020
General Reserve	**2,315**	2,315
Retained Earnings	**21,275**	20,252
Items of OCI	**(215)**	(566)
Total other Equity	**23,375**	22,001

B. Description of nature and purpose of each reserve

(1) General Reserve and Retained Earnings

These represent the accumulated profit the company has. These are free reserves for the company. The company can declare dividend or retain it for future use.

(2) Re-measurement of Net Defined Benefit Plans

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

14 Non-current financial liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Lease Liabilities	**1,584**	570
	1,584	570

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

15 Other non-current liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Employee related payables	165	160
Security deposits	-	-
	165	160

16. Provisions

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Non-Current		
Provision for employee benefits	843	1,481
Gratuity (refer note 28)	597	475
Compensated absences	246	210
Post-employment medical benefits	-	-
Defined Benefit Plan	-	796
Others	1,592	1,464
Warranty (refer note 16.1)	-	-
Legal and regulatory (refer note 16.1)	1,592	1,464
Miscellaneous (refer note 16.1)	-	-
Total (a)	2,435	2,945
(b) Current		
Provision for employee benefits	1,225	89
Gratuity (refer note 28)	70	30
Compensated absences	36	38
Post-employment medical benefits	4	21
Defined Benefit Plan	1,116	-
Others	660	840
Warranty (refer note 16.1)	74	216
Legal and regulatory (refer note 16.1)	528	580
Miscellaneous (refer note 16.1)	58	44
Total (b)	1,885	929

Additional disclosure relating to provisions

16.1. Movement in other provisions (non-current and current)	Warranty	Legal and Regulatory	Miscellaneous
Particulars			
as at 31 March, 2019	206	499	47
Add: Accruals / Reclassification during the year	348	1,677	-
Less: Utilization / Reclassification during the year	338	13	-
Less: Write back during the year	-	120	3
as at 31 March, 2020	216	2,044	44
Add: Accruals / Reclassification during the year	192	158	44
Less: Utilization / Reclassification during the year	244	80	21
Less: Write back during the year	-	-	-
Less: Closing balance attributable to discontinued operations	90	2	9
as at 31 March 2021	74	2,120	58

Amounts in ₹ Mln

17. Current Financial Liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Lease Liabilities	**721**	565
Trade Payables		
Dues to others	**3,926**	4,172
Dues to related parties	**1,595**	1,675
Dues to Micro, Small and Medium Enterprises		
a. Principal amount remaining unpaid to any supplier as at end of the year	**12**	27
b. Interest due on the above amount	**-**	1
c. Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year	**-**	-
d. Amount of interest due and payable for the period of delay in making the payment but without adding the interest specified under this Act	**-**	-
e. Amount of interest accrued and remaining unpaid at the end of the year	**-**	-
f. Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises	**-**	-
	5,533	5,875

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

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

Other financial liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Unpaid dividend	**15**	13
Book overdraft	**199**	27
Other payables:		
Payables for purchase of fixed assets (other than micro and small enterprises)	**102**	77
Security deposits	**-**	-
	316	117

18. Other current liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Other payables:		
Employee related payables	**715**	731
Statutory dues	**955**	806
	1,670	1,537

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

19 **Revenue from operations**	**Year 2020-21**	Year 2019-20
Particulars		
Sale of goods	**25,085**	23,642
Sale of services	**22,985**	21,328
(i) Revenue from contracts with customers	**48,070**	44,970
(ii) Other operating revenues	**357**	372
Liabilities no longer required written back	**7**	62
Finance income - leases	**98**	108
Duty drawback and export incentives	**184**	161
Miscellaneous	**68**	41
Revenue from operations (i+ii)	**48,427**	45,342

19 (a) Disaggregated revenue information

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

Particulars	**Year 2020-21**				
	Personal Health	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Nature of Goods or Services					
Sale of Goods	13,433	11,652	-	-	25,085
Sale of Services	26	7,809	14,736	414	22,985
Revenue from contracts with customers	**13,459**	**19,461**	**14,736**	**414**	**48,070**
Geography					
Within India	13,166	13,590	32	12	26,800
Outside India	293	5,871	14,704	402	21,270
Revenue from contracts with customers	**13,459**	**19,461**	**14,736**	**414**	**48,070**
Timing of revenue recognition					
Goods transferred at a point in time	13,433	11,652	-	-	25,085
Services transferred over time	26	7,809	14,736	414	22,985
Revenue from contracts with customers	**13,459**	**19,461**	**14,736**	**414**	**48,070**

Particulars	Year 2019-20				
	Personal Health	Health Systems	Innovation Services	Other Unallocable	Total
Nature of Goods or Services					
Sale of Goods	11,583	12,059	-	-	23,642
Sale of Services	51	6,996	13,860	421	21,328
Revenue from contracts with customers	11,634	19,055	13,860	421	44,970
Geography					
Within India	11,476	14,382	6	19	25,882
Outside India	158	4,673	13,854	402	19,088
Revenue from contracts with customers	11,634	19,055	13,860	421	44,970
Timing of revenue recognition					
Goods transferred at a point in time	11,583	12,059	-	-	23,642
Services transferred over time	51	6,996	13,860	421	21,328
Revenue from contracts with customers	11,634	19,055	13,860	421	44,970

Amounts in ₹ Mln

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

Particulars	Year 2020-21	Year 2019-20
Revenue as per contracted price	**52,956**	49,740
Adjustments		
Extended warranties	**(2,894)**	(2,665)
Significant financing component	**(47)**	(69)
Sales returns	**(361)**	(546)
Rebates	**(1,584)**	(1,490)
Revenue from contracts with customers	**48,070**	44,970

19 (c) Performance obligation:

Sale of products:

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

Sales of services:

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

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

Particulars	Year 2020-21	Year 2019-20
Within one year	**2,280**	3,297
More than one year	**906**	720
	3,186	4,017

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

20 Other income

Particulars	Year 2020-21	Year 2019-20
Interest income (other than on investments)	**214**	302
Interest on income-tax refund	**103**	42
Net gain on foreign currency transaction and translation	**-**	14
Interest income on defined benefit plan	**31**	30
Interest income on Security Deposits	**59**	27
Other non-operating income	**1**	7
	408	422

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

21 Cost of raw materials consumed

Particulars	Year 2020-21	Year 2019-20
Inventory of raw materials at the beginning of the year	651	748
Add: Purchases	3,396	2,212
Less: Inventory of raw materials at the end of the year	949	651
Cost of raw materials consumed	3,098	2,309

	Year 2020-21	Year 2019-20
22 Purchases of stock-in-trade (goods purchased for resale)	18,348	17,329

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

	Year 2020-21	Year 2019-20
Stock at the beginning of the year		
Finished goods	20	51
Work-in-Progress	1,091	1,047
Stock-in-trade (goods purchased for resale)	2,022	2,616
Total	3,133	3,714
Stock at the end of the year		
Finished goods	35	20
Work-in-Progress	1,330	1,091
Stock-in-trade (goods purchased for resale)	1,556	2,022
	2,921	3,133
Changes in inventories of finished goods, stock-in-trade and work-in-progress	212	581

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

24 Employee benefits expense

Particulars	Year 2020-21	Year 2019-20
Salaries, wages and bonus	**13,278**	12,310
Contribution to provident and other funds	**558**	465
Defined benefit plan expense	**156**	156
Expense on Employee Stock Option Schemes	**192**	117
Staff welfare expenses	**419**	466
	14,603	13,514

25 Finance costs

	Year 2020-21	Year 2019-20
Interest on Lease Liabilities (refer note 41)	**143**	121
Net interest on the net defined benefit liability	**107**	62
Other interest expense	**1**	12
Total interest expense	**251**	195
Unwinding of discount and effect of changes in discount rate on provisions	**1**	1
Total Finance costs	**252**	196

26 Depreciation and amortization expense

	Year 2020-21	Year 2019-20
Depreciation of property, plant & equipment (Refer note 2)	**691**	544
Depreciation of Investment property ((Refer note 2(a))	**16**	6
Depreciation of Right of Use Assets (Refer note 2 & 41)	**636**	630
	1,343	1,180

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

		Year 2020-21	Year 2019-20
27	**Other expenses**		
	Power and fuel	**130**	179
	Packing, freight and transport	**965**	610
	Rent	**255**	246
	Repairs to buildings	**9**	65
	Repairs to plant and machinery	**5**	19
	Insurance	**173**	159
	Rates and taxes		-
	Travelling and conveyance	**244**	955
	Legal and professional	**145**	196
	Publicity	**2,399**	1,638
	IT and Communication	**931**	1,316
	Fees for services from a Fellow Subsidiary Company	**397**	415
	Allowance for doubtful trade receivables and advances	**233**	163
	Warranty	**192**	340
	Net loss on foreign currency transaction and translation	**36**	-
	Miscellaneous	**2,334**	2,009
		8,448	8,309

	Year 2020-21	Year 2019-20
Legal and professional includes payments to auditors as given below:		
Statutory audit fees	**5.3**	4.8
Tax audit fees	**2.0**	1.9
Certification fees	**.6**	1.1
Miscellaneous include:		
Undepreciated value of property, plant & equipment written-off / provided for	**6**	31
Handling charges	**56**	167
Royalty	**584**	358
Commission	**28**	110
Corporate Social Responsibility Expense	**37**	110

	Year 2020-21	Year 2019-20
Details of CSR Expenditure:		
a) Gross amount required to be spent by the Company during the year	**52**	59
b) Amount spent during the year ending on March 31		
i) For Purposes mentioned below:		
- In Cash	**37**	101
- Yet to be paid in Cash	**15**	9
ii) On purposes other than (i) above		
- In Cash	**-**	-
- Yet to be paid in Cash	**-**	-

In terms of the provisions of Section 135 of the Companies Act, 2013, for the financial year 2020-21, the Company was required to spend an amount of ₹**52** (Previous Year ₹59) towards CSR activities and the company has spent ₹**37** (Previous Year ₹101) against the same. The Company, on 30 April 2021, has deposited ₹**19** (Previous year ₹Nil) comprising of CSR Unspent amount for the year 2019-20 ₹4 and 2020-21 ₹15 in "Unspent CSR Account" as per Section 135(6) and the same shall be utilized on account of CSR programs that are in progress for which invoices are yet to be received.

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

The Company has a defined gratuity benefit plan which is governed by Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at the retirement age. The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India in case of gratuity and investments under Philips India Limited Employees' Provident Fund Plan in case of Provident Fund. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Amounts in ₹ Mln

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

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)

Particulars	**Year 2020-21**	Year 2019-20
Current service cost	**153**	156
Past service cost	**-**	-
Interest cost on benefit obligation	**59**	62
Expected return on plan assets	**(31)**	(30)
Curtailment Cost	**-**	-
Settlement cost	**-**	-
Net actuarial (gain)/ loss recognized in the year	**66**	(32)
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	**247**	156

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**Gratuity**				**Provident Fund**	
	Year 2020-21		Year 2019-20		**Year 2020-21**	Year 2019-20
	Funded	**Unfunded**	Funded	Unfunded		
A. Present value of obligations as at beginning of the year	**782**	**206**	711	176	**7,167**	5,991
(1) Current service cost	**121**	**32**	125	31	**431**	359
(2) Interest cost	**47**	**12**	50	12	**463**	455
(3) Benefits settled	**(51)**	**(10)**	(42)	(23)	**(1,086)**	(735)
(4) Settlements	**-**	**-**	-	-	**-**	-
(5) Actuarial (gain) / loss	**59**	**(20)**	(62)	16	**127**	229
(6) Actuarial (gain) / loss due to Interest rate guarantee	**-**	**-**	-	-	**-**	-
(7) Employees' contribution	**-**	**-**	-	-	**590**	532
(8) Acquisition/Business Combination/ Divestiture	**(25)**	**18**	()	(6)	**-**	-
(9) Change in reserves	**-**	**-**	-	-	**-**	-
(10) Transfer in	**-**	**-**	-	-	**279**	336
(11) Past service cost	**-**	**-**	-	-	**-**	-
Present value of obligations as at end of the year	**933**	**239**	782	206	**7,971**	7,167

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

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

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2021

Particulars	Gratuity				Provident Fund	
	Year 2020-21		Year 2019-20		Year 2020-21	Year 2019-20
	Funded	Unfunded	Funded	Unfunded		
B. Change in Plan Assets						
Plan assets as at beginning of the year	**483**	**-**	408	-	**6,371**	6,145
(1) Expected return on plan assets	**31**	**-**	30	-	**411**	466
(2) Contributions	**19**	**-**	101	-	**-**	-
(3) Benefits settled	**(51)**	**-**	(42)	-	**-**	-
(4) Employer and Employee contribution	**-**	**-**	-	-	**992**	891
(5) Transfer in	**-**	**-**	-	-	**279**	336
(6) Benefit payments	**-**	**-**	-	-	**(1,086)**	(735)
(7) Asset gain / (loss)	**(27)**	**-**	(14)	-	**(113)**	(731)
(8) Settlements	**-**	**-**	-	-	**-**	-
(9) Acquisition/Business Combination/ Divestiture	**-**	**-**	-	-	**-**	-
Plan assets as at end of the year	**455**	**-**	483	-	**6,854**	6,371
Surplus / (Deficit)		**-**		-	**(1,116)**	(796)
C. Actual return on plan assets	**-**	**-**	16	-	**-**	-
D. Reconciliation of present value of the obligation and the fair value of the plan assets:						
(1) Present value of obligations at end of the year	**(933)**	**(239)**	(782)	(206)	**-**	-
(2) Fair value of Plan assets	**455**	**-**	483	-	**-**	-
Liability recognized in Balance Sheet	**(478)**	**(239)**	(299)	(206)	**-**	-
E. Components of Employer Expense:						
(1) Current service cost	**121**	**32**	125	31		-
(2) Interest cost	**47**	**12**	50	12		
(3) Expected return on plan assets(estimated)	**(31)**	**-**	(30)	-	**-**	-
(4) Curtailments	**-**	**-**	-	-	**-**	-
(5) Past service cost	**-**	**-**	-	-	**-**	-
(6) Actuarial (gain) / loss	**85**	**(20)**	(49)	16	**-**	-
Total expense recognized in Statement of Profit and Loss	**223**	**24**	96	60	**-**	-

The gratuity expense has been recognized in "Employee benefits expenses" under note 24 to the Financial Statements

Amounts in ₹ Mln

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

F. Effect due to Asset Ceiling

	Gratuity				Provident Fund	
	Year 2020-21		Year 2019-20		**Year 2020-21**	Year 2019-20
	Funded	**Unfunded**	Funded	Unfunded	**Funded**	Unfunded
Asset ceiling - Beginning of the period	-	-			-	153
Interest on Asset Ceiling	-	-	-	-	-	11
Changes in Asset Ceiling	-	-	-	-	-	(164)
Asset ceiling - End of the period					-	-

The Company has a Trust i.e. "Philips India Ltd Management Staff Provident Fund Trust" through which it manages its provident fund liability for part of its employees. Accordingly the provident fund liability is considered as a defined benefit plan.

Basis the actuarial valuation report as at 31 March 2021, the provident fund liability has a deficit of ₹**1,116** (31 March 2020 ₹796). This deficit is on account of change in fair value of plan assets, computed using the Guidance Note 29 issued by Institute of Actuaries of India on Valuation of Interest Rate Guarantees on Exempt Provident Funds under IND AS 19 (Revised). The Company has recognized this deficit in "Other Comprehensive Income" as per Ind AS 19 Employee Benefits.

G. Experience Adjustments

Particulars	**Gratuity (Funded)**				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations	**933**	782	563	566	495
Plan Assets	**455**	483	351	282	245
Surplus/(Deficit)	**(478)**	(299)	(212)	(284)	(250)
Experience adjustments on Plan assets/ liabilities (gain) / loss	**-**	46	46	(75)	(47)

Particulars	**Gratuity (Unfunded)**				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations	**239**	206	150	154	111
Plan Assets	**-**	-	-	-	-
Surplus/(Deficit)	**(239)**	(206)	(150)	(154)	(111)
Experience adjustments on Plan assets/ liabilities (gain) / loss	**-**	6	6	54	148

Particulars	**Provident Fund**				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations	**7,971**	7,167	5,678	5,145	3,397
Plan Assets	**6,854**	6,371	6,403	5,337	3,471
Surplus/(Deficit)	**(1,117)**	(796)	725	192	74
Experience adjustments on Plan assets/ liabilities (gain) / loss	**113**	731	(140)	(637)	(273)

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

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

H. Assumptions

	Gratuity		Provident Fund	
	2020-21	2019-20	**2020-21**	2019-20
Financial Assumptions				
Discount factor (%)	**6.45**	**6.40**		
Estimated rate of return on Plan Assets (%)	**6.45**	**6.40**		
Salary Increase (%)	**7.00**	**7.00**		
Yield on Assets based on the Market Value (%)			**8.00**	7.73
Outstanding term of the liabilities (Years)			**8.11**	7.17
Govt of India - Bond Yield for the outstanding term of liabilities (%)			**6.45**	6.36
Interest Rate Guarantee (%)			**8.50**	8.50
Expected Return on the Exempt Fund as per GN 29 methodology (%)			**8.50**	8.50
Demographic Assumptions				
Mortality	**"IALM (2012-2014)"**	**"IALM (2006-08)"**	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Attrition rate (%)				
- Management	**14**	**14**	**14**	14
- PMS	**15**	**15**	**15**	15
- Innovation Services	**13**	**13**	**13**	13
- Healthcare Innovation Campus	**Nil**	**Nil**	**Nil**	Nil
Retirement age (Years)				
- Healthcare Innovation Campus	**58**	**58**	**58**	58
- Others	**60**	**60**	**60**	60

I. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	**As at 31-03-2021**	As at 31-03-2020
Discount rate		
a. Discount rate - 100 basis points	**1,255**	1,051
b. Discount rate + 100 basis points	**1,095**	930
Salary increase rate		
a. Rate - 100 basis points	**1,095**	930
b. Rate + 100 basis points	**1,254**	1,050

J. Maturity profile of defined benefit obligation

Particulars	**As at 31-03-2021**	As at 31-03-2020
Within the next 12 months (next annual reporting period)	**120**	120
Between 1 and 5 years	**493**	451
Between 5 and 10 years	**507**	420
Total expected payments	**1,120**	991

Amounts in ₹ Mln

29. Employees' Share-based Payments

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with the guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India (ICAI) in respect of the grants made on or after 1 April 2005, the following disclosures are made:

(a) Method adopted for valuation

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Options" and amortised over the vesting period. The "Fair Value of the Options" is determined using "Black-Scholes" option pricing model.

