

PHILIPS

Philips India Limited

Annual Report

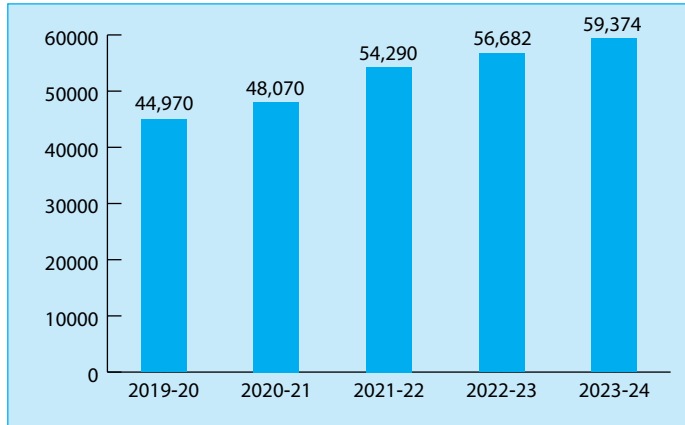
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Annual report 2023-24

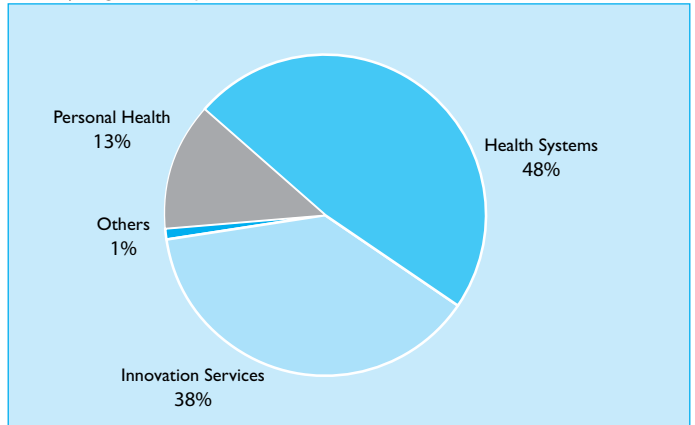


PHILIPS INDIA LIMITED

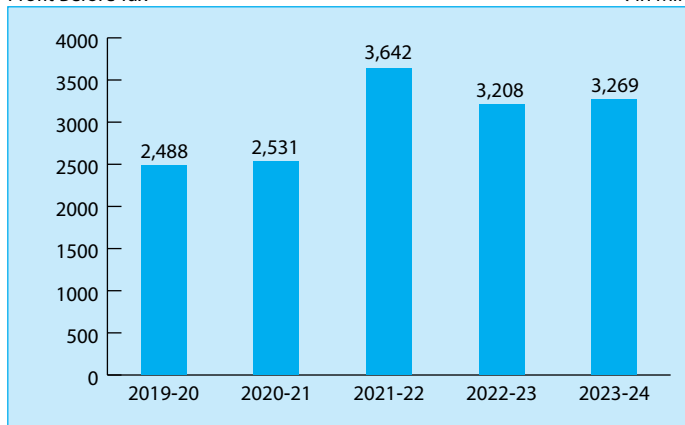
Sales ₹ in Mn



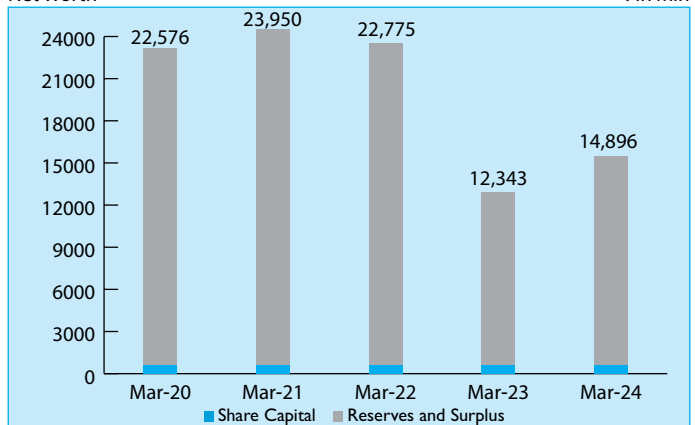
Sales by Segments- Apr 2023 - Mar 2024



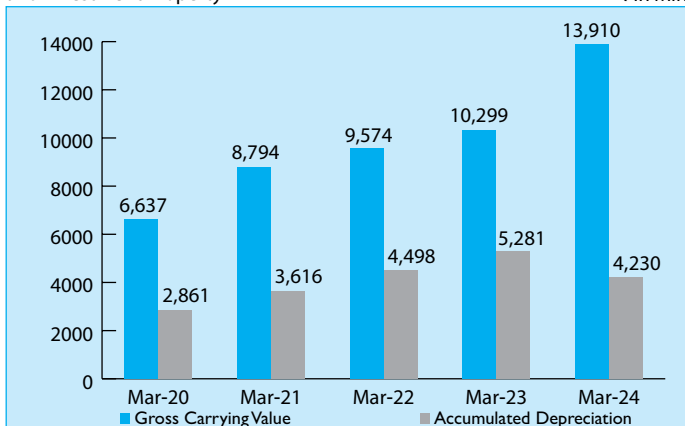
Profit Before Tax ₹ in Mn



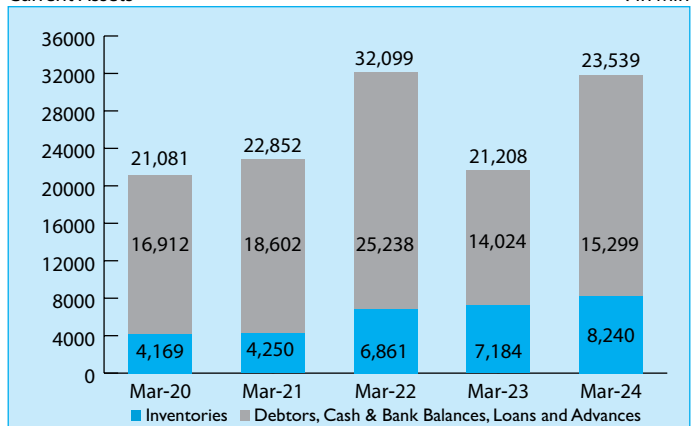
Net Worth ₹ in Mn



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



Current Assets ₹ in Mn



PHILIPS INDIA LIMITED

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Annual General Meeting on Friday, September 27, 2024 at 11.30 a.m.
through Video Conference (VC) / Other Audio Visual Means (OAVM)
For detailed procedure for joining the meeting through VC/OAVM and other relevant
information, please refer to the AGM Notice that forms part of the Annual Report.

PHILIPS INDIA LIMITED

BOARD OF DIRECTORS

Chairman and Non-Executive Independent Director

A.D.A. Ratnam

Managing Director effective from September 1, 2024

Bharath Ram Raman Sesha

Whole - Time Director

Harish Chawla

Whole - Time Director and Chief Financial Officer

Dev Kumar Tripathy

Non-Executive Independent Director

Geetu Gidwani Verma

STATUTORY AUDITORS

S. R. Batliboi & Co. LLP

Chartered Accountants

BANKERS

Citibank N.A.

Bank of America N.A.

State Bank of India

HDFC Bank Limited

BNP Paribas

REGISTERED OFFICE

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 94th Annual General Meeting of PHILIPS INDIA LIMITED will be held on Friday, September 27, 2024, through Video Conference / Other Audio Visual Means at 11:30 A.M. The venue of the meeting shall be deemed to be the Registered Office of the Company at 3rd Floor, Tower A, DLF IT Park, 08 Block AF Major Arterial Road, New Town (Rajarhat), Kolkata, West Bengal- 700156, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2024, including the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended on that date, Cash Flow Statement and Statement of Changes in Equity for the financial year ended March 31, 2024 and the reports of the Auditors and Directors thereon.