(b) Nature and extent of Employee Share-based Payment Plans:

As from 2003 onwards, the Holding Company (KPNV) issued restricted share rights that vest in equal annual instalments over a three-year period. Restricted shares are KPNV's shares that the grantee will receive in three successive years, provided the grantee is still with the Company on the respective delivery dates. If the grantee still holds the shares after three years from the delivery date, Philips will grant 20% additional (premium) shares, provided the grantee is still with Philips. As from 2002, the Holding Company granted fixed stock options that expire after 10 years. Generally, the options vest after 3 years; however, a limited number of options granted to certain employees of acquired businesses contain accelerated vesting. In prior years, fixed and variable (performance) options were issued with terms of ten years, vesting one to three years after grant.

In 2013, a new Plan has been introduced which consists of performance shares only. The performance is measured over a three-year performance period. The performance shares vest three years after the grant date. The number of performance shares that will vest is dependent on achieving performance conditions, which are equally weighted, and provided that the grantee is still employed with the Company.

Restricted shares exclude 20% additional (premium) shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

(c) Method and assumptions for arriving at the Fair Value of Restricted Shares:

The fair value of restricted shares is equal to the Fair Value of the stock at grant date net of the present value of dividends which will not be received up to the vesting date. The expected dividend used is the dividend of the preceding year.

(d) Method and assumptions for arriving at the Fair Value of Performance Shares:

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions.

1. Risk free interest rate -0.74%
2. Expected share price volatility 25%

(e) Number and weighted average grant-date fair value of Stock Options (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31-03-2021	Exercisable
April 19, 2010	24.90	2,280	-	-	-	(2,280)	**-**	**-**
April 18, 2011	20.90	4,350	-	-	-	(900)	**3,450**	**3,450**
July 18, 2011	17.20	1,500	-	-	-	-	**1,500**	**1,500**
January 30, 2012	15.24	5,000	-	-	-	-	**5,000**	**5,000**
April 23, 2012	14.82	9,750	-	-	-	(1,350)	**8,400**	**8,400**
		22,880	-	-	-	(4,530)	**18,350**	**18,350**
Previous Year		33,046	1,350	-	(2,334)	(9,182)	22,880	22,880

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

(f) Number and weighted average grant-date fair value of Stock Options (USD) (in USD)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31-03-2021	Exercisable
April 19, 2010	33.51	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Previous Year		480	-	-	(480)	-	-	-

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

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03-2021
April 29, 2016	24.00		-	-		-	-
May 11, 2017	33.34	21,102	-	(19,655)	(1,446)	-	**1**
June 6, 2018	38.14	-	-	(485)	965	-	**480**
June 13, 2019	42.20	-	-	(557)	1,550	-	**993**
April 27, 2018	33.34	23,598	-	(1,311)	(1,064)	-	**21,223**
May 6, 2019	37.20	21,147	-	(1,082)	(363)	-	**19,702**
April 30, 2020	39.72	-	18,790	(782)	4,887	-	**22,895**
July 7, 2020	44.61	-	1,361	(39)	3	-	**1,325**
July 24, 2020	44.61	-	1,149	-	-	-	**1,149**
		65,847	21,300	(23,911)	4,532	-	**67,768**
Previous Year		72,967	26,511	(8,209)	(854)	(24,568)	**65,847**

(h) Number and weighted average grant date fair value of Restricted Shares (USD) (In Euros)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03-2021
May 11, 2017	36.30	163	-	(152)	(11)	-	-
April 27, 2018	36.30	4,407	-	-	(198)	-	**4,209**
June 6, 2018	44.43	-	-	-	95	-	**95**
May 6, 2019	41.64	3,604	-	-	(85)	-	**3,519**
June 13, 2019	46.99	-	-	-	188	-	**188**
July 7, 2020	51.78	-	163	-	-	-	**163**
		8,174	163	(152)	(11)	-	**8,174**
Previous Year		4,683	3,711	(220)	-	-	**8,174**

Amounts in ₹ Mln

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

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03-2021
April 29, 2016	24.00	1	-	-	(1)	-	**-**
May 11, 2017	32.98	25,678	-	(23,918)	(1,760)	-	**(-)**
April 27, 2018	35.31	26,222	-	(1,332)	4,772	-	**29,662**
June 6, 2018	38.14	-	-	(450)	1,121	-	**671**
May 6, 2019	37.20	24,098	-	(992)	(432)	-	**22,673**
June 13, 2019	42.20	-	-	(516)	1,788	-	**1,272**
April 30, 2020	39.72	-	25,034	(782)	5,697	-	**29,949**
July 7, 2020	44.61	-	1,620	(39)	129	-	**1,710**
		75,999	26,654	(28,030)	11,314	-	**85,937**
Previous Year		1,11,004	32,655	(9,445)	-	(58,217)	**75,999**

(j) Number and weighted average grant date fair value of Performance Shares (USD) (In Euros)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03-2021
May 11, 2017	36.11	163	-	(185)	22	-	**-**
April 27, 2018	42.75	8,815	-	-	1,708	-	**10,523**
June 6, 2018	44.43	-	-	(4)	242	-	**238**
May 6, 2019	41.64	7,316	-	-	(172)	-	**7,144**
June 13, 2019	46.99	-	-	(5)	436	-	**431**
July 7, 2020	51.78	-	327	-	45	-	**372**
		16,294	327	(194)	2,281	-	**18,707**
Previous Year		8,987	7,532	(225)	-	-	**16,294**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

(k) Employee Share Purchase Plan:

Particulars	**2020-21**	2019-20
Expense recognized on account of "Employee Share-Based Payment"	**192**	117
Carrying liability as at 31 March	**165**	208

(l) Employee Share Purchase Plan:

Under the terms of Employee Share Purchase Plan established by the Holding Company, substantially all employees are eligible to purchase a limited number of KPNV shares at discounted prices through payroll withholdings, of which the maximum range is 10% of total salary. Generally, the discount provided to the employees is in the range of 10% to 20%.

Particulars	**2020-21**	2019-20
Number of shares bought during the year by the employees	**25,560**	19,742
Average purchase price (in Euro)	**42.80**	39.36

30 Commitments and contingencies

Particulars	**As at 31-03-2021**	As at 31-03-2020
a Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**520**	601
b Contingent liabilities		
(i) Relating to Philips India Limited		
Disputed Excise demands	**11**	11
Income Tax demands	**6,361**	5993
VAT	**2,026**	2273
Service Tax demands	**7**	7
Customs Duty	**62**	62
(ii) Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
Income Tax demands	**252**	754
VAT	**1,330**	1470
Service Tax demands	**-**	-

As per the MOU (Memorandum of Understanding) dated 31 March 2016 signed between Philips India Limited and Philips Lighting India Limited at the time of demerger of lighting business, the tax cases up to the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

In respect of suppliers' / customers' demands and certain tenancy / customs / sales tax / service tax disputes for which the liability is not ascertainable.

It is not practicable to estimate the timing of cash outflows, if any, in respect of above pending resolution of the legal proceedings.

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

(A) Enterprises exercising control:

Holding and ultimate holding company : Koninklijke Philips N.V (KPNV)

(B) Enterprises where control exists:

Subsidiary Companies : Preethi Kitchen Appliances Private Limited

Philips Domestic Appliances India Limited *

* effective 17 July 2020

Associate Company : HealthMap Diagnostics Private Limited **

** ceased to be an Associate effective 15 May 2019

(c) Other Related Parties with whom transactions have taken place during the year:

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

Argus Imaging B.V.
Invivo Corporation
Lifeline Systems Company
Philips (China) Investment Company, Ltd.
Philips Austria GmbH
Philips Consumer Lifestyle B.V.
Philips Domestic Appliances and Personal Care Company of Zhuhai SEZ, Ltd.
Philips Electronics Bangladesh Private Limited
Philips Electronics Japan, Ltd.
Philips Electronics Middle East & Africa B.V.
Philips Electronics NA Corporation
Philips Electronics Nederland B.V.
Philips Electronics North America Corporation
Philips Electronics Singapore Pte Ltd
Philips Electronics UK Limited
Philips Global Business Services LLP
Philips Healthcare (Suzhou) Co., Ltd."
Philips Healthcare Informatics, Inc.
Philips Innovative Applications
Philips International B.V.
Philips Lanka Solutions (Private) Limited
Philips Malaysia Sdn. Berhad
Philips Medical Systems (Cleveland), Inc.
Philips Medical Systems DMC GmbH
Philips Medical Systems Indústria e Comércio Ltda.
Philips Medical Systems MR, Inc.
Philips Medical Systems Nederland B.V.
Philips Medical Systems Technologies Ltd.
Philips Medizin Systeme Böblingen GmbH
Philips Nederland B.V.
Philips Oral Healthcare, Inc.
Philips Oregon - EGI
Philips Oy"
"Philips Technologie GmbH
Philips Ultrasound, Inc.
Philips Vital Health Software India Pvt. Ltd
Respironics California, Inc.
Respironics, Inc.
Saeco International Group S.p.A.
Shenzhen Goldway Industrial Inc.
VISICU, Inc.
Volcano Corporation
Volcano Europe, B.V.B.A."

(2) Employee Trusts

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

(3) Key Management Personnel

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

*Ceased to be a Non-Executive Independent Director w.e.f. December 31, 2018.

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

D. Nature of transactions

	Ultimate Holding Company		Subsidiary Companies		Fellow Subsidiary Companies		Associate Company		Key Management Personnel		Employee Trusts	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Purchases												
Goods	-	-	**5**	31	**13,543**	12,463	-		-		-	
Property, Plant and Equipment	-	-	-	-	**22**	93	-		-		-	
Services	**31**	30	**48**	26	**1,419**	1,324	-		-		-	
Reimbursements	-	-	-	2	**104**	136	-		-		-	
Others	**192**	117	-	-	-	-	-		-		-	
Sales	-		-			-	-		-		-	
Goods	-	-	-	1	**3,301**	2,492	-		-		-	
Property, Plant and Equipment	-	-	-		-	-	-		-		-	
Services	**1,984**	2,135	-	56	**15,359**	14,464	-	1	-		-	
Reimbursements	-		-		**63**	233	-		-		-	
Others	-	-	-	-	-	-	-		-		-	
Deputation of personnel	-		-		-		-		-		-	
Charge	-	-	-	-	-	-	-		-		-	
Recovery	-	-	-	-	-	-	-		-		-	
Key Management Personnel	-		-		-		-		-		-	
Mr.Daniel Mazon			-	-	-	-	-		**134**	108	-	
Mr.Rajiv Mathur			-	-	-	-	-		**32**	30	-	
Mr.Sudeep Agrawal			-	-	-	-	-		**21**	22	-	
Mr.S.M.Datta			-	-	-	-	-		**1**	1	-	
Mr.Vivek Gambir*			-	-	-	-	-		-	-	-	
Mrs.Geetu Gidwani Verma			-	-	-	-	-		**1**	1	-	
Finance	-		-		-		-		-		-	
Dividend Paid	**166**	166	-	-	-	-	-		-		-	
Interest income	-	-	-	6	-	-	-		-		-	
Inter corporate deposits given	-	-		67	-	-	-		-		-	
Inter corporate deposits repaid	-	-		46	-	-	-		-		-	
Inter corporate deposits written off #	-			107	-	-	-		-		-	
Others - Purchase of Investments	-	-	**1**	20	-	-	-		-		-	
Others - Write-off of Investments #	-	-		316	-	-	-		-		-	
Contributions to Employee Trusts	-		-		-		-		-		**963**	976
Outstandings	-		-		-		-		-			-
Payable	**76**	6		1	**1,703**	1,668	-		-			82
Receivable	**184**	191		21	**2,531**	2,826	-		-		-	-

*Ceased to be a Non-Executive Independent Director w.e.f. December 31, 2018.

Consequent to (a) closure of business operations of Philips Homecare Services India Private Limited (PHSIPL) and (b) initiation of the process to struck off the its name from the list of Incorporated Entities, the Company, during the previous year, has written off its investment in equity and inter corporate deposits given to PHSIPL till March 31 2020.

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and will be settled in cash.

Compensation of key management personnel of the company

Particulars	2020-21	2019-20
Short-term employee benefits	183	151
Post-employment benefits*	6	11
	189	**162**

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - "Employee Benefits" in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Amounts in ₹ Mln

32. Significant accounting judgments, estimates and assumptions

The preparation of the company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgments

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

- **Leases**

  The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

- **Revenue from contract with customers**

  The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the apportion of the transaction price to goods bases on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Company has used a combination of most likely amount method and expected value method. Further, in respect of long term contracts, the Company has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Company and its customer

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

- **Taxes**

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships

Amounts in ₹ Mln

and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- **Defined benefit plans (gratuity benefits)**

  The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

  The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 28.

- **Fair value measurement of financial instruments**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 and 35 for further disclosures.

- **Warranty**

  The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

- **Provision for decommissioning**

  As part of the identification and measurement of assets and liabilities, the Company recognizes provision for decommissioning obligations associated with Leasehold Improvements. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and the expected timing of those costs. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The carrying amount of the provision as at 31 March 2021 was ₹**16** (31 March 2020: ₹15). The Company estimates that the costs would be realised upon the expiration of the lease period.

33. Exceptional items include:

Particulars		2020-21	2019-20
(a)	Profit on sale of property	-	(4)
(b)	Profit on sale of investments in Associate Healthmap Diagnostics Private Limited	-	(202)
(c)	Write-off of investments in Subsidiary Philips Home Care Services India Private Limited *	-	20
(d)	Write-off of inter corporate deposits given to Subsidiary Philips Home Care Services India Private Limited *	-	44
		-	(142)

* Consequent to closure of business operations Philips Homecare Services India Private Limited (PHSIPL), a wholly owned subsidiary during 2019-20.

34. Forward Contracts:

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on forward contracts is as follows:

(a) Forward contracts outstanding ((all FC (Foreign Currency) are in 000s))

Details	USD Currency				Euro Currency			
	As at 31-03-2021		As at 31-03-2020		As at 31-03-2021		As at 31-03-2020	
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	3,014	41,231	3,756	49,641	91	1,058	178	2,152
Payables	4,124	56,405	2,305	30,459	285	3,323	171	2,063

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

Details	As at 31-03-2021		As at 31-03-2020		As at 31-03-2021		As at 31-03-2020	
	USD Exposure				Euro Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	132	1,908	1,860	21,696	383	4,629
Payables	-	-	420	6,067	1,041	12,140	727	8,789

Details	SGD Exposure			
	INR	FC	INR	FC
Receivables	-	-	-	-
Payables	5.49	100.95	-	-

Details	AUD Exposure				GBP Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	-	-	-	-	-	-
Payables	2	37	-	-	-	-	4	41

Details	CNY Exposure				MYR Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	23.26	2,472	-	-	-	-	-	-
Payables	-	-	0	23	-	-	0	21

Notes to Standalone Financial Statements for the year ended March 31, 2021

35 Financial Instruments -Financial assets and financial liabilities

Amounts in ₹ Mln

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

Financial Assets	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Trade Receivables (Non-Current)	**-**	-	**1,304**	938	**1,304**	938	**1,304**	938
Other Financial Assets (Non-Current)	**-**	-	**454**	486	**454**	486	**454**	486
Trade receivables (Current)	**-**	-	**5,741**	7,943	**5,741**	7,943	**5,741**	7,943
Cash and cash equivalents	**-**	-	**9,313**	5,586	**9,313**	5,586	**9,313**	5,586
Other Financial Assets (Current)	**-**	-	**186**	139	**186**	139	**186**	139
Total	**-**	**-**	**16,998**	**15,092**	**16,998**	**15,092**	**16,998**	**15,092**

Financial Liabilities	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Lease Liabilities (Non-Current)	**-**	-	**1,584**	570	**1,584**	570	**1,584**	570
Lease Liabilities (Current)	**-**	-	**721**	565	**721**	565	**721**	565
Trade Payables(Current)	**-**	21	**5,533**	5,853	**5,533**	5,874	**5,533**	5,874
Other Financial Liabilities(Current)	**-**	-	**316**	117	**316**	117	**316**	117
Total	**-**	**21**	**8,154**	**7,106**	**8,154**	**7,127**	**8,154**	**7,127**

36. Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

Quantitative disclosures fair value measurement hierarchy for assets:

Financial liabilities measured at fair value through profit or loss	Level 1		Level 2		Level 3		Total	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Trade Payables					**5,533**	**5,875**	**5,533**	**5,875**

2. **Assets and liabilities that are disclosed at amortised cost (refer note 35) for which fair values are disclosed as Level 3**

   Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

37 Dividend Paid And Proposed

Particulars	**Year 2020-21**	Year 2019-20
Dividend declared and paid during the year		
Dividend paid for the year ended **March 31, 2020** ₹3/- per share (March 31, 2019 : ₹ 3/- per share)	**173**	173
Dividend Tax thereon	**-**	35
	173	208
Proposed Dividend on equity shares:		
Dividend for the year ended **March 31, 2021** ₹3/- per share (March 31, 2020: ₹ 3/- per share)	**173**	173

Notes to Standalone Financial Statements for the year ended March 31, 2021

38 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March, 2021, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans

Particulars	**Year 2020-21**	Year 2019-20
Earnings Before Interest And Tax	**2,278**	2,175
Capital Employed	**23,950**	22,576
Return on Capital Employed (ROCE)	**9.5%**	9.6%

39 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by Board of Directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

Foreign currency risk sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Amounts in ₹ Mln

Change in US$ rate	Effect on profit before tax		Effect on total equity	
	Year 2020-21	Year 2019-20	**Year 2020-21**	Year 2019-20
5%	**40.83**	(16.63)	**40.83**	(16.63)
-5%	**(40.83)**	16.63	**(40.83)**	16.63
Change in Euro rate	**Effect on profit before tax**		**Effect on total equity**	
	Year 2020-21	Year 2019-20	**Year 2020-21**	Year 2019-20
5%	**16.60**	52.10	**16.60**	52.10
-5%	**(16.60)**	(52.10)	**(16.60)**	(52.10)

(b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance as at Mar 31, 2021

Our historical experience of collecting receivables is that credit risk is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Hence, trade receivables are considered to be a single class of financial assets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits. The limits are set to minimise the consultation of risk and therefore mitigate financial loss through counterparty potential failure to make payments.

The Company maintains exposure in cash and cash equivalents and term deposits with banks, The Company has set counter-party's limits based on multiple factors including financial position, credit rating etc. The Company's maximum exposure to credit risk as at 31st March, 2021 and 2020 is the carrying value of each class of financial assets as illustrated in note 5 & 9.

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Undiscounted Amount							
	Carrying amount		Payable within 1 year		More than 1 year		Total	
	As at 31-03- 2021	As at 31-03-2020	**As at 31-03- 2021**	As at 31-03-2020	**As at 31-03- 2021**	As at 31-03-2020	**As at 31-03- 2021**	As at 31-03-2020
Lease Liabilities (Non-Current)	**1,584**	570		-	**1,584**	570	**1,584**	570
Lease Liabilities (Current)	**721**	565	**721**	565		-	**721**	565
Borrowings(Non-Current)				-		-	**-**	-
Borrowings (Current)				-		-	**-**	-
Trade Payables(Current)	**5,533**	5,875	**5,533**	5,875	**-**	-	**5,533**	5,875
Other Financial Liabilities(Current)	**316**	117	**316**	117	**-**	-	**316**	117
Total	**8,154**	**7,127**	**6,570**	**6,557**	**1,584**	**570**	**8,154**	**7,127**

40 Earnings per share (EPS)

Calculation of earnings per share	**Year 2020-21**	Year 2019-20
Weighted average number of equity shares outstanding during the year *	**5,75,17,242**	5,75,17,242
Profit after tax attributable to equity share holders	**1,760**	1,515
Basic and diluted earnings per equity share (in ₹)	**30.61**	26.34

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

41 Leases:

Consequent to adoption of Ind AS 116 - Leases, the Company assesses whether a lease contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

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

Amounts in ₹ Mln

As a Lessee:

The Company has lease contracts for vehicles and office buildings. Lease terms of vehicles vary between 3-5 years, while other leases have lease terms between 5-7 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognized.

The Company also has leases of low value and applies the 'lease of low-value assets' recognition exemptions for these leases.

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

	Particulars	**Year 2020-21**	Year 2019-20
(1)	**Recognized in Balance Sheet As at March 31 2021**		
	Right-of-use asset As at March 31 2020	**1,007**	
	Reclassification on account of adoption of Ind AS 116 as at April 1, 2019 (Refer Note 2) Net Block	**-**	247
	Right-of-use asset recognized as at April 1, 2019	**-**	1,240
	Additions / Remeasurements during the year	**1,907**	182
	Deletions during the year	**(34)**	(32)
	Depreciation for the year	**(714)**	(630)
	Less: Closing balance attributable to discontinued operations	**(7)**	
	Right-of-use asset As at March 31 2021	**2,159**	1,007
	Lease Liabilities As at March 31 2020	**(1,135)**	
	Transition impact on account of adoption of Ind AS 116 "Leases"	**-**	(1,268)
	Reclassification due to transition impact on account of adoption of Ind AS 116 "Leases"	**-**	(307)
	Additions / Remeasurements during the year	**(1,899)**	(182)
	Deletions during the year	**52**	7
	Interest cost accrued during the year	**(143)**	(120)
	Payment of lease liabilities (Principal)	**670**	615
	Payment of lease liabilities (Interest)	**143**	120
	Less: Closing balance attributable to discontinued operations	**7**	
	Lease Liabilities As at March 31 2021	**(2,305)**	(1,135)
	Current	**(721)**	(565)
	Non-Current	**(1,584)**	(570)
	Lease Liabilities at the end of the year	**(2,305)**	(1,135)
(2)	**Recognized in Statement of Profit and Loss**		
	Depreciation for the year	**714**	630
	Interest cost accrued during the year	**143**	120
	Expenses relating to leases of low value assets	**163**	176
	Total cash outflows from leases during the year	**1,020**	926

Amounts in ₹ Mln

42. Discontinued Operations

Future ownership of Domestic Appliances business

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

On March 25, 2021, KPNV announced that it had reached an agreement to transfer its Domestic Appliances business to Hillhouse Capital. The said business transfer is expected to be completed during the third quarter of 2021, subject to customary closing conditions, including the relevant regulatory approvals. In order to support this business selling transaction of KPNV, the Company in India will transfer the domestic appliance business to Philips Domestic Appliances India Limited. This process is expected to be completed in the third quarter of 2021.Complete separation of the two entities is expected to be completed during 2021.

In pursuance of the proposal stated above, a Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, between "Philips India Limited" (Demerged Company) and "Philips Domestic Appliances India Limited" (Resulting Company) and Preethi Kitchen Appliances Private Limited (Amalgamating Company) and their respective shareholders was approved by (a) The Hon'ble National Company Law Tribunal, Mumbai Bench, Court - 5 vide order dated 13 May 2021 and (b) The Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata vide order dated 14 June 2021. In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. 01 July 2021 and shareholders of the Company will be allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company on or before the Effective date and the transfer of the Demerged Undertaking shall be on a going concern basis. The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Domestic Appliances business including the Company's subsidiary "Preethi Kitchen Appliances Private Limited" will be carved out from the Business segment "Personal Health" as reported in Note 37 of the Consolidated Financial Statements which primarily involves sale of kitchen appliances (juicers, blenders, Air fryer, food processors), home care (vacuum cleaners, air purifiers), garment care (irons, steam generators) and coffee makers (appliances and accessories).

In line with requirements of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations, the financials of Domestic Appliances business has been presented as discontinued operations. Consequently, results from the Domestic Appliances business are no longer included in the results of continuing operations. Relevant assets and liabilities of the Domestic Appliances business are reported under "Assets and Liabilities directly associated with discontinued operations". Hence current year numbers are not comparable with previous year.

Financial performance of Domestic Appliances operations

Particulars	Year 2020-21
Revenue from operations	7,065
Operating expenses	6,930
Pre tax profit / (loss) from operating activities	135
Profit / (loss) before tax	135
Income tax expense	(43)
Deferred tax - Credit / (Charge)	23
Profit / (loss) after tax	115

Amounts in ₹ Mln

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

Particulars	As at 31-03-2021
ASSETS	
Non-current assets	
Property, Plant and Equipment	77
Capital work-in-progress	22
Investments	7,432
Financial Assets	-
a. Trade Receivables	-
b. Other Financial Assets	-
Deferred tax assets (net)	23
Other non current assets	-
Current assets	-
Inventories	575
Contract Assets	-
Financial Assets	-
a. Trade receivables	818
b. Cash and cash equivalents	-
c. Other Financial Assets	-
Other current assets	21
Total Assets	8,967
LIABILITIES	
Non-current liabilities	
Contract Liabilities	-
Financial Liabilities	
Lease Liabilities	2
Other non-current liabilities	19
Provisions	14
Current liabilities	-
Contract Liabilities	1
Financial Liabilities	
Lease Liabilities	5
Trade Payables	1,621
Other financial liabilities	-
Other current liabilities	21
Provisions	153
Total Liabilities	**1,835**

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

Particulars	Year 2020-21
Net cash inflow / (outflow) from operating activities	255
Net cash inflow / (outflow) from investing activities	(13)
Net cash inflow / (outflow) from financing activities	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

Amounts in ₹ Mln

43. Segment Information

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

44. Estimation of uncertainties relating to the Global Health Pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

45. In July, 2020, the management received a whistle-blower complaint wherein it was alleged that few employees and former employees had colluded with the vendors of the Company, to record and make payment in respect of service and maintenance bills, without services having been provided by the vendors as represented in the said bills. This fraud committed on the Company, pertains to period January 1, 2018 to June 30, 2020 amounting to ₹ 280 million (including ₹19 million for the period April 1, 2020 to June 30, 2020). Due process is being followed by the Company to investigate the matter to the fullest extent, including filing of complaint with local police and law enforcement authorities, filing of cases against the suspected employees and vendors in the courts having appropriate jurisdiction and appointment of independent third party KPMG to investigate the matter. The Company has also taken strict action against the suspected employees (including the former employees involved in the fraud) by formally separating them from the services of the Company and initiating criminal proceedings against all the accused, including the vendors involved. The matter is currently being investigated by the local police department and cognizance of the matter has been taken by Court having appropriate jurisdiction. The Hon'ble Court has rejected the anticipatory bail applications of all the accused persons. The Company is pursuing appropriate legal action against the accused persons and taking all other measures to recover the loss.

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

47. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman	S.M.DATTA (DIN: 00032812)
Managing Director	DANIEL MAZON (DIN: 07954025)
Director & CFO	SUDEEP AGRAWAL (DIN: 08056132)
Director & Company Secretary	RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

TEN YEAR REVIEW

Amounts in ₹ Mln

PARTICULARS	2011-12 (15 M)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Income and Dividends										
Sales	55,793	53,674	58,387	63,755	62,819	36,723	38,562	42,398	44,970	**48,070**
Profit before exceptional items and tax	1,813	1,752	3,096	5,600	6,503	3,252	2,667	2,959	2,346	**2,531**
As percentage of sales	3.2	3.3	5.3	8.8	10.4	8.9	6.9	7.0	5.2	**5.3**
Profit before tax	1,854	1,858	3,170	6,275	6,278	3,252	2,667	2,607	2,488	**2,531**
As percentage of sales	3.3	3.5	5.4	9.8	10.0	8.9	6.9	6.1	5.5	**5.3**
Profit after tax	1,338	1,228	2,099	4,235	3,975	2,064	1,681	1,760	1,515	**1,760**
As percentage of sales	2.4	2.3	3.6	6.6	6.3	5.6	4.4	4.2	3.4	**3.7**
As percentage of net worth	13.4	11.1	16.1	24.8	22.1	10.3	7.8	7.6	6.7	**7.4**
Earnings per share (₹)	23.26	21.35	36.49	73.63	69.11	35.88	29.22	30.60	26.34	**30.61**
Dividend per equity share (₹)	2.5	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	**3.0**
Assets and Liabilities										
Property, Plant & Equipments	3,972	4,280	4,295	3,937	2079	2526	2940	3,155	3,416	**4,343**
Investment Property	-	-	-	-	-	-	-	-	360	**836**
Investments	1,000	1,000	1,000	1,000	4,797	7,605	7725	7,579	7,431	**-**
Deferred tax assets - net	462	437	496	809	510	572	746	540	642	**846**
Inventories	5,362	5,637	6,293	6,504	4,542	4,554	4037	5,072	4,169	**4,250**
Debtors, loans & advances and cash & bank balances	14,069	15,142	17,725	22,025	18,837	16,735	19212	21,228	22,078	**24,167**
Assets directly associated with discontinued operations	-	-	-	-	-	-	-	-	-	**8,967**
Current liabilities & provisions	12,585	14,737	15,277	16,578	12,531	11,282	12,385	13,800	15,520	**17,624**
Liabilities directly associated with discontinued operations	-	-	-	-	-	-	-	-	-	**1,835**
Net current assets	6,846	6,042	8,741	11,951	10,848	10,007	10,864	12,500	10,727	**17,925**
Net Investment	12,280	11,759	14,532	17,697	18,234	20,710	22,275	23,774	22,576	**23,950**
Represented by										
Equity share capital	575	575	575	575	575	575	575	575	575	**575**
Other reserves	9,402	10,495	12,459	16,486	17,398	19,450	21,018	22,523	22,001	**23,375**
Shareholders' interest (net worth)	9,977	11,070	13,034	17,061	17,973	20,025	21,593	23,098	22,576	**23,950**
Borrowings	2,303	689	1,498	636	261	685	682	676	-	**-**
Total	12,280	11,759	14,532	17,697	18,234	20,710	22,275	23,774	22,576	**23,950**
General										
Exports (F.O.B)	1,839	1,933	2,541	3,068	3,002	2,467	2,556	3,884	2,592	**3,691**
Employee Benefit Expense (excluding V.R.S)	7,174	7,427	8,314	10,169	11,214	9,989	11,181	12,369	13,514	**14,603**
Debt : Equity Ratio	19:81	6:94	10:90	4:96	1:99	3:97	3:97	3:97	0:100	**0:100**
Number of employees at year end	5,658	5,617	5,830	5,507	3,283	3,727	4,167	4,569	4,944	**5,395**

INDEPENDENT AUDITOR'S REPORT

To the Members of Philips India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Philips India Limited ("Hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprise of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS 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 Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 Consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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 Consolidated Ind AS Financial Statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, Which have been used for the purpose if preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 Holding 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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statement. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the consolidated financial statement of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statement of which we are the independent auditors 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 Section 143(3) of the Act, based on our audit of financial statements we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial Statement;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statement have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statement;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy and the operating effectiveness of the internal financial controlso over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company and its subsidiary incorporated in India, refer to our separate Report in "Annexure 1" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiary incorporated in India 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 consolidated Ind AS financial statement disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 32 to the consolidated Ind AS financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the Year ended March 31, 2021.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906
UDIN: 21083906AAAAAS5314
Place of Signature: Gurugram
Date: June 30, 2021

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

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

In conjunction with our audit of the consolidated Ind AS financial Statement of Philips India Limited as of and for the year ended March 31, 2021, We have audited the internal financial controls over financial reporting of Philips India Limited (hereinafter referred to as the "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in india are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting with reference to these consolidated 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Consolidated Ind AS financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 control over financial reporting with reference to these consolidated 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 Over Financial Reporting With Reference to these consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906
UDIN: 21083906AAAAAS5314
Place of Signature: Gurugram
Date: June 30, 2021

Consolidated Balance Sheet as at 31 March 2021

Amounts in ₹ Mln

Particulars	Notes	As at 31-03-2021	As at 31-03-2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	**3,929**	4,036
Capital work-in-progress	2	**414**	247
Investment property	3	**836**	59
Goodwill	4	**-**	1,191
Financial Assets			
a. Trade Receivables	7(a)	**1,304**	938
b. Other Financial Assets	7(b)	**454**	517
Deferred tax assets (net)	8	**846**	1,774
Advance income tax (net of provision)		**3,122**	3,065
Other non current assets	9	**686**	736
		11,591	12,563
Current assets			
Inventories	10	**4,221**	4,790
Contract Assets	6	**380**	234
Financial Assets			
a. Trade receivables	11(a)	**5,741**	8,028
b. Cash and cash equivalents	11(b)	**9,313**	8,578
c. Other Financial Assets	11(c)	**186**	152
Other current assets	12	**2,968**	3,152
		22,809	24,934
Assets classified as held for sale	13	**14**	15
Assets directly associated with discontinued operations	45	**9,650**	-
TOTAL ASSETS		**44,064**	37,512
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	**575**	575
Other Equity	15	**23,345**	19,947
Equity attributable to equity shareholders		**23,920**	20,522
LIABILITIES			
Non-current liabilities			
Contract Liabilities	6	**906**	720
Financial Liabilities			
Lease Liabilities	16	**1,584**	729
Other non-current liabilities	17	**165**	160
Provisions	18	**2,435**	3,022
		5,090	4,631
Current liabilities			
Contract Liabilities	6	**2,282**	1,903
Financial Liabilities			
Lease Liabilities	19	**721**	596
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	19	**12**	123
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	**5,522**	6,616
Other financial liabilities	19	**316**	126
Other current liabilities	20	**1,670**	1,786
Provision for taxation (net of advances)		**127**	208
Provisions	18	**1,885**	1,001
Liabilities directly associated with discontinued operations	45	**2,519**	-
		15,054	12,359
TOTAL EQUITY AND LIABILITIES		**44,064**	37,512
Basis of preparation, measurement and significant accounting policies	1		