SPECIAL BUSINESS:

2. APPOINTMENT OF MR. DEV KUMAR TRIPATHY AS A DIRECTOR (DIN: 10373357)

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

“RESOLVED THAT Mr. Dev Kumar Tripathy, being appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 (the “Act”) on the recommendation of Nomination and Remuneration Committee with effect from December 15, 2023 by the Board of Directors and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Dev Kumar Tripathy shall be a Director whose office shall be liable to retire by rotation.

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.”

3. APPOINTMENT OF MR. DEV KUMAR TRIPATHY AS WHOLE-TIME DIRECTOR OF THE COMPANY (DIN:10373357)

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 the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. Dev Kumar Tripathy, as a Whole-time Director of the Company with effect from December 15, 2023 to December 14, 2028 as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and or agreement in such manner as may be agreed to between the Board of Directors and Mr. Dev Kumar Tripathy to the extent permitted under Section 197 read with Schedule V of the Act but without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end and intent that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

PHILIPS INDIA LIMITED

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.”

4. APPOINTMENT OF MR. ANGARAI DORAIRAJAN ADITYA RATNAM AS A DIRECTOR (DIN: 05296020)

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Angarai Dorairajan Aditya Ratnam (holding DIN: 05296020), who was appointed as an Additional Director of the Company under Section 149 & 161(1) of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, by the Board of Directors effective from July 18, 2024 and who holds office upto the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five years, with effect from July 18, 2024.

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

5. APPOINTMENT OF MR. HARISH CHAWLA AS A DIRECTOR (DIN: 07958339)

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

“RESOLVED THAT Mr. Harish Chawla, being appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 (the “Act”) on the recommendation of Nomination and Remuneration Committee with effect from July 18, 2024 by the Board of Directors and who holds office upto the date of this Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Harish Chawla shall be a Director whose office shall be liable to retire by rotation.”

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 MR. HARISH CHAWLA AS WHOLE-TIME DIRECTOR OF THE COMPANY (DIN: 07958339)

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 Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. Harish Chawla, as Whole-time Director of the Company with effect from July 18, 2024 to July 17, 2029 as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and or agreement in such manner as may be agreed to between the Board of Directors and Mr. Harish Chawla to the extent permitted under Section 197 read with Schedule V of the Act but without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end and intent that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Harish Chawla holding office as Whole-time Director, the remuneration and perquisites set out in explanatory statement annexed hereto, be paid or granted to Mr. Harish Chawla, as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not 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.”

7. APPOINTMENT OF MR. BHARATH RAM RAMAN SESHA (DIN: 01983066) AS A DIRECTOR

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

“RESOLVED THAT Mr. Bharath Ram Raman Sesha, being appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 (the “Act”) with effect from September 1, 2024 by the Board of Directors and who shall hold office upto the date of this Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Bharath Ram Raman Sesha shall be a Director whose office shall be liable to retire by rotation.”

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.”

8. APPOINTMENT OF MR. BHARATH RAM RAMAN SESHA (DIN:01983066) AS MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to appoint Mr. Bharath Ram Raman Sesha, as Managing Director of the Company for a period of five years with effect from September 1, 2024 to August 31, 2029 as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Bharath Ram Raman Sesha to the extent permitted under Section 197 read with Schedule V of the Act but without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end and intent that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Bharath Ram Raman Sesha holding office as Managing Director, the remuneration and perquisites set out in explanatory statement annexed hereto, be paid or granted to Mr. Bharath Ram Raman Sesha, as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not 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.”