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

Amounts in ₹ Mln

Particulars	Notes	Year 2020-21	Year 2019-20
Income			
Revenue from operations	**21**	**55,839**	51,945
Other income	**22**	**555**	589
Total Income		**56,394**	52,534
Expenses			
Cost of raw materials consumed	**23**	**5,338**	4,566
Purchases of stock-in-trade	**24**	**21,267**	19,170
Changes in inventories of work-in-progress, finished goods and stock-in-trade	**25**	**(531)**	499
Employee benefits expense	**26**	**15,234**	14,139
Finance costs	**27**	**272**	217
Depreciation and amortization expense	**28**	**1,440**	1,273
Other expenses	**29**	**9,958**	9,684
Total expenses		**52,978**	49,548
Profit before exceptional items and tax		**3,416**	2,986
Exceptional items (net) Loss / (Profit)	**35**	**-**	(142)
Profit before tax		**3,416**	3,128
Profit / (loss) before tax from continuing operations		**2,396**	
Tax expense			
Current tax	**8(a)**	**(864)**	(877)
Deferred tax expenses - credit / (charge)	**8(a)**	**113**	(814)
Total Tax expense - continuing operations		**(751)**	(1,691)
Profit / (loss) after tax from continuing operations		**1,645**	1,437
Profit / (loss) before tax from discontinued operations		**1,018**	
Tax expense			
Current tax		**(43)**	
Deferred tax expenses - credit / (charge)		**(173)**	
Profit / (loss) after tax from discontinued operations		**802**	-
Profit for the year (A)		**2,447**	1,437
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or Loss			
Re-measurement gains / (losses) on defined benefit plans	**30**	**(300)**	(750)
Income tax effect on defined benefit plans continuing operations	**8(a)**	**88**	194
Income tax effect on defined benefit plans discontinued operations			
Other Comprehensive Income for the year (B)		**(212)**	(556)
Total Comprehensive income for the year (A+B)		**2,235**	881
Earnings per equity share			
Basic and diluted earnings per equity share of ₹10 each (in ₹)		**42.56**	24.99
Basis of preparation, measurement and significant accounting policies	**1**		

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

Amounts in ₹ Mln

A. EQUITY SHARE CAPITAL

Equity shares of ₹10 each issued, subscribed and fully paid up	**Number of shares**	Amount
As at April 1 2019	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at March 31 2020	**5,75,17,242**	575
Changes in equity share capital during the year	-	-
As at March 31 2021	**5,75,17,242**	575

B. OTHER EQUITY

Particulars	**Reserves and Surplus**		**Items of OCI**	**Total**
	General Reserve	**Retained Earnings***	**Remeasurement**	
As at 1 Apr, 2019	2,315	18,015	60	20,390
Profit for the year	-	1,437	-	1,437
Transition impact of Ind AS 116, net of tax (refer note 2)	-	(7)	-	(7)
Transition impact of Appendix C to Ind AS 12	-	(1,258)	-	(1,258)
Remeasurement benefit of defined benefit plans	-		(556)	(556)
Total Comprehensive Income for the year	-	173	(556)	(383)
Reductions during the year				
Dividend	-	(173)	-	(173)
Dividend distribution tax		(35)		(35)
Total	-	(208)	-	(208)
Other adjustments during the year				
Share of profit / (loss) of Associate absorbed in previous years now reversed since investment in Associate realized during the year		148		148
As at 31 March, 2020	**2,315**	**18,128**	**(496)**	**19,947**
Profit for the year	**-**	**2,447**		**2,447**
Items of Retained Earnings related to discontinued operations	**-**	**1,363**		**1,363**
Items of OCI related to discontinued operations		**-**	**(27)**	**(27)**
Remeasurement benefit of defined benefit plans	**-**		**(212)**	**(212)**
Total Comprehensive Income for the year	**-**	**3,810**	**(239)**	**3,571**
Reductions during the year				
Dividend	**-**	**(173)**		**(173)**
Dividend distribution tax		**-**		**-**
Total	**-**	**(173)**		**(173)**
As at 31 March, 2021	**2,315**	**21,765**	**(735)**	**23,345**

* Refer Note 15

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Consolidated Cash Flow Statement for the year ended 31 March 2021

Amounts in ₹ Mln

Particulars		Notes	Year 2020-21	Year 2019-20
A.	Cash generated from operating activities			
	Profit before tax from continuing operations		**2,396**	3,128
	Profit before tax from discontinued operations		**1,018**	-
	Exceptional items		**-**	(142)
	Profit before tax and exceptional items		**3,414**	2,986
	Adjusted for			
	(Profit) / loss on disposal of Property, Plant & Equipment		**1**	1
	Profit on sale of Investment property		**(57)**	
	Write off & other adjustment of Property, Plant & Equipment		**6**	31
	Depreciation and amortization		**1,440**	1,276
	Unrealized foreign exchange (gain) and loss (net)		**2**	(4)
	Allowances for doubtful trade receivables & loans & advances		**245**	164
	Liabilities no longer required written back		**(7)**	(62)
	Interest on advances, current accounts and deposits		**(534)**	(684)
	Finance costs		**272**	217
			1,368	939
	Operating profit before working capital changes		**4,782**	3,925
	Changes in			
	Trade receivables and other loans & advances		**640**	(864)
	Inventories		**(868)**	835
	Trade payables and other liabilities		**4,698**	(680)
	Cash generated from operations		**9,252**	3,216
	Income tax paid (net of refunds)		**(991)**	(706)
A.	**Net Cash generated from operating activities**		**8,261**	2,510
B.	**Cash generated from investing activities**			
	Purchase of Property, Plant and Equipment		**(2,915)**	(1,329)
	Proceeds from sale of Property, Plant & Equipment			49
	Investment in subsidiaries		**(1)**	(20)
	Intercorporate deposits given			(44)
	Proceeds from sale of Investment property		**116**	
	Intercorporate deposits repaid			
	Cash received on sale of investments			350
	Advances received against sale of Property, Plant & Equipment			
	Interest received		**457**	617
	Net Cash used in investing activities		**(2,343)**	(377)
C.	**Cash flow from financing activities**			
	Finance costs		**(272)**	(238)
	Finance lease obligations			
	Principal repayment of lease liabilities		**(552)**	(646)
	Dividend paid (including tax thereon)		**(173)**	(208)
	Net Cash used in financing activities		**(997)**	(1,092)

Cash Flow Statement for the year ended 31 March 2021 (Contd.)

Amounts in ₹ Mln

Increase / (Decrease) in cash and cash equivalents (A+B+C)		**4,922**	1,041
Particulars	**Notes**	**Year 2020-21**	**Year 2019-20**
D. Cash and cash equivalents - Opening Balance			
Cash and cash equivalents	11 (b)	**103**	175
Unpaid dividend	11 (b)	**13**	13
Deposits with Banks	11 (b)	**8,462**	7,349
Total		**8,578**	7,537
E. Cash and cash equivalents - Closing Balance			
Cash and cash equivalents	11 (b)	**187**	103
Unpaid dividend	11 (b)	**15**	13
Deposits with Banks	11 (b)	**13,298**	8,462
Total		**13,500**	8,578
Net increase/(decrease) in cash and cash equivalents (E-D)		**4,922**	1,041

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

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Notes to Consolidated Financial Statements for the year ended 31 March 2021

CORPORATE INFORMATION:

Philips India Limited (the 'Group') is a public limited Group domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Group along with its subsidiaries and its associate has been collectively hereinafter referred to as "the Group". The Group's business segments comprise of (a) Personal Health, (b) Healthcare Systems and (c) Innovation Services. The Group has manufacturing facilities in Pune, Maharashtra and Software Development centre in Bangalore. The Group sells its products primarily in India through independent distributors and modern trade. The Financial statements for the year ended 31 March 2021 were authorized by the Board of Directors for issue in accordance with resolution passed on June 30, 2021.

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. (a) Basis of preparation of financial statements

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

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of the Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra Group balances and intra Group transactions and resulting unrealized profits are eliminated in full. Unrealized profits or losses resulting from intra Group transactions are also eliminated unless cost cannot be recovered.

Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Group's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

(b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.

Investment in an entity in which the Group has significant influence but not a controlling interest, is reported according to the equity method i.e. the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

(b) Current / Non-Current classification

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

- the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

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

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

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

1.2. Key Accounting Estimates and Judgements

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

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

- Measurement of defined benefit obligations – Note 30
- Measurement and likelihood of occurrence of provisions and contingencies – Note 18
- Recognition of deferred tax assets – Note 8
- Measurement of Lease liabilities and Right of Use Asset – Note 2 and 44

1.3. Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

MCA issued notifications dated 24 March 2021to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021.

1.4. (a) Property, Plant and Equipment

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

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

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

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

(b) Investment Properties:

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

(c) Capital work in progress and Capital Advances

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

1.5 Intangible Assets

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

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

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

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

For PKAPL, the period of amortization for Brands and distribution network is 8 years which represents the economic useful life of Brands and distribution network. Goodwill that arises on the acquisition of a business is presented as an intangible asset. Goodwill arising on acquisition of a business is measured at cost.

1.6 Investments in Associates:

Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

1.7 Inventories:

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

1.8 Non-current assets classified as held for sale

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

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

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

1.9 Cash and Cash equivalents:

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

1.10 Financial Instruments:

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

a) Financial Assets:

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

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

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e.

fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost:

- A debt instrument is measured at amortized cost if both the following conditions are met:

  Business Model Test: The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI:

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss. On de-recognition of asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

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

Equity investments of other entities

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

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

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

b) Financial Liabilities:

Initial recognition and measurement

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

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

Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

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

Offsetting of financial instruments:

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

Reclassification of financial assets:

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties.

A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

1.11 Provisions & Contingencies:

Provisions

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

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

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

1.12 Revenue Recognition

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

- **Sale of goods**

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

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

- **Variable Consideration**

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

- **Significant financing component**

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

- **Warranty obligations**

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

- **Contract Balances:**

  Contract assets:

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group's right to an amount of consideration that is unconditional.

  Contract liabilities:

  A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

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

  Right of return assets:

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

Refund Liabilities:

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

- **Rendering of Services**

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

  Revenue from the sale of goods/ equipment's is recognized when the significant risks and rewards of ownership of the goods have passed to the customers/ completion of installation.

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

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

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

- **Export benefit**

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

- **Interest Income**

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

1.13 Employee Benefits:

Short-term obligations

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

Defined Contribution Plans

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

Defined Benefit Plans

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

Termination benefits are recognized as and when incurred.

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

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

Post-Retirement Medical benefit plan

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

Share-based payments

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

1.14 Impairment of Non-Financial Assets

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

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

1.15 Income Taxes

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

Current Tax:

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

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

1.16 Leases:

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

As a lessee

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

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

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

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

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

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

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

Until March 31, 2019:

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same re recognized as an expense in line with contractual term. Leases are classified as finance leases whenever their terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

As a lessor:

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

1.17 Foreign Currencies:

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

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

Measurement of foreign currency items at the balance sheet date

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

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

Exchange differences

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

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

The estimated fair value amounts of forward exchange contracts as at March 31, 2021 have been measured as at that date. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.18 Fair value measurement of Financial Instruments:

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

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

The categories used are as follows:

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

1.19 Operating Segments:

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

1.20. Exceptional items:

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

1.21 Earnings Per Share:

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

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

1.22 Government Grants:

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

2. Property, Plant and Equipment

Amounts in ₹ Mln

Particulars	Gross Carrying Value						Accumulated Depreciation						Net book value
	As at April 1 2020	Transition** / Reclassification	Additions	Disposals	Discontinued operations	As at 31-03-2021	As at April 1 2020	Transition** / Reclassification	Additions	Disposals	Discontinued operations	As at 31-03-2021	As at 31-03- 2021
Owned Assets													
Leasehold Land	182		-	-		**182**	3		7	-		**10**	**172**
Freehold Land	50		-	-	(50)	**-**	-					**-**	**-**
Buildings	318		-	(1)	(71)	**246**	80		9	-	(68)	**21**	**228**
Leasehold Improvements	1,105	(858)	524	(19)	(44)	**708**	437	(22)	136	(14)	(16)	**521**	**188**
Plant & Equipment	2,501		299	(24)	(993)	**1,783**	1,223		411	(22)	(671)	**941**	**834**
Plant & Equipment (given on operating lease)	125		27	-		**152**	70		17	-		**87**	**65**
Office Equipment	413		-	(1)	(1)	**411**	246		54	(1)	(1)	**298**	**123**
Furniture	375		10	(5)	(12)	**368**	171		46	(5)	(7)	**205**	**158**
Vehicles	12		-	-	(15)	**(3)**	4		1	(1)	(7)	**(3)**	**-**
Leased Assets (taken on finance lease)													**-**
Vehicles	-	-				**-**	-	-				**-**	**-**
Plant & Machinery	-	-	-	-		**-**	-	-	-	-		**-**	**-**
Right of Use (ROU) Assets **													**-**
Vehicles	628	-	123	(181)	(27)	**543**	359	-	131	(148)	(12)	**330**	**209**
Buildings	1,450		1,792	(78)	(211)	**2,953**	530		615	(76)	(72)	**997**	**1,950**
Total	**7,158**	**(858)**	**2,775**	**(309)**	**(1,423)**	**7,343**	**3,123**	**(22)**	**1,427**	**(267)**	**(853)**	**3,407**	**3,929**

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

Particulars	Gross Carrying Value						Accumulated Depreciation						Net book value
	As at April 1 2019	Transition / Reclassification ##	Additions	Disposals	Other Adjustments	As at 31-03-2020	As at April 1 2019	Transition / Reclassification ##	Additions	Disposals	Other Adjustments	As at 31-03-2020	As at 31-03-2020
Owned Assets													
Leasehold Land	147		35	-		182	2		1	-		3	179
Freehold Land	49		-	-		50	-					-	50
Buildings	320		-	(2)		318	72		9	-		80	238
Leasehold Improvements	773		367	(34)		1,105	313		149	(25)		437	668
Plant & Equipment	2,158		488	(34)	(112)	2,501	983		304	(22)	(41)	1,223	1,277
Plant & Equipment (given on operating lease)	123		2	-		125	54		16	-		70	55
Office Equipment	391		27	(5)		413	174		75	(2)		246	167
Furniture	349		37	(11)		375	127		48	(3)		171	204
Vehicles	10		4	(2)		12	5		1	(2)		4	8
Leased Assets (taken on finance lease)													
Vehicles	602	(602)	-	-		-	341	(341)	-	-		-	-
Plant & Machinery	637	(637)	-	-		-	291	(291)	-	-		-	-
Right of Use (ROU) Assets **													-
Vehicles	-	602	185	(159)		628	-	341	141	(124)		359	269
Buildings	-	1,450	-	-		1,450	-		529	-		530	920
Total	**5,559**	**813**	**1,145**	**(247)**	**(112)**	**7,158**	**2,362**	**(291)**	**1,273**	**(178)**	**(41)**	**3,122**	**4,036**

** Transition / Reclassification consequent to adoption of Ind AS 116 effective April 1 2019. # Reclassification due to internal transfer to Investment Property

Capital Work in Progress	**As at 31-03- 2021**	As at 31-03- 2020
Book value	**414**	247

Capital Work in Progress as at 31 March 2021 includes mainly assets under construction due to expansion work in Company's plant at Pune

3. Investment Property

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at April 1 2020	*Transition / Reclassification	Additions	Disposals	As at 31-03-2021	As at April 1 2020	*Transition / Reclassification	Additions	Disposals	As at 31-03-2021	As at 31-03-2021
Investment Property	59	366	492	(59)	**858**	-	6	16		**22**	**836**
Total	**59**	**366**	**492**	**(59)**	**858**	**-**	**6**	**16**	**-**	**22**	**836**

Particulars	Gross Carrying Value					Accumulated Depreciation					Net book value
	As at April 1 2019	Transition / Reclassification	Additions	Disposals	As at 31-03-2020	As at April 1 2019	Transition / Reclassification	Additions	Disposals	As at 31-03-2020	As at 31-03-2020
Investment Property	59				59					-	59
Total	59	-	-	-	59	-	-	-	-	-	59

The investment property consists of buildings and leasehold improvements held by the Group and located in the State of Maharashtra given on long term lease during the year 2020-21. Cost of the said investment property approximates to its fair value.

4. Intangible assets

Particulars	Gross Carrying Value					Amortization and impairment					Net book value
	As at April 1 2020	Discontinued Operations	Additions	Disposals	As at 31-03-2021	As at April 1 2020	Discontinued Operations	Additions	Disposals	As at 31-03-2021	As at 31-03-2021
Goodwill	1,191	(1,191)	-	-	**-**	-		-		**-**	**-**
Brands	1,498		-	-	**1,498**	1,498		-		**1,498**	**-**
Distribution Network	945		-	-	**945**	945		-		**945**	**-**
Total	**3,634**	**(1,191)**	**-**	**-**	**2,443**	**2,443**	**-**	**-**	**-**	**2,443**	**-**

Particulars	Gross Carrying Value					Amortization and impairment					Net book value
	As at April 1 2019	Transition / Reclassification	Additions	Disposals	As at 31-03-2020	As at April 1 2019	Transition / Reclassification	Additions	Disposals	As at 31-03-2020	As at 31-03-2020
Goodwill	1,191		-	-	1,191			-		-	1,191
Brands	1,498		-	-	1,498	1,498		-		1,498	-
Distribution Network	945		-	-	945	945		-		945	-
Total	**3,634**	**-**	**-**	**-**	**3,634**	**2,443**	**-**	**-**	**-**	**2,443**	**1,191**

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

5 Investment in associate

Particulars	**As at 31-03-2021**	As at 31-03-2020
Unquoted Investments		
Investment in equity instruments	**-**	-
	-	-

6 Contract balances

	As at 31-03-2021	As at 31-03-2020
Contract assets	**380**	234
Non-current	**-**	-
Current	**380**	234
Contract liabilities	**3,188**	2,623
Non-current	**906**	720
Current	**2,282**	1,903

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

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

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

Particulars	As at 31-03-2021	As at 31-03-2020
Trade receivables	**1,304**	938
Break up for security details		
Trade receivables		
Trade receivables - Secured, considered good {(refer note 9(a)}	**1,304**	938
Trade receivables - Unsecured, considered good	**-**	-
Trade Receivables which have significant increase in credit risk	**-**	-
Trade Receivables - credit impaired	**110**	68
	1,414	1,006
Less: Allowance for Trade Receivable - credit impaired	**(110)**	(68)
	1,304	938

7 (b). Non-current financial assets - others

Loans (Unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposits	**454**	516
- Security Deposits Considered good	**-**	-
- Security Deposits Credit impaired	**-**	-
- Less: Allowances for Security Deposits - credit impaired	**-**	-
Bank Deposits (due to mature after 12 months from reporting date)	**-**	1
	454	517

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

8 Deferred Tax Assets (Net)

a. Components of Income Tax Expense

(i) Tax expense recognised in Statement of Profit and Loss	**Year 2020- 21**	Year 2019-20
- Current Tax Continuing operations *	**(864)**	(877)
- Current Tax Discontinued operations	**(43)**	-
* includes ₹**130** (Previous year ₹204) recognized due to impact of Appendix C to Ind AS 12	**(907)**	(877)
(ii) Deferred tax expenses (charge) / credit		
- Relating to origination and reversal of temporary differences continuing operations	**113**	(814)
- Relating to origination and reversal of temporary differences discontinued operations	**(173)**	-
(iii) Tax on Other Comprehensive Income		
Deferred tax		
- Gain / (Loss) on measurement of net defined benefit plans	**88**	194
Total	**(879)**	(1,497)

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

Particulars	**Year 2020- 21**	Year 2019-20
Profit before tax	**3,416**	3,128
Income tax calculated @ %	**25.17%**	25.17%
Computed tax expense	**860**	787
Differences due to:		
- Expenses not deductible for tax purposes	**(13)**	(29)
- Impact of differential rate used for deferred tax	**-**	156
- Utilization of carry forward losses	**-**	84
- Others	**121**	693
Income tax charged to Statement of Profit and Loss at effective tax rate of **28.31%** (Previous year - 54.07%)	**967**	1,691
Income tax expense reported in statement of Profit and Loss	**967**	1,691

Impact of tax rate change :

The Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognized provision for income tax for the year and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit & Loss for the year.

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

Particulars	Balance Sheet		Recognized in Statement of profit and loss	
	As at 31-03-2021	As at 31-03-2020	**Year 2020-21**	Year 2019-20
Net deferred tax assets/(liabilities)				
- Losses available for offsetting against future taxable income	**1,101**	1,265	**(164)**	(693)
- Provision for employee benefits	**255**	208	**47**	(68)
- Doubtful trade receivables and advances	**25**	193	**(168)**	(58)
- Difference between book and tax depreciation	**421**	(386)	**807**	108
- Other timing differences	**(261)**	322	**(583)**	(103)
Total (A)	**1,541**	1,602	**(61)**	(814)
Re-measurement (gains) / losses on defined benefit plans (B)	**262**	172	**90**	194
Less: Net deferred tax assets attributable to discontinued operations (C)	**(957)**		**-**	
Net deferred tax assets/(liabilities) (A+B+C)	**846**	1,774	**30**	(620)

Amounts in ₹ Mln

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

Particulars	As at 31-03-2021	As at 31-03-2020
Opening balance as of 1 April	**1,774**	2,394
Tax income/(expense) during the year recognized in profit and loss continuing operations	**113**	(814)
Tax income/(expense) during the year recognized in OCI	**88**	194
Less:Tax income/(expense) during the year recognized in profit and loss discontinued operations	**(173)**	-
Less: Net deferred tax assets attributable to discontinued operations	**(957)**	
Closing balance as at 31 March	**846**	1,774

9 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Rentals	**71**	52
Capital Advances	**18**	49
VAT Credit receivable	**65**	68
Deposits against legal cases	**533**	567
Considered doubtful		
VAT Credit receivable	**-**	25
Deposits against legal cases	**17**	21
Special additional duty receivables and drawback claims	**56**	56
Claims receivables	**92**	54
Less: Allowances for doubtful other loans and advances		
VAT Credit receivable	**-**	(25)
Deposits against legal cases	**(17)**	(21)
Special additional duty receivables and drawback claims	**(56)**	(56)
Claims receivables	**(92)**	(54)
	686	736

Notes to Consolidated Financial Statements for the year ended 31 March 2021

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

Particulars	As at 31-03-2021	As at 31-03-2020
Raw Materials	**949**	767
Raw Materials-in-Transit	**82**	44
	1,031	811
Work-in-Progress	**1,330**	1,091
Finished Goods	**35**	363
Stock-in-Trade (goods purchased for re-sale)	**1,526**	2,150
Stock-in-Trade (goods purchased for re-sale) - In Transit	**287**	366
	1,813	2,516
Stores and spares	**12**	9
	4,221	4,790

11(a) Current Financial assets - Trade Receivables

Particulars	As at 31-03-2021	As at 31 -03-2020
Trade receivables	**3,210**	5,532
Trade Receivables from other related parties (Note 31)	**2,531**	2,496
Total	**5,741**	8,028

Break up for security details

Trade receivables	As at 31-03-2021	As at 31 -03-2020
Trade receivables -Secured, considered good **	**558**	693
Trade receivables - Unsecured, considered good	**5,183**	7,335
Trade Receivables which have significant increase in Credit Risk	**-**	-
Trade Receivables - credit impaired	**585**	475
	6,326	8,503
Allowances for Trade Receivables - credit impaired	**(585)**	(475)
	5,741	8,028

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

**** Additional disclosure relating to finance lease receivables:**

Secured trade receivables includes finance lease receivables amounting to ₹**943** (31 March 2020 - ₹ 762) relating to medical equipment leased out by the Healthcare division of the Company. The lease term varies between 5-7 years. The total minimum lease payments for assets given on finance lease is ₹**1,388** (31 March 2020 - ₹1,051) which includes unearned interest of ₹**445** (31 March 2020 ₹289). The maturity profile of finance lease obligation is as follows:

Particulars	As at 31-03-2021	As at 31 -03-2020
Minimum lease payments		
Receivable within 1 year	**333**	275
Receivable between 1-5 years	**837**	610
Receivable after 5 years	**218**	166
Total	**1,388**	1,051
Present value		
Receivable within 1 year	**182**	180
Receivable between 1-5 years	**588**	430
Receivable after 5 years	**173**	152
Total	**943**	762
Unearned interest	**445**	289

Amounts in ₹ Mln

11(b) Cash and cash equivalents

Particulars	As at 31-03-2021	As at 31-03-2020
Balances with banks:		
– On current accounts	**143**	75
– Deposits with original maturity of less than three months**	**9,118**	8,462
Cheques/ drafts on hand	**37**	28
Cash on hand	**-**	-
	9,298	8,565
Other Bank Balances		
Unpaid dividend accounts	**15**	13
	9,313	8,578

** Refer note 9 (c)

Changes in Liabilities arising from financing activities

Particulars	As at 31-03-2021	As at 31-03-2020
Lease Liabilities		
Opening balance as of 1 April	**(1,325)**	
Cash Flows during the year		
Transition impact due to adoption of Ind AS 116 (refer note 41)	**-**	**(1,488)**
Reclassification from Borrowings to Lease Liabilities *	**-**	**(308)**
Lease Liabilities	**(1,152)**	**471**
Closing balance as of 31 March	**(2,477)**	**(1,325)**
Break up of Cash Flows during the year		
Additions during the year	(1,902)	(186)
Deletions during the year	52	11
Payment of lease liabilities (Principal)	713	646
Total	**(1,137)**	471

* Net of ₹368 relating to low value assets (IT Devices) as at April 1, 2019

11(c) Current Financial assets - Others

Particulars	As at 31-03-2021	As at 31-03-2020
(i) Interest accrued on deposits with banks	**51**	30
(ii) Government grants	**96**	84
(iii) Security Deposits	**-**	-
(Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good	**39**	38
Security Deposits Credit impaired	**23**	34
Allowances for Security Deposits - credit impaired	**(23)**	(34)
	186	152

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

12 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
Advance Rentals	**40**	23
Advance to suppliers (other than related party)	**476**	556
Advance to related party	**-**	70
CENVAT credit receivable	**279**	196
GST Input tax credit receivable	**472**	1,346
VAT credit receivable	**2**	6
Special additional duty receivables and drawback claims	**31**	175
Balances with customs and port trust	**-**	53
Prepaid expenses	**404**	88
Claims receivables	**1,254**	622
Advances to employees	**9**	17
Considered doubtful		
Advance to suppliers	**27**	29
Claims receivables	**6**	9
Special additional duty receivables and drawback claims	**13**	21
Allowances for doubtful other loans and advances		
Advance to suppliers	**(27)**	(29)
Claims receivables	**(6)**	(9)
Special additional duty receivables and drawback claims	**(13)**	(21)
	2,968	3,152

13 Assets Classified As Held For Sale

Particulars	As at 31-03-2021	As at 31-03-2020
Property, plant and equipment		
Assets retired from active use (refer note below)	**14**	15
	14	15

During the previous years, the group initiated identification and evaluation of potential buyers for the properties located in the states of Maharashtra, Gujarat & Goa. Consequently, the Group completed sale of certain properties located in the State of Maharashtra during FY 2019-20 and anticipates completion of sale of remainder properties in the State of Maharashtra by March 2022. These are recognized and measured in accordance with Ind-AS 105 “Non-Current Assets Held for Sale and Discontinued Operations” at lower of its carrying amount and fair value less cost to sell.

14 Equity Share Capital

	As at 31-03-2021	As at 31-03-2020
Authorised Share Capital		
92,000,000 (March 31 2020 - 92,000,000) Equity shares of ₹10 each	**920**	920
20,000,000 (March 31 2020 - 20,000,000) Non-convertible cumulative preference shares of ₹10 each	**200**	200
Total	**1,120**	1,120
Issued, subscribed and paid-up		
57,517,242 (March 31 2020 - 57,517,242) Equity shares of ₹10 each	**575**	575
Total	**575**	575

(i) Reconciliation of the number of equity shares outstanding

	Number of shares	Equity share capital
As at March 31 2019	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2020	**5,75,17,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31 2021	**5,75,17,242**	575

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

The Group has only one class of equity shares having a par value of ₹10/- per share (31-03-2020 : ₹10/- per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31-03-2021	As at 31-03-2020
Koninklijke Philips N.V (KPNV)		
55,290,182 (March 31 2020 - 55,290,182) Equity shares of ₹10 each	**553**	553

(iv) Details of shareholders holding more than 5% shares of the company

	As at 31-03-2021	As at 31-03-2020
Koninklijke Philips N.V (KPNV)		
Number of equity shares	**5,52,90,182**	5,52,90,182
% of Holding	**96.13**	96.13

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

15 Other Equity

	As at 31-03-2021	As at 31-03-2020
(a) General reserve	**2,315**	2,315
(b) Retained Earnings		
As at the beginning of the year	**17,632**	18,075
Add: Profit for the year	2,447	1,437
Less: Reductions during the year		
Dividend	(173)	(173)
Dividend distribution tax	-	(35)
Transition impact of Appendix C to Ind AS 12	-	(1,258)
Other adjustments during the year		
Items of Retained Earnings related to discontinued operations	**1,363**	-
Share of profit / (loss) of Associate absorbed in previous years now reversed since investment in Associate realized during the year (refer note 5)		148
Transition impact of Ind AS 116, net of tax (refer note 2)	**-**	(7)
Items of OCI related to discontinued operations	**(27)**	
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	**(212)**	(556)
As at the end of the year	**21,030**	17,632
Total Other Equity (a+b)	**23,345**	19,947

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

Particulars	**As at 31-03-2021**	As at 31-03-2020
Re-measurement gains / (losses) on defined benefit plans	**(300)**	(750)
Income tax effect on defined benefit plans	**88**	194
	(212)	(556)

A. Summary of Other Equity

Particulars	**As at 31-03-2021**	As at 31-03-2020
General Reserve	**2,315**	2,315
Retained Earnings	**21,242**	18,188
Items of OCI	**(212)**	(556)
Total other Equity	**23,345**	19,947

B. Description of nature and purpose of each reserve

(1) General Reserve and Retained Earnings

These represent the accumulated profit the company has. These are free reserves for the company. The company can declare dividend or retain it for future use.

(2) Re-measurement of Net Defined Benefit Plans

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

Amounts in ₹ Mln

16 Non-current financial liabilities

Particulars	As at 31-03-2021	As at 31-03-2020
Lease Liabilities	**1,584**	729
	1,584	729

17 Other non-current liabilities

	As at 31-03-2021	As at 31-03-2020
Employee related payables	**165**	160
Security deposits	**-**	-
	165	160

18. Provisions

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Non-Current		
Provision for employee benefits	**843**	1,516
Gratuity (refer note 30)	**597**	493
Compensated absences	**246**	226
Post-employment medical benefits	**-**	-
Defined Benefit Plan	**-**	797
Others	**1,592**	1,506
Warranty (refer note 18.1)	**-**	43
Legal and regulatory (refer note 18.1)	**1,592**	1,463
Miscellaneous (refer note 18.1)	**-**	-
Total (a)	**2,435**	3,022
(b) Current		
Provision for employee benefits	**1,226**	90
Gratuity (refer note 30)	**70**	28
Compensated absences	**36**	41
Post-employment medical benefits	**4**	21
Defined Benefit Plan	**1,116**	-
Others	**659**	911
Warranty (refer note 18.1)	**74**	287
Legal and regulatory (refer note 18.1)	**527**	580
Miscellaneous (refer note 18.1)	**58**	44
Total (b)	**1,885**	1,001

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Additional disclosure relating to provisions

18.1. Movement in other provisions (non-current and current)	**Warranty**	**Legal and Regulatory**	**Miscellaneous**
Particulars			
Balance at 31st March 2019	297	502	53
Add: Accruals / Reclassification during the year	418	1,677	-
Less: Utilization / Reclassification during the year	385	13	-
Less: Write back during the year	-	123	9
Balance at 31st March 2020	330	2,043	44
Add: Accruals / Reclassification during the year	**192**	**1,677**	**44**
Less: Utilization / Reclassification during the year	**244**	**14**	**21**
Less: Write back during the year	**-**	**123**	**9**
Less: Closing balance attributable to discontinued operations	**204**	**1,464**	**-**
Balance at 31st March 2021	**74**	**2,119**	**58**

19 Current Financial Liabilities

Particulars	**As at 31-03-2021**	As at 31-03-2020
Lease Liabilities	**721**	596
Trade Payables		
Dues to others	**3,927**	4,829
Dues to related parties	**1,595**	**1,787**
Dues to Micro, Small and Medium Enterprises	**-**	-
a. Principal amount remaining unpaid to any supplier as at end of the year	**12**	122
b. Interest due on the above amount	**-**	1
c. Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year	**-**	-
d. Amount of interest due and payable for the period of delay in making the payment but without adding the interest specified under this Act	**-**	-
e. Amount of interest accrued and remaining unpaid at the end of the year	**-**	-
f. Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are Castingly paid to the small enterprises	**-**	-
	5,534	6,739

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

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

Particulars	**As at 31-03-2021**	As at 31-03-2020
Other financial liabilities		
Unpaid dividend	**15**	13
Book overdraft	**199**	28
Other payables:		
Payables for purchase of fixed assets (other than micro and small enterprises)	**102**	85
Security deposits	**-**	-
	316	126

20 Other current liabilities

Other payables:		
Employee related payables	**715**	814
Statutory dues	**955**	972
	1,670	1,786

Amounts in ₹ Mln

21 Revenue from operations

Particulars	Year 2020-21	Year 2019-20
Sale of goods	**32,472**	30,216
Sale of services	**23,011**	21,357
(i) Revenue from contracts with customers	**55,483**	51,573
(ii) Other operating revenues	**356**	372
Liabilities no longer required written back	**7**	62
Finance income - leases	**98**	108
Duty drawback and export incentives	**184**	161
Miscellaneous	**67**	41
Revenue from operations (i+ii)	**55,839**	**51,945**

21(a) Disaggregated revenue information

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

Particulars	Year 2020-21				
Nature of Goods or Services	**Personal Health**	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Sale of Goods	20,820	11,651	-	-	32,472
Sale of Services	52	7,810	14,736	414	23,011
Revenue from contracts with customers	**20,872**	**19,461**	**14,736**	**414**	**55,483**
Geography					
Within India	20,375	13,590	32	11	34,008
Outside India	497	5,871	14,704	403	21,475
Revenue from contracts with customers	**20,872**	**19,461**	**14,736**	**414**	**55,483**
Timing of revenue recognition					
Goods transferred at a point in time	20,820	11,651	-	-	32,472
Services transferred over time	52	7,810	14,736	414	23,011
Revenue from contracts with customers	**20,872**	**19,461**	**14,736**	**414**	**55,483**

Particulars	Year 2019-20				
Nature of Goods or Services	**Personal Health**	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Sale of Goods	18,157	12,059	-	-	30,216
Sale of Services	81	6,996	13,860	421	21,358
Revenue from contracts with customers	**18,237**	**19,055**	**13,860**	**421**	**51,573**
Geography					
Within India	17,868	14,382	6	19	32,275
Outside India	369	4,673	13,854	402	19,298
Revenue from contracts with customers	**18,237**	**19,056**	**13,860**	**421**	**51,573**
Timing of revenue recognition					
Goods transferred at a point in time	18,157	12,059	-	-	30,216
Services transferred over time	81	6,996	13,860	421	21,358
Revenue from contracts with customers	**18,237**	**19,055**	**13,860**	**421**	**51,573**