PHILIPS INDIA LIMITED

9. APPROVAL OF REMUNERATION OF COST AUDITORS OF THE COMPANY

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and on the recommendation of Audit Committee and approval by the Board, the Members of the Company hereby approves the professional fee of Rs. 7,60,000/- (Rupees Seven Lakhs and Sixty Thousand) plus applicable taxes and out of pocket expenses incurred by them in connection with the aforesaid audit, payable to M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464 who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company for the year ending March 31, 2025.

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

Dev Kumar Tripathy
Whole-Time Director & CFO
DIN: 10373357

Date : August 7, 2024
Place : Gurugram

EXPLANATORY STATEMENT

Under Section 102 of the Companies Act, 2013

ITEM NO. 2 and 3

The Board of Directors at their meeting on October 31, 2023, appointed Mr. Dev Kumar Tripathy as Chief Financial Officer of the Company upon the recommendation of the Nomination and Remuneration Committee. The Board of Directors, at their meeting held on December 15, 2023, had appointed Mr. Dev Kumar Tripathy as a Whole-time Director of the Company, for a term of five years with effect from December 15, 2023, subject to the approval of the shareholders of the Company at the Ninety-fourth Annual General Meeting. The approval of the members is being sought with respect to the terms and conditions for the appointment of Mr. Dev Kumar Tripathy as Whole-time Director and the remuneration payable to Mr. Dev Kumar Tripathy. He is proposed to be appointed for a further term of 5 years with effect from December 15, 2023 till December 14, 2028. The Board of Directors at their meeting held on December 15, 2023 had approved the payment of following remuneration:

Pay Component	Annual (Rs.)	Monthly (Rs.)
Basic	4,274,528.52	356,210.71
HRA	2,137,264.26	178,105.36
FBP	5,082,597.61	423,549.80
PF	512,943.42	42,745.29
Gratuity	205,604.82	17,133.74
Total Base Pay - Amount	12,212,938.63	1,017,744.89
Target Bonus	3,053,234.66	
(LTI and other perquisites will be as per Company's policy and appointment letter)		

The Board of Directors at their meeting held on August 07, 2024, reviewed the performance of Mr. Dev Kumar Tripathy and upon the recommendation of the Nomination and Remuneration Committee approved the revision in his remuneration with effect from April 1, 2024 as follows:

Pay Component	Annual (Rs.)	Monthly (Rs.)
Basic	4,616,490.90	384,707.58
HRA	2,308,245.45	192,353.79
FBP	5,489,205.53	457,433.79
PF	553,978.91	46,164.91
Gratuity	222,053.21	18,504.43
Total Base Pay - Amount	13,189,974.00	1,099,164.50
Target Bonus	As may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	
(LTI and other perquisites will be as per Company's policy and appointment letter)		

An abstract of the terms & conditions of appointment of Mr. Dev Kumar Tripathy, Whole-time Director is as stated above.

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

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

The resolution for appointment of Mr. Dev Kumar Tripathy, is appropriate and in the best interests of the Company.

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

PHILIPS INDIA LIMITED

Except Mr. Dev Kumar Tripathy, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 & 3.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the ordinary resolution set out at item no. 2 and Special Resolution set out at item no. 3 of the accompanying Notice for the approval of the Members.

ITEM NO. 4

Mr. Angarai Dorairajan Aditya Ratnam ("A.D.A Ratnam")(holding DIN: 05296020), was appointed as an Additional Independent Director of the Company by the Board of Directors in its meeting held on July 17, 2024. Pursuant to the provisions of Section 161(1), 149 of the Companies Act, 2013 and other applicable provisions of the Act, Mr.A.D.A Ratnam is eligible for appointment. The Company has received a notice in writing under Section 160(1) of the Act from a Member of the Company proposing Mr. A.D.A Ratnam as a candidate for the office of a Director.