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

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

Particulars	**Year 2020-21**	**Year 2019-20**
Revenue as per contracted price	**61,411**	57,262
Adjustments		
Extended warranties	**(2,894)**	(2,665)
Significant financing component	**(47)**	(69)
Sales returns	**(392)**	(591)
Rebates	**(2,595)**	(2,364)
Revenue from contracts with customers	**55,483**	51,573

21(c) Performance obligation:

Sale of products:

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

Sales of services:

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

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation-gross) pertaining to sales of services as at March 31, 2021 is as follows:

Particulars	**Year 2020-21**	**Year 2019-20**
Within one year	**2,280**	3,297
More than one year	**906**	720
	3,186	4,017

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

22 Other income

Particulars	**Year 2020-21**	**Year 2019-20**
Interest income (other than on investments)	**340**	476
Interest on income-tax refund	**103**	42
Net gain on foreign currency transaction and translation	**8**	
Interest income on defined benefit plan	**31**	30
Interest income on Security Deposits	**61**	29
Government grants	**12**	4
Other non-operating income	**-**	8
	555	589

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

23 Cost of raw materials consumed

Particulars	Year 2020-21	Year 2019-20
Inventory of raw materials at the beginning of the year	780	886
Add: Purchases	5,507	4,460
Less: Inventory of raw materials at the end of the year	949	780
Cost of raw materials consumed	5,338	4,566

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

Purchases of stock-in-trade (goods purchased for resale)	21,267	19,170

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

Stock at the beginning of the year		
Finished goods	363	299
Work-in-Progress	1,091	1,047
Stock-in-trade (goods purchased for resale)	2,183	2,791
Total	3,637	4,136
Stock at the end of the year		
Finished goods	453	363
Work-in-Progress	1,330	1,091
Stock-in-trade (goods purchased for resale)	2,385	2,183
	4,168	3,637
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(531)	499

26 Employee benefits expense

Particulars	Year 2020-21	Year 2019-20
Salaries, wages and bonus	13,825	12,839
Contribution to provident and other funds	598	492
Defined benefit plan expense	156	168
Expense on Employee Stock Option Schemes	192	117
Staff welfare expenses	463	523
	15,234	14,139

27 Finance costs

Interest on Lease Liabilities (refer note 41)	143	138
Interest on finance lease	-	-
Net interest on the net defined benefit liability	111	62
Other interest expense	18	16
Total interest expense	272	216
Unwinding of discount and effect of changes in discount rate on provisions	-	1
Total Finance costs	272	217

28 Depreciation and amortization expense

Depreciation of property, plant & equipment (Refer note 2)	755	596
Depreciation of Investment property (Refer note 2)	16	6
Depreciation of Right of Use Assets (Refer note 2)	669	671
	1,440	1,273

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

29 Other expenses

Particulars	Year 2020-21	Year 2019-20
Power and fuel	**143**	195
Packing, freight and transport	**1,179**	789
Rent	**309**	281
Repairs to buildings	**23**	78
Repairs to plant and machinery	**21**	36
Insurance	**184**	166
Rates and taxes	**21**	2
Travelling and conveyance	**270**	1,005
Legal and professional	**92**	119
Publicity	**2,816**	1,985
IT and Communication	**951**	1,327
Fees for services from a Fellow Subsidiary Company	**397**	911
Allowance for doubtful trade receivables and advances	**233**	164
Warranty	**328**	410
Net loss on foreign currency transaction and translation	**36**	11
Miscellaneous	**2,955**	2,204
	9,958	9,684

Particulars	Year 2020-21	Year 2019-20
Legal and professional includes payments to auditors as given below:		
Statutory audit fees	**7**	6
Tax audit fees	**2**	2
Certification fees	**1**	2
Miscellaneous include:		
Undepreciated value of property, plant & equipment written-off / provided for	**6**	31
Handling charges	**56**	167
Royalty	**584**	358
Commission	**28**	110
Corporate Social Responsibility Expense	**43**	110

Details of CSR Expenditure:	Year 2020-21	Year 2019-20
a) Gross amount required to be spent by the Company during the year	**59**	61
b) Amount spent during the year ending on 31st March, 2021:		
i) For Purposes mentioned below:		
- In Cash	**39**	101
- Yet to be paid in Cash	**15**	9
ii) On purposes other than (i) above		
- In Cash	**-**	-
- Yet to be paid in Cash	**-**	-

In terms of the provisions of Section 135 of the Companies Act, 2013, for the financial year 2020-21, the Group was required to spend an amount of ₹59 (Previous Year ₹61) towards CSR activities and the Group has spent ₹39 (Previous Year ₹101) against the same. The Group, on 30 April 2021, has deposited ₹19 (Previous year ₹Nil) comprising of CSR Unspent amount for the year 2019-20 ₹4 and 2020-21 ₹15 in "Unspent CSR Account" as per Section 135(6) and the same shall be utilized on account of CSR programs that are in progress for which invoices are yet to be received.

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

The Company has a defined gratuity benefit plan which is governed by Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at the retirement age. The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India in case of gratuity and investments under Philips India Limited Employees' Provident Fund Plan in case of Provident Fund. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Amounts in ₹ Mln

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

Net employee benefit expense (recognized in Employee Cost)

Particulars	**Year 2020-21**	Year 2019-20
Current service cost	**162**	168
Past service cost	**-**	-
Interest cost on benefit obligation	**63**	66
Expected return on plan assets	**(33)**	(33)
Curtailment Cost	**-**	-
Settlement cost	**-**	-
Net actuarial (gain)/ loss recognized in the year	**37**	(46)
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	**229**	155

The gratuity expense has been recognized in "Employee benefits expenses" under note 24 to the Financial Statements

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**Gratuity**				**Provident Fund**	
	Year 2020-21		Year 2019-20		**Year 2020-21**	Year 2019-20
	Funded	**Unfunded**	Funded	Unfunded		
A. Present value of obligations as at beginning of the year	**838**	**204**	771	174	**7,167**	5,991
(1) Current service cost	**130**	**32**	135	31	**431**	359
(2) Interest cost	**51**	**12**	53	12	**463**	455
(3) Benefits settled	**(57)**	**(10)**	(45)	(23)	**(1,086)**	(735)
(4) Settlements	**-**	**-**	-	-	**-**	-
(5) Actuarial (gain) / loss	**53**	**(20)**	(76)	16	**127**	-
(6) Actuarial (gain) / loss due to Interest rate guarantee	**-**	**-**	-	-	**-**	229
(7) Employees' contribution	**-**	**-**	-	-	**590**	532
(8) Acquisition/Business Combination/ Divestiture	**(23)**	**18**	-	(6)	**-**	-
(9) Change in reserves	**-**	**-**	-	-	**-**	-
(10) Transfer in	**-**	**-**	-	-	**279**	336
(11) Past service cost	**-**	**-**	-	-	**-**	-
Present value of obligations as at end of the year	**992**	**236**	838	204	**7,971**	7,167

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

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

Changes in the defined benefit obligation and fair value of plan assets as at 31-03-2021:

Particulars	Gratuity				Provident Fund	
	Year 2020-21		Year 2019-20		**Year 2020-21**	Year 2019-20
	Funded	**Unfunded**	Funded	Unfunded		
B. Change in Plan Assets						
Plan assets as at beginning of the year	**522**	**-**	447	-	**6,371**	6,145
(1) Expected return on plan assets	**33**	**-**	33	-	**411**	466
(2) Contributions	**38**	**-**	101	-	**-**	-
(3) Benefits settled	**(57)**	**-**	(45)	-	**-**	-
(4) Employer and Employee contribution	**-**	**-**	-	-	**992**	891
(5) Transfer in	**-**	**-**	-	-	**279**	336
(6) Benefit payments	**-**	**-**	-	-	**(1,086)**	(735)
(7) Asset gain / (loss)	**(27)**	**-**	(14)	-	**(113)**	(731)
(8) Settlements	**-**	**-**	-	-	**-**	-
(9) Acquisition/Business Combination/ Divestiture	**-**	**-**	-	-	**-**	-
Plan assets as at end of the year	**509**	**-**	522	-	**6,854**	6,371
Surplus / (Deficit)		**-**		-	**(1,116)**	(796)
C. Actual return on plan assets	**2**	**-**	19	-	**-**	-
D. Reconciliation of present value of the obligation and the fair value of the plan assets:						
(1) Present value of obligations at end of the year	**(992)**	**(236)**	(840)	(204)	**-**	
(2) Fair value of Plan assets	**509**		522		**-**	
Liability recognised in Balance Sheet	**(483)**	**(236)**	(318)	(204)	**-**	-
E. Components of Employer Expense:						
(1) Current service cost	**130**	**32**	135	31		-
(2) Interest cost	**51**	**12**	53	12	**-**	-
(3) Expected return on plan assets (estimated)	**(33)**	**-**	(33)	-	**-**	-
(4) Curtailments	**-**	**-**	-	-	**-**	-
(5) Past service cost	**-**	**-**	-	-	**-**	-
(6) Actuarial (gain) / loss	**57**	**(20)**	(62)	16	**-**	-
Total expense recognised in Statement of Profit and Loss	**205**	**24**	93	59	**-**	-

Particulars	Gratuity				Provident Fund	
	Year 2020-21		Year 2019-20		**Year 2020-21**	Year 2019-20
	Funded	**Unfunded**	Funded	Unfunded		
F. Effect due to Asset Ceiling						
Asset ceiling - Beginning of the period	**-**	**-**			**-**	153
Interest on Asset Ceiling	**-**	**-**	-	-	**-**	11
Changes in Asset Ceiling	**-**	**-**		-	**-**	(164)
Asset ceiling - End of the period						

Basis the actuarial valuation report the provident fund liability has a deficit of ₹1116 (31 March 2020 ₹796). This deficit is on account of change in fair value of plan assets, computed using the Guidance Note 29 issued by Institute of Actuaries of India on Valuation of Interest Rate Guarantees on Exempt Provident Funds under IND AS 19 (Revised). The Group has recognized this deficit in "Other Comprehensive Income" as per Ind AS 19 Employee Benefits.

Amounts in ₹ Mln

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

F. Experience Adjustments

Description	**Gratuity (Funded)**				
	Year 2020-21	Year 2019-20	Year 2018-19	Year 2017-18	Year 2016-17
Defined Benefit Obligations	**992**	838	711	563	566
Plan Assets	**509**	522	408	351	282
Surplus/(Deficit)	**(483)**	(316)	(303)	(212)	(284)
Experience adjustments on Plan assets/liabilities (gain) / loss	**51**	46	45	46	(75)
Description	**Gratuity (Unfunded)**				
	Year 2020-21	Year 2019-20	Year 2018-19	Year 2017-18	Year 2016-17
Defined Benefit Obligations	**236**	204	176	150	154
Plan Assets	**-**	-	-	-	-
Surplus/(Deficit)	**(236)**	(204)	(176)	(150)	(154)
Experience adjustments on Plan assets/liabilities (gain) / loss	**(20)**	6	4	6	54
Description	**Provident Fund**				
	Year 2020-21	Year 2019-20	Year 2018-19	Year 2017-18	Year 2016-17
Defined Benefit Obligations	**7,971**	7,167	5,991	5,678	5,145
Plan Assets	**6,854**	6,371	6,145	6,403	5,337
Surplus/(Deficit)	**(1,117)**	(796)	153	725	192
Experience adjustments on Plan assets/liabilities (gain) / loss	**113**	731		(140)	(637)

G. Assumptions

Particulars	**Gratuity**		**Provident Fund**	
	Year 2020-21	Year 2019-20	**Year 2020-21**	Year 2019-20
Financial Assumptions				
Discount factor (%)	**6.45**	6.40		
Estimated rate of return on Plan Assets (%)	**6.45**	6.40		
Salary Increase (%)	**7.00**	7.00		
Yield on Assets based on the Market Value (%)			**8.00**	7.73
Outstanding term of the liabilities (Years)			**8.11 years**	7.17 years
Govt of India - Bond Yield for the outstanding term of liabilities (%)			**6.45**	6.36
Interest Rate Guarantee (%)			**8.50**	8.50
Expected Return on the Exempt Fund as per GN 29 methodology (%)			**8.50**	8.50
Demographic Assumptions				
Mortality	**IALM (2012-2014)**	IALM (2006-08)	**IALM (2012-14)**	IALM (2006-08)
Attrition rate (%)				
- Management	**14**	14	**14**	14
- PMS	**15**	15	**15**	15
- Innovation Services	**13**	13	**13**	13
- Healthcare Innovation Campus	**Nil**	Nil	**Nil**	Nil
Retirement age (Years)				
- HIC	**58**	58	**58**	58
- Others	**60**	60	**60**	60

Notes to Consolidated Financial Statements for the year ended 31 March 2021

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	**As at 31-03-2021**	As at 31-03-2020
Discount rate		
a. Discount rate - 100 basis points	**1,316**	1,112
b. Discount rate + 100 basis points	**1,151**	983
Salary increase rate		
a. Rate - 100 basis points	**1,151**	983
b. Rate + 100 basis points	**1,315**	1,110

I. Maturity profile of defined benefit obligation

Particulars	**As at 31-03-2021**	As at 31-03-2020
Within the next 12 months (next annual reporting period)	**130**	127
Between 1 and 5 years	**526**	478
Between 5 and 10 years	**528**	443
Total expected payments	**1,184**	1,048

31 Employees' Share-based Payments:

Certain employees of the Group are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with the guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India (ICAI) in respect of the grants made on or after 1 April 2005, the following disclosures are made:

(a) Method adopted for valuation

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Options" and amortised over the vesting period. The "Fair Value of the Options" is determined using "Black-Scholes" option pricing model.

(b) Nature and extent of Employee Share-based Payment Plans:

As from 2003 onwards, the Holding Company (KPNV) issued restricted share rights that vest in equal annual instalments over a three-year period. Restricted shares are KPNV's shares that the grantee will receive in three successive years, provided the grantee is still with the Company on the respective delivery dates. If the grantee still holds the shares after three years from the delivery date, Philips will grant 20% additional (premium) shares, provided the grantee is still with Philips. As from 2002, the Holding Company granted fixed stock options that expire after 10 years. Generally, the options vest after 3 years; however, a limited number of options granted to certain employees of acquired businesses contain accelerated vesting. In prior years, fixed and variable (performance) options were issued with terms of ten years, vesting one to three years after grant. In 2013, a new Plan has been introduced which consists of performance shares only. The performance is measured over a three-year performance period. The performance shares vest three years after the grant date. The number of performance shares that will vest is dependent on achieving performance conditions, which are equally weighted, and provided that the grantee is still employed with the Company. Restricted shares exclude 20% additional (premium) shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

(c) Method and assumptions for arriving at the Fair Value of Restricted Shares:

The fair value of restricted shares is equal to the Fair Value of the stock at grant date net of the present value of dividends which will not be received up to the vesting date. The expected dividend used is the dividend of the preceding year.

(d) Method and assumptions for arriving at the Fair Value of Performance Shares:

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions.