Mr. A.D.A Ratnam has over 30 years of experience in transforming, optimizing business performance and driving growth in businesses primarily in a Business head or CFO role. Accomplished in business turnarounds, driving top-line growth, M&A and restructuring to increase organization value, Mr.A.D.A Ratnam holds extensive P&L responsibility with comprehensive experience in all aspects of business.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. A.D.A Ratnam has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. A.D.A Ratnam as Independent Director was placed before the Nomination and Remuneration Committee, which recommended her appointment as an Independent Director for a period of five years upto July 17, 2029

In the opinion of the Board of Directors, A.D.A Ratnam proposed to be appointed as Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. Further, consequent to the appointment of Mr. A.D.A Ratnam there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

Your Directors recommend the resolution set forth in Item No. 4 for the approval of the members. Except Mr. A.D.A Ratnam being the appointee, none of the Directors is interested or concerned in the resolution placed at Item no. 4.

ITEM NO. 5 and 6

Mr. Harish Chawla was appointed as Whole-time Director with effect from July 18, 2024. Harish Chawla brings with him over 29 years of experience in taxation and finance. He has been associated with the Company as taxation head for more than 8 years. The Board of Directors at their meeting on July 17, 2024, appointed Mr. Harish Chawla as Whole-time Director of the Company on the basis of recommendation of the Nomination and Remuneration Committee, for a term of five years with effect from July 18, 2024. Subject to the approval of the shareholders of the Company at the Ninety-fourth Annual General Meeting. The approval of the members is being sought with respect to the terms and conditions for the appointment of Mr. Harish Chawla as Whole-time Director and the remuneration payable to Mr. Harish Chawla. He is proposed to be appointed for a term of 5 years with effect from July 18, 2024 till July 17, 2029. The Board fixed following remuneration at their meeting held on July 17, 2024 with effect from July 18, 2024 till July 17, 2029.

Pay Component	Annual (Rs.)	Monthly (Rs.)
Basic	4,278,462.65	356,538.55
HRA	2,139,231.33	178,269.28
FBP	5,087,275.45	423,939.62
PF	513,415.52	42,784.63
Gratuity	205,794.05	17,149.50
Total Base Pay - Amount	12,224,179.00	1,018,681.58
Bonus	As may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	
(LTI and other perquisites will be as per Company's policy and appointment letter)		

An abstract of the terms & conditions of appointment of Mr. Harish Chawla, Whole-time Director is as stated above.

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

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

The resolution for appointment of Mr. Harish Chawla, is appropriate and in the best interests of the Company.

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

Except Mr. Harish Chawla, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5&6.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the ordinary resolution set out at item no 5 and Special Resolution set out at item no.6 of the accompanying Notice for the approval of the Members.

ITEM NO. 7 and 8

The Board of Directors, at their meeting held on August 7, 2024, have appointed Mr. Bharath Ram Raman Sesha as an Additional Director and Managing Director of the Company, for a period of five years, with effect from September 1, 2024 and approved the terms and conditions of his appointment including his remuneration.

Bharath Ram Raman Sesha has over two decades of experience across diverse geographies and industries. He has led businesses in multiple sectors, including life sciences, speciality chemicals and material sciences. He has held pivotal senior executive positions in globally renowned companies like DSM Sinochem Pharmaceuticals (now Centrient), Royal DSM NV, and Ecolab. As the Managing Director of publicly listed corporations, Solara Active Pharma Sciences and Heubach Colorants India Ltd, he has led their regional and global businesses.

The Board, upon the recommendation of Nomination and Remuneration Committee has approved the following remuneration to Mr. Bharath Ram Raman Sesha effective from September 1, 2024:

Pay Component	Annual (Rs.)	Monthly (Rs.)
Basic	11,521,699.00	960,141.58
HRA	5,760,849.50	480,070.79
FBP	13,699,793.90	1,141,649.49
PF	1,382,603.88	115,216.99
Gratuity	554,193.72	46,182.81
Total Base Pay - Amount	32,919,140.00	2,743,261.67
Bonus	As may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	
Perquisites	Car Lease – Rs. 1,375,000 per annum Fuel Reimbursement – upto 250 Litres per month Club Membership Reimbursement – Rs. 100,000 per annum	
(LTI and other perquisites will be as per Company's policy and appointment letter)		