1. Risk free interest rate	-0.74%
2. Expected share price volatility	25%

31 Employees' Share-based Payments: (contd.)

(e) Number and weighted average grant-date fair value of Stock Options (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31-03- 2021	Exercisable
April 19, 2010	24.90	2,280	-	-	-	(2,280)	**-**	**-**
April 18, 2011	20.90	4,350	-	-	-	(900)	**3,450**	**3,450**
July 18, 2011	17.20	1,500	-	-	-	-	**1,500**	**1,500**
January 30, 2012	15.24	5,000	-	-	-	-	**5,000**	**5,000**
April 23, 2012	14.82	9,750	-	-	-	(1,350)	**8,400**	**8,400**
		22,880	**-**	**-**	**-**	**(4,530)**	**18,350**	**18,350**
Previous Year		33,046	1,350	-	(2,334)	(9,182)	22,880	22,880

(f) Number and weighted average grant-date fair value of Stock Options (USD)

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31-03- 2021	Exercisable
April 19, 2010	33.51	-	-	-	-	-	**-**	**-**
		-	**-**	**-**	**-**	**-**	**-**	**-**
Previous Year		480	-	-	(480)	-	-	480

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

Grant Date	Weighted average grant-date fair value of the share (in Euro)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03- 2021
April 29, 2016	24.00		-	-	-	-	**-**
May 11, 2017	33.34	21,102	-	(19,655)	(1,446)	-	**1**
June 6, 2018	38.14	-	-	(485)	965	-	**480**
June 13, 2019	42.20	-	-	(557)	1,550	-	**993**
April 27, 2018	33.34	23,598	-	(1,311)	(1,064)	-	**21,223**
May 6, 2019	37.20	21,147	-	(1,082)	(363)	-	**19,702**
April 30, 2020	39.72	-	18,790	(782)	4,887	-	**22,895**
July 7, 2020	44.61	-	1,361	(39)	3	-	**1,325**
July 24, 2020	44.61	-	1,149	-	-	-	**1,149**
		65,847	21,300	(23,911)	4,532	-	**67,768**
Previous Year		72,966	26,512	(8,209)	(854)	(24,568)	65,847

(h) Number and weighted average grant date fair value of Restricted Shares (Euro)

Grant Date	Weighted average grant-date fair value of the share (in Euro)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03- 2021
May 11, 2017	36.30	163	-	(152)	(11)	-	**-**
April 27, 2018	36.30	4,407	-	-	(198)	-	**4,209**
June 6, 2018	44.43	-	-	-	95	-	**95**
May 6, 2019	41.64	3,604	-	-	(85)	-	**3,519**
June 13, 2019	46.99	-	-	-	188	-	**188**
July 7, 2020	51.78	-	163	-	-	-	**163**
		8,174	163	(152)	(11)	-	**8,174**
Previous Year		4,683	3,711	(220)	-	-	8,174

Notes to Consolidated Financial Statements for the year ended 31 March 2021

31 Employees' Share-based Payments: (contd.)

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

Grant Date	Weighted average grant date fair value (in Euro)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03- 2021
April 29, 2016	24.00	1	-	-	(1)	-	**-**
May 11, 2017	32.98	25,678	-	(23,918)	(1,760)	-	**(0)**
April 27, 2018	35.31	26,222	-	(1,332)	4,772	-	**29,662**
June 6, 2018	38.14	-	-	(450)	1,121	-	**671**
May 6, 2019	37.20	24,098	-	(992)	(432)	-	**22,673**
June 13, 2019	42.20	-	-	(516)	1,788	-	**1,272**
April 30, 2020	39.72	-	25,034	(782)	5,697	-	**29,949**
July 7, 2020	44.61	-	1,620	(39)	129	-	**1,710**
		75,999	26,654	(28,030)	11,314	-	**85,937**
Previous Year		1,11,004	32,655	(9,445)	-	(58,217)	75,999

(j) Number and weighted average grant date fair value of Performance Shares (Euro)

Grant Date	Weighted average grant date fair value (in Euro)	Outstanding as at 1 April 2020	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31-03- 2021
May 11, 2017	36.11	163	-	(185)	22	-	**0**
April 27, 2018	42.75	8,815	-	-	1,708	-	**10,523**
June 6, 2018	44.43	-	-	(4)	242	-	**238**
May 6, 2019	41.64	7,316	-	-	(172)	-	**7,144**
June 13, 2019	46.99	-	-	(5)	436	-	**431**
July 7, 2020	51.78	-	327	-	45	-	**372**
		16,294	327	(194)	2,281	-	**18,707**
Previous Year		8,987	7,532	(225)	-	-	16,294

(k) Employee Share Purchase Plan:

Particulars	**2020-21**	2019-20
Expense recognized on account of "Employee Share-Based Payment"	**192**	117
Carrying liability as at 31 March	**165**	208

(l) Employee Share Purchase Plan:

Under the terms of Employee Share Purchase Plan established by the Holding Company, substantially all employees are eligible to purchase a limited number of KPNV shares at discounted prices through payroll withholdings, of which the maximum range is 10% of total salary. Generally, the discount provided to the employees is in the range of 10% to 20%.

Particulars	**2020-21**	2019-20
Number of shares bought during the year by the employees	**25,560**	19,742
Average purchase price (in Euro)	**43**	39

32 Commitments and contingencies

Amounts in ₹ Mln

Particulars			As at 31-03-2021	As at 31-03-2020
a	Commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for		**527**	621
b	Contingent liabilities			
	(i)	Relating to Philips India Limited		
		Disputed Excise demands	**11**	11
		Income Tax demands	**6381**	5993
		VAT	**2027**	2274
		Service Tax demands	**7**	7
		Customs Duty	**62**	62
	(ii)	Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
		Income Tax demands	**252**	754
		VAT	**1330**	1470
		Service Tax demands	**-**	-

As per the MOU (Memorandum of Understanding) dated 31 March 2016 signed between Philips India Limited and Philips Lighting India Limited at the time of demerger of lighting business, the tax cases up to the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

In respect of suppliers'/customers' demands and certain tenancy/customs/sales tax/service tax disputes for which the liability is not ascertainable. It is not practicable to estimate the timing of cash outflows, if any, in respect of above pending resolution of the legal proceedings.

Notes to Consolidated Financial Statements for the year ended 31 March 2021

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

(A) Enterprises exercising control:

Holding and ultimate holding company : Koninklijke Philips N.V (KPNV)

(B) Other Related Parties with whom transactions have taken place during the year:

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

Argus Imaging B.V. Invivo Corporation Lifeline Systems Company Philips (China) Investment Company, Ltd. Philips Austria GmbH Philips Consumer Lifestyle B.V. Philips Domestic Appliances and Personal Care Company of Zhuhai SEZ, Ltd. Philips Electronics Bangladesh Private Limited Philips Electronics Japan, Ltd. Philips Electronics Middle East & Africa B.V. Philips Electronics NA Corporation Philips Electronics Nederland B.V. Philips Electronics North America Corporation Philips Electronics Singapore Pte Ltd Philips Electronics UK Limited Philips Global Business Services LLP Philips Healthcare (Suzhou) Co., Ltd. Philips Healthcare Informatics, Inc. Philips Innovative Applications Philips International B.V. Philips Lanka Solutions (Private) Limited"	Philips Malaysia Sdn. Berhad Philips Medical Systems (Cleveland), Inc. Philips Medical Systems DMC GmbH Philips Medical Systems Indústria e Comércio Ltda. Philips Medical Systems MR, Inc. Philips Medical Systems Nederland B.V. Philips Medical Systems Technologies Ltd. Philips Medizin Systeme Böblingen GmbH Philips Nederland B.V. Philips Oral Healthcare, Inc. Philips Oregon - EGI Philips Oy Philips Technologie GmbH Philips Ultrasound, Inc. Philips Vital Health Software India Pvt. Ltd Respironics California, Inc."	Respironics, Inc. Saeco International Group S.p.A. Shenzhen Goldway Industrial Inc. VISICU, Inc. Volcano Corporation Volcano Europe, B.V.B.A.”

(2) Employee Trusts

Philips India Ltd Management Staff Provident Fund Trust

Philips Employees Group Gratuity Scheme

(3) Key Managerial Personnel

Executive Directors:	**Non-Executive Directors:**	**Company Secretary:**
Mr.Daniel Mazon	Mr.S.M.Datta	Mr. Rajiv Mathur
Mr.Rajiv Mathur	Mr.Vivek Gambhir*	
Mr.Sudeep Agrawal	Mrs. Geetu Gidwani Verma	

*Ceased to be a Non-Executive Independent Director w.e.f. December 31, 2018.

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

D. Nature of transactions

	Ultimate Holding Company		Fellow Subsidiary Companies		Associate Company		Key Management Personnel		Employee Trusts	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Purchases										
Goods		1	**13,543**	12,463		-		-		-
Property, Plant and Equipment		-	**22**	93		-		-		-
Services	**31**	30	**1,911**	1,819		-		-		-
Reimbursements		-	**104**	136		-		-		-
Others	**0**	117		-		-		-		-
Sales										
Goods		-	**3,358**	2,535		-		-		-
Property, Plant and Equipment		-		-		-		-		-
Services	**1,984**	2,135	**15,359**	14,464		-		-		-
Reimbursements		-	**63**	233		-		-		-
Others		-	**116**	-		-		-		-
Deputation of personnel										
Charge		-		-		-		-		-
Recovery		-		-		-		-		-
Key Management Personnel										
Mr.Daniel Mazon		-		-		-	**134**	108		-
Mr.Rajiv Mathur		-		-		-	**32**	30		-
Mr.Sudeep Agrawal		-		-		-	**21**	22		-
Mr.S.M.Datta		-		-		-	**1**	1		-
Mr.Vivek Gambir*		-		-		-	**-**	-		-
Mrs.Geetu Gidwani Verma		-		-		-	**1**	1		-
Finance										
Dividend Paid	**166**	166		-		-		-		-
Contributions to Employee Trusts		-		-		-		-	**963**	976
Outstandings										
Payable	**76**	6	**1,851**	1,755		-		-		82
Receivable	**184**	191	**2,547**	2,826		-		-		-

*Ceased to be a Non-Executive Independent Director w.e.f. December 31, 2018.

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and will be settled in cash.

Compensation of key management personnel of the company

Particulars	2020-21	2019-20
Short-term employee benefits	183	151
Post-employment benefits*	6	11
	189	**162**

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - "Employee Benefits" in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to Consolidated Financial Statements for the year ended 31 March 2021

34 Significant accounting judgments, estimates and assumptions

The preparation of the company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgments

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

(a) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(b) Revenue from contract with customers

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the apportion of the transaction price to goods bases on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Company has used a combination of most likely amount method and expected value method. Further, in respect of long term contracts, the Company has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Company and its customer

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 28.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 and 35 for further disclosures.

(d) 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.

(e) Provision for decommissioning

As part of the identification and measurement of assets and liabilities, the Company recognizes provision for decommissioning obligations associated with Leasehold Improvements. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and the expected timing of those costs. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The carrying amount of the provision as at 31 March 2021 was ₹**16** (31 March 2020: ₹15). The Company estimates that the costs would be realised upon the expiration of the lease period.

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Amounts in ₹ Mln

35. Exceptional items include:

Particulars		2020-21	2019-20
(a)	Profit on sale of property	-	(4)
(b)	Profit on sale of investments in Associate Healthmap Diagnostics Private Limited	-	(202)
(c)	Write-off of investments in Subsidiary Philips Home Care Services India Private Limited *	-	20
(d)	Write-off of inter corporate deposits given to Subsidiary Philips Home Care Services India Private Limited *	-	44
		-	(142)

* Consequent to closure of business operations of Philips Homecare Services India Private Limited (PHSIPL), a wholly owned subsidiary and initiation of the process to struck off the its name from the list of Incorporated Entities, the Group, during the year, has written off investments made during the year in subsidiary Philips Homecare Services India Private Limited (PHSIPL) ₹20 and inter corporate deposits given during the year to Philips Homecare Services India Private Limited (PHSIPL) ₹44.

36. Forward Contracts:

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on forward contracts is as follows:

(a) Forward contracts outstanding ((all FC (Foreign Currency) are in 000s))

Details	USD Currency				Euro Currency			
	As at 31-03-2021		As at 31-03-2020		As at 31-03-2021		As at 31-03-2020	
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	3,014.40	41,231.00	3,756.09	49,641.00	90.70	1,057.73	178.12	2,152.00
Payables	4,123.77	56,405.00	2,304.68	30,459.00	284.95	3,323.00	170.78	2,063.30

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

Details	As at 31-03-2021		As at 31-03-2020		As at 31-03-2021		As at 31-03-2020	
	USD Exposure				Euro Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	-	-	1,860.42	21,695.82	383.15	4,629.13
Payables	-	-	-	-	1,041.02	12,140.21	727.49	8,789.24

Details	SGD Exposure			
	INR	FC	INR	FC
Receivables	-	-	-	-
Payables	5.49	100.95	-	-

Details	AUD Exposure				GBP Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables			-	-	-	-	-	-
Payables			1.69	36.71	-	-	-	-
Details	CNY Exposure				MYR Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	23.26	2,472.26	0.49	46.09	-	-	-	-
Payables			-	-	-	-	-	-

Amounts in ₹ Mln

37. Segment Information (As Per Ind AS 108 operating Segments)

Particulars	Year 2020-21					Year 2019-20				
	Personal Health	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**	Personal Health	Health Systems	Innovation Services	Other Unallocable	Total
A. Primary Segment Information										
(1) Segment Revenue	**20,873**	**19,784**	**14,768**	**-**	**55,425**	18,231	19,349	13,886	-	51,465
(2) Inter Segment Revenue					**-**					-
(3) Other Unallicable Income				**414**	**414**				480	480
Revenue from operations	**20,873**	**19,784**	**14,768**	**414**	**55,839**	**18,231**	**19,349**	**13,886**	**480**	**51,945**
(4) Segment Result	**1,224**	**593**	**1,571**	**-**	**3,388**	813	608	1,437		2,858
(5) Finance Cost				**(272)**	**(272)**				(218)	(218)
(6) Other unallocable expenditure net of income				**299**	**299**				346	346
(7) Profit before exceptional items and tax	**1,224**	**593**	**1,571**	**28**	**3,416**	813	608	1,437	128	2,986
(8) Exceptional items	**-**	**-**	**-**	**-**	**-**		(207)		65	(142)
(9) Profit before tax	**1,224**	**593**	**1,571**	**28**	**3,416**	813	815	1,437	63	3,128
(10) Tax Expense					**-**					-
a. Current tax				**(907)**	**(907)**				(877)	(877)
c. Deferred tax				**(60)**	**(60)**				(814)	(814)
(11) Profit for the year	**1,224**	**593**	**1,571**	**(939)**	**2,449**	813	815	1,437	(1,628)	1,437
	31.03.2021					31.03.2020				
Other information	**Personal Health**	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**	Personal Health	Health Systems	Innovation Services	Other Unallocable	Total
(12) Capital Expenditure	**94**	**636**	**1,795**	**-**	**2,525**	257	438	1,414	62	2,171
(13) Depreciation and amortization expense	**43**	**193**	**1,003**	**103**	**1,343**	109	149	857	163	1,278
(14) Non-cash expenses other than depreciation and amortization	**42**	**152**	**38**	**7**	**239**	174	2	18	-	194
(15) Segment Assets	**10,827**	**11,855**	**6,101**	**15,281**	**44,064**	8,971	12,149	5,645	10,747	37,512
(16) Segment Liabilities	**3,805**	**7,292**	**5,170**	**3,877**	**20,144**	3,491	6,296	3,832	3,371	16,990
	Year 2020-21					Year 2019-20				
B. Secondary Segment Information					**Total**					Total
Revenue										
(1) Within India					**34,364**					32,646
(2) Outside India					**21,475**					19,299
Capital Expenditure										
(1) Within India					**2,525**					2,171
(2) Outside India					**-**					-
	31.03.2021					31.03.2020				
Assets	**Personal Health**	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**	Personal Health	Health Systems	Innovation Services	Other Unallocable	Total
(1) Within India					**41,533**					34,358
(2) Outside India					**2,531**					3,154

Notes to Consolidated Financial Statements for the year ended 31 March 2021

C. Other Disclosures

Inter Segment revenue / result:

Inter segment revenue has been recognised at competitive prices. Allocation of corporate expenses to other segments is at cost. All profits / losses on inter segment transfers are eliminated at Group level.

D. Types of products and services in each business segment:

Business Segments	Type of products and services
(1) Personal Health	Domestic appliances, Health and wellness producs and personal care products
(2) Health Systems	Medical electronic equipments
(3) Innovation Services	Development of embedded software and Philips Design

E. Reconciliation to amounts reflected in the financial statements

	Year 2020-21	Year 2019-20
Reconciliation of profits	**Total**	Total
Segment profit / (loss)	**3,388**	2,858
Finance cost	**(272)**	(218)
Other unallocable expenditure net of unallocable income	**299**	346
Exceptionl items	**-**	(142)
Tax Expense	**(967)**	-
Profit for the year	**2,449**	1,437
Reconciliation of Assets	**As at 31-03-2021**	As at 31-03-2020
Segment operating Assets	**44,064**	37,512
Total Assets	**44,064**	37,512
Reconciliation of Liabilities		
Segment operating Liabilities	**20,144**	16,990
Total Liabilities	**20,144**	16,990

Notes to Consolidated Financial Statements for the year ended 31 March 2021

38 **Financial Instruments -Financial assets and financial liabilities** Amounts in ₹ Mln

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

Financial Assets	**Fair value through Profit or loss**		**Amortised cost**		**Total carrying value**		**Total fair value**	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Trade Receivables (Non-Current)	**-**	-	**1,304**	938	**1,304**	938	**1,304**	938
Other Financial Assets (Non-Current)	**-**	-	**454**	517	**454**	517	**454**	517
Trade receivables (Current)	**-**	-	**5,741**	8,028	**5,741**	8,028	**5,741**	8,028
Cash and cash equivalents	**-**	-	**9,313**	8,578	**9,313**	8,578	**9,313**	8,578
Other Financial Assets (Current)	**-**	-	**186**	152	**186**	152	**186**	152
Total	**-**	**-**	**16,998**	**18,213**	**16,998**	**18,213**	**16,998**	**18,213**

Financial Assets	**Fair value through Profit or loss**		**Amortised cost**		**Total carrying value**		**Total fair value**	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Lease Liabilities (Non-Current)		-	**1,584**	729	**1,584**	729	**1,584**	729
Lease Liabilities (Current)		-	**721**	596	**721**	596	**721**	596
Trade Payables(Current)		21	**5,533**	6,718	**5,533**	6,739	**5,533**	6,739
Other Financial Liabilities(Current)	**-**	-	**316**	126	**316**	126	**316**	126
Total	**-**	**21**	**8,154**	**8,169**	**8,154**	**8,190**	**8,154**	**8,190**

Notes to Consolidated Financial Statements for the year ended 31 March 2021

39. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

Quantitative disclosures fair value measurement hierarchy for assets:

Financial liabilities measured at fair value through profit or loss	Level 1		Level 2		Level 3		Total	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Trade Payables					**5533**	**6718**	**5533**	**6718**

2. Assets and liabilities that are disclosed at amortised cost (refer note 35) for which fair values are disclosed as Level 3

Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

40 Dividend Paid And Proposed

Particulars	**Year 2020-21**	Year 2019-20
Dividend declared and paid during the year		
Dividend paid for the year ended **March 31, 2020** ₹3/- per share (March 31, 2019 : ₹ 3/- per share)	**173**	173
Dividend Tax thereon	**-**	35
	173	208
Proposed Dividend on equity shares:		
Dividend for the year ended **March 31, 2021** ₹ 3/- per share (March 31, 2020: ₹ 3/- per share)	**173**	173

41. Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the group. The primary objective of the group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31-03-2020, the group has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Particulars	Year 2020-21	Year 2019-20
Earnings Before Interest And Tax	**3,152**	2,659
Capital Employed	**23,920**	20,522
Return on Capital Employed (ROCE %)	**13%**	13%

42 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by Board of Directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31-03-2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31-03-2021.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

Foreign currency risk sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Notes to Consolidated Financial Statements for the year ended 31 March 2021

Change in US$ rate	Effect on profit before tax		Effect on total equity	
	Year 2020-21	Year 2019-20	**Year 2020-21**	Year 2019-20
5%	**40.83**	**(16.63)**	**40.83**	(16.63)
-5%	**(40.83)**	**16.63**	**(40.83)**	16.63
Change in Euro rate	**Effect on profit before tax**		**Effect on total equity**	
	Year 2020-21	Year 2019-20	**Year 2020-21**	Year 2019-20
5%	**16.60**	**52.10**	**16.60**	52.10
-5%	**(16.60)**	**(52.10)**	**(16.60)**	(52.10)

(b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance as at Mar 31, 2021

Our historical experience of collecting receivables is that credit risk is low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Hence, trade receivables are considered to be a single class of financial assets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits. The limits are set to minimise the consultation of risk and therefore mitigate financial loss through counterparty potential failure to make payments.

The Company maintains exposure in cash and cash equivalents and term deposits with banks, The Company has set counter-party's limits based on multiple factors including financial position, credit rating etc. The Company's maximum exposure to credit risk as at 31st March, 2021 and 2020 is the carrying value of each class of financial assets as illustrated in note 5 & 9.

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Undiscounted Amount							
	Carrying amount		Payable within 1 year		More than 1 year		Total	
	As at 31-03-2021	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020	**As at 31-03-2021**	As at 31-03-2020
Lease Liabilities (Non-Current)	**1,584**	729		-	**1,584**	729	**1,584**	729
Lease Liabilities (Current)	**721**	596	**721**	596		-	**721**	596
Borrowings(Non-Current)		-		-		-	**-**	-
Borrowings (Current)		-		-		-	**-**	-
Trade Payables(Current)	**5,533**	6,739	**5,533**	6,739		-	**5,533**	6,739
Other Financial Liabilities(Current)	**316**	126	**316**	126		-	**316**	126
Total	**8,154**	**8,190**	**6,570**	**7,461**	**1,584**	**729**	**8,154**	**8,190**

43 Earnings per share (EPS)

Particulars	**Year 2020-21**	Year 2019-20
Calculation of earnings per share		
Weighted average number of equity shares outstanding during the year *	**5,75,17,242**	5,75,17,242
Profit after tax attributable to equity share holders	**2,447**	1,437
Basic and diluted earnings per equity share (in ₹)	**42.56**	24.99

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements..

44 Leases:

Transition to Ind AS 116:

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

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

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

Notes to Consolidated Financial Statements for the year ended 31 March 2021

As a Lessee

The Company has lease contracts for vehicles and office buildings. Lease terms of vehicles vary between 3-5 years, while other leases have lease terms between 5-7 years. The Company obligations under its leases are secured by the lessor's title to the leased assets. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognized.

The Company also has leases of low value and applies the 'lease of low-value assets' recognition exemptions for these leases.

The following is the summary of practical expedients elected on initial application:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases.

(v) Applied the practical expedient in respect of lease contracts that include extension option, however the lease term in respect of such extension option is not defined.

(vi) Used hindsight in determining the lease term where the contract contained options to extend or terminate.

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

Particulars	**Year 2020-21**	Year 2019-20
(1) Recognized in Balance Sheet as at April 1		
Reclassification on account of adoption of Ind AS 116 as at April 1, 2019 (Refer Note 2) Net Block	**1,190**	261
Right-of-use asset recognized as at April 1, 2019	**-**	1,450
Additions during the year	**1,905**	185
Deletions during the year	**(35)**	(35)
Depreciation for the year	**(746)**	(671)
Less: Closing balance attributable to discontinued operations	**(155)**	-
Right-of-use asset as at March 31	**2,160**	1,190
Transition impact on account of adoption of Ind AS 116 "Leases"	**(1,325)**	(1,488)
Reclassification due to transition impact on account of adoption of Ind AS 116 "Leases"	**-**	(308)
Additions during the year	**(1,902)**	(186)
Deletions during the year	**52**	11
Interest cost accrued during the year	**(158)**	(138)
Payment of lease liabilities (Principal)	**713**	646
Payment of lease liabilities (Interest)	**143**	138
Less: Closing balance attributable to discontinued operations	**7**	
Lease Liabilities as at March 31	**(2,469)**	(1,325)
Current	**863**	(595)
Non-Current	**1,606**	(730)
Lease Liabilities at the end of the year	**2,469**	(1,325)

Particulars	Year 2020-21	Year 2019-20
(2) Recognized in Statement of Profit and Loss		
Depreciation for the year	**714**	671
Interest cost accrued during the year	**143**	151
Expenses relating to leases of low value assets	**164**	177
Total cash outflows from leases during the year	**1,021**	999

45. Discontinued Operations

Future ownership of Domestic Appliances business

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

On March 25, 2021, KPNV announced that it had reached an agreement to transfer its Domestic Appliances business to Hillhouse Capital. The said business transfer is expected to be completed during the third quarter of 2021, subject to customary closing conditions, including the relevant regulatory approvals. In order to support this business selling transaction of KPNV, the Company in India will transfer the domestic appliance business to Philips Domestic Appliances India Limited. This process is expected to be completed in the third quarter of 2021.Complete separation of the two entities is expected to be completed during 2021.

In pursuance of the proposal stated above, a Composite Scheme of Arrangement for Demerger ("Scheme") under Section 230 to 232 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, between "Philips India Limited" (Demerged Company) and "Philips Domestic Appliances India Limited" (Resulting Company) and Preethi Kitchen Appliances Private Limited (Amalgamating Company) and their respective shareholders was approved by (a) The Hon'ble National Company Law Tribunal, Mumbai Bench, Court - 5 vide order dated 13 May 2021 and (b) The Hon'ble National Company Law Tribunal, Kolkata Bench, Kolkata vide order dated 14 June 2021. In accordance with the Scheme, the assets and liabilities pertaining to Domestic Appliance business will stand transferred to and vested with Philips Domestic Appliances India Limited with effect from the appointed date i.e. 01 July 2021 and shareholders of the Company will be allotted 1 fully paid equity share of Philips Domestic Appliances India Limited for each fully paid equity share held by them in the Company on or before the Effective date and the transfer of the Demerged Undertaking shall be on a going concern basis. The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Domestic Appliances business including the Company's subsidiary "Preethi Kitchen Appliances Private Limited" will be carved out from the Business segment "Personal Health" as reported in Note 37 of the Consolidated Financial Statements which primarily involves sale of kitchen appliances (juicers, blenders, Air fryer, food processors), home care (vacuum cleaners, air purifiers), garment care (irons, steam generators) and coffee makers (appliances and accessories).

In line with requirements of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations, the financials of Domestic Appliances business has been presented as discontinued operations. Consequently, results from the Domestic Appliances business are no longer included in the results of continuing operations. Relevant assets and liabilities of the Domestic Appliances business are reported under "Assets and Liabilities directly associated with discontinued operations". Hence current year numbers are not comparable with previous year.

Financial performance of Domestic Appliances operations

Particulars	Year 2020-21
Revenue from operations	14,755
Operating expenses	13,736
Pre tax profit / (loss) from operating activities	1,019
Profit / (loss) before tax	1,019
Income tax expense	(43)
Deferred tax - Credit / (Charge)	(173)
Profit / (loss) after tax	803

Notes to Consolidated Financial Statements for the year ended 31 March 2021

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

Particulars	**As at 31-03-2021**
ASSETS	
Non-current assets	
Property, Plant and Equipment	**570**
Capital work-in-progress	**22**
Investments	**1,191**
Financial Assets	
a. Trade Receivables	**-**
b. Other Financial Assets	**-**
c. Loans	**31**
Deferred tax assets (net)	**960**
Income tax assets (net)	**46**
Other non current assets	**16**
Current assets	
Inventories	**1,431**
Contract Assets	
Financial Assets	**-**
a. Trade receivables	**1,012**
b. Cash and cash equivalents	**4,187**
c. Other Financial Assets	**39**
Other current assets	**146**
Total Assets	**9,650**
LIABILITIES	
Other Equity	**(1,336)**
Non-current liabilities	
Contract Liabilities	**-**
Financial Liabilities	**-**
Lease Liabilities	**144**
Other non-current liabilities	**19**
Provisions	**143**
Current liabilities	**-**
Contract Liabilities	**17**
Financial Liabilities	
Lease Liabilities	**26**
Trade Payables	**3,050**
Other financial liabilities	**16**
Other current liabilities	**195**
Provisions	**244**
Total Liabilities	**2,519**

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

Particulars	Year 2020-21
Net cash inflow / (outflow) from operating activities	1346
Net cash inflow / (outflow) from investing activities	137
Net cash inflow / (outflow) from financing activities	-45

46 STATUTORY GROUP INFORMATION

I) For March 31, 2021

A) The Company, its subsidiary (jointly referred to as the 'Group' herein under) and its associate considered in these consolidated financial statements are:

a) Subsidiaries

Name of the Companies	Country of Incorporation	% voting power held as at 31st March, 2021
Preethi Kitchen Appliances Private Limited	India	100
Philips Domestic Appliances India Limited	India	100

B) Share of the parent company and subsidiary in Net Assets and Share in Profit or Loss, Share in other Comprehensive Income is as follows:

	Net Assets (Total Assets - Total Liabilities)	
	As % of consolidated net assets	Amount
Parent Company		
Philips India Limited	99%	23,590
Subsidiary		
Preethi Kitchen Appliances Private Limited	25%	6,095
Philips Domestic Appliances India Limited		
Total eliminations	-24%	-5,765
Total	100%	23,920

	Share in Profit or Loss	
	As % of consolidated Profit or Loss	Amount
Parent Company		
Philips India Limited	72%	1,761
Subsidiary		
Preethi Kitchen Appliances Private Limited	28%	686
Philips Domestic Appliances India Limited		
Total eliminations	0%	-
Total	100%	2,447

	Share in other Comprehensive income	
	As % of consolidated profit or loss	Amount
Parent Company		
Philips India Limited	102%	(216)
Subsidiary		
Preethi Kitchen Appliances Private Limited	-2%	4
Philips Domestic Appliances India Limited		
Total eliminations	0%	-
Total	100%	(212)

Notes to Consolidated Financial Statements for the year ended 31 March 2021

	Share in total Comprehensive income	
	As % of consolidated profit or loss	**Amount**
Parent Company		
Philips India Limited	**69%**	**1,545**
Subsidiary		
Preethi Kitchen Appliances Private Limited	**31%**	**690**
Philips Domestic Appliances India Limited		
Total eliminations	**0%**	**-**
Total	**100%**	**2,235**

II) For March 31, 2020

A) The Company, its subsidiary (jointly referred to as the 'Group' herein under) and its associate considered in these consolidated financial statements are:

a) Subsidiaries

Name of the Companies	Country of Incorporation	As at 31-03-2020
Preethi Kitchen Appliances Private Limited	India	100

B) Share of the parent company and subsidiary in Net Assets and Share in Profit or Loss, Share in other Comprehensive Income is as follows:

	Net Assets (Total Assets - Total Liabilities)	
	As % of consolidated net assets	Amount
Parent Company		
Philips India Limited	110%	22,577
Subsidiary		
Preethi Kitchen Appliances Private Limited	26%	5,404
Total eliminations	-36%	(7,480)
Total	100%	20,522

	Share in Profit or Loss	
	As % of consolidated Profit or Loss	Amount
Parent Company		
Philips India Limited	105%	1,515
Subsidiary		
Preethi Kitchen Appliances Private Limited	-5%	(73)
Total eliminations	0%	(4)
Total	100%	1,437

	Share in other Comprehensive income	
	As % of consolidated Profit or Loss	Amount
Parent Company		
Philips India Limited	102%	(566)
Subsidiary		
Preethi Kitchen Appliances Private Limited	-2%	10
Total eliminations	0%	
Total	100%	(556)

	Share in total Comprehensive income	
	As % of consolidated Profit or Loss	Amount
Parent Company		
Philips India Limited	26%	949
Subsidiary		
Preethi Kitchen Appliances Private Limited	-2%	(62)
Total eliminations	76%	2,819
Total	100%	3,706

47. Estimation of uncertainties relating to the Global Health Pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

48. In July, 2020, the management received a whistle-blower complaint wherein it was alleged that few employees and former employees had colluded with the vendors of the Company, to record and make payment in respect of service and maintenance bills, without services having been provided by the vendors as represented in the said bills. This fraud committed on the Company, pertains to period January 1, 2018 to June 30, 2020 amounting to ₹ 280 million (including ₹19 million for the period April 1, 2020 to June 30, 2020). Due process is being followed by the Company to investigate the matter to the fullest extent, including filing of complaint with local police and law enforcement authorities, filing of cases against the suspected employees and vendors in the courts having appropriate jurisdiction and appointment of independent third party KPMG to investigate the matter. The Company has also taken strict action against the suspected employees (including the former employees involved in the fraud) by formally separating them from the services of the Company and initiating criminal proceedings against all the accused, including the vendors involved. The matter is currently being investigated by the local police department and cognizance of the matter has been taken by Court having appropriate jurisdiction. The Hon'ble Court has rejected the anticipatory bail applications of all the accused persons. The Company is pursuing appropriate legal action against the accused persons and taking all other measures to recover the loss.

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

50. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: Gurugram
Date: June 30, 2021

For and on behalf of the Board

Chairman — S.M.DATTA (DIN: 00032812)

Managing Director — DANIEL MAZON (DIN: 07954025)

Director & CFO — SUDEEP AGRAWAL (DIN: 08056132)

Director & Company Secretary — RAJIV MATHUR (DIN: 06931798)

Place: Gurugram
Date: June 30, 2021

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 3, 2021

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented)

Sr No. 1

Sl. No.	Particulars	
1.	Name of the subsidiary	**Preethi Kitchen Appliances Private Limited**
2.	The date since when the subsidiary was acquired	**April 07, 2011**
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
5.	Share capital	**952 Million**
6.	Reserves & surplus	**5143 Million**
7.	Total assets	**8115 Million**
8.	Total Liabilities	**8115 Million**
9.	Investments	**NIL**
10.	Turnover	**7485 Million**
11.	Profit before taxation	**883 Million**
12.	Provision for taxation	**(196) Million**
13.	Profit after taxation	**687 Million**
14.	Proposed Dividend	**NIL**
15.	% of shareholding	**100**

Sr No. 2

Sl. No.	Particulars	
1.	Name of the subsidiary	**Philips Domestic Appliances India Limited**
2.	The date since when the subsidiary was acquired	**July 17, 2020**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
4.	Share capital	**0.5 Million**
5.	Reserves & surplus	**NIL**
6.	Total assets	**0.46 Million**
7.	Total Liabilities	**0.46 Million**
8.	Investments	**NIL**
9.	Turnover	**NIL**
10.	Profit before taxation	**NIL**
11.	Provision for taxation	**NIL**
12.	Profit after taxation	**NIL**
13.	Proposed Dividend	**NIL**
14.	% of shareholding	**100**

Sr. No. 3

Sl. No.	Particulars	
1.	Name of the subsidiary	**Philips Home Care Services India Private Limited**
2.	The date since when the subsidiary was acquired	**May 25, 2016**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**Same as holding Company**
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	**NA**
4.	Share capital	**NA**
5.	Reserves & surplus	**NA**
6.	Total assets	**NA**
7.	Total Liabilities	**NA**

8.	Investments	**NA**
9.	Turnover	**NA**
10.	Profit before taxation	**NA**
11.	Provision for taxation	**NA**
12.	Profit after taxation	**NA**
13.	Proposed Dividend	**NA**
14.	% of shareholding	**100**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year: In order to achieve the set financial targets, Philips Home Care, had explored certain alternate business propositions and models. However, despite bringing in a lot of effort to its core business and venturing into some of these alternate businesses, the desired financial performance could not be achieved by Philips Home care, there has been no significant business operations in Philips Home Care. It was felt that since Philips Home Care was losing money, it was prudent to consider discontinuing of its operations to stop the bleed due from Philips Home Care Services India Private Limited including the outstanding amount of Inter Corporate Deposits extended by the Company. The application is pending from the Ministry as on the date of this report.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		**NA**
1.	Latest audited Balance Sheet Date	**NA**
2.	Date on which the Associate/Joint Venture was associated or acquired	**NA**
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	a. No. of Shares:	**NA**
	b. Amount of Investment in Associates/Joint Venture	**NA**
	c. Extend of Holding%	**NA**
4.	Description of how there is significant influence	**NA**
5.	Reason why the associate/joint venture is not consolidated	**NA**
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	**NA**
7.	Profit/Loss for the year	**NA**
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations. **NA**
2. Names of associates or joint ventures which have been liquidated or sold during the year Details to be entered

For and on behalf of the Board

Chairman	S. M. Datta (DIN: 0032812)
Managing Director	Daniel Mazon (DIN: 07954025)
Director and CFO	Sudeep Agrawal (DIN:08056132)
Director and Company Secretary	Rajiv Mathur (DIN: 06931798)

Place: Gurugram
Date: June 30,2021

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Philips India Limited
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Corporate Office
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Northern Region
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