Minimum Remuneration: Notwithstanding anything hereinabove, where in any financial year during the term of office of Mr. Bharath Ram Raman Sesha, as the 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 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 Board of Directors or any authorised Committee thereof may, in their discretion, may make any variation to the terms and conditions of his appointment, including the remuneration payable to Mr. Bharath Ram Raman Sesha within the overall limits as specified under Section 197 read with Schedule V of the Act and other applicable provisions, if any, of the Act.

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Except Mr. Bharath Ram Raman Sesha, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 and 8.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the ordinary resolution set out at item no 7 and Special Resolution set out at item no.8 of the accompanying Notice for the approval of the Members.

ITEM NO. 9

The Company is required to get audited 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, 2025.

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. 9 of the notice for approval of the professional fee payable to the Cost Auditors for Cost Audit of the financial year ending March 31, 2025.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the resolution set out at item no. 9 of the accompanying notice except to the extent of shareholding in the Company, if any.

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Resolution as set out at item no. 9 of the accompanying notice for approval of the members.

By Order of the Board
For Philips India Limited

Dev Kumar Tripathy
Whole-Time Director & CFO
DIN: 10373357

Date : August 7, 2024
Place : Gurugram

The details of Directors seeking appointment/re-appointment, in item no 2 to 8, as per requirements of Companies Act, 2013, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:

S. No.	Particulars	Mr. Dev Kumar Tripathy (DIN 10373357)	Harish Chawla (DIN 07958339)	A.D.A Ratnam (DIN: 05296020)	Bharath Ram Raman Sesha (DIN: 01983066)
1.	Date of Birth and Age	07/03/1977, 47 years	18/06/1969, 55 years	25/04/1966, 58 years	18/05/1972, 52 years
2.	Date of first Appointment	December 15, 2023	July 18, 2024	July 18, 2024	September 1, 2024 (as per Board approval)
3.	Qualification	Chartered Accountant and MBA	Chartered Accountant	Chartered Accountant and Company Secretary	MBA
4.	Brief Resume	22 years of experience in finance and business administration	29 years of experience in taxation and Finance	30 years of experience in Marketing, business growth and financial administration	20 years of experience in leading businesses in multiple sectors, including life sciences, speciality chemicals and material sciences
5.	Experience and expertise in specific functional area	Strategy and Finance	Taxation	Marketing	Business Administration
6.	Directorships held in Other Companies in India	Philips Vital health Software India Private Limited	NA	NA	Heubach Colorants India Limited (Shall cease on August 31, 2024)
7.	Chairman/ Member of the Committee of the Board of other Companies in which they are director	N.A	N.A	N.A	Audit Committee-Member, Stakeholder Relationship Committee-Member, Corporate Social Responsibility Committee-Member, Risk Management Committee-Chairperson
8.	Shareholding in "Philips India Limited"	6 shares	NIL	NIL	NIL
9.	Inter-se Relationship between Directors/ Mangers/Key Managerial Personnel ("KMP")	NIL	NIL	NIL	NIL
10.	Terms and Conditions of Appointment/ Re-appointment and Remuneration	Key terms and conditions of appointment / Re-Appointment and Remuneration are as mentioned in the explanatory statement at item of No. 2& 3 of this notice	Key terms and conditions of appointment/Re-Appointment and Remuneration are as mentioned in the explanatory statement at item of No. 5 & 6 of this notice	Key terms and conditions of appointment / Re-Appointment and Remuneration are as mentioned in the explanatory statement at item of No. 4 of this notice	Key terms and conditions of appointment/Re-Appointment and Remuneration are as mentioned in the explanatory statement at item of No. 7 & 8 of this notice
11.	Managerial Remuneration Last Drawn in the Company	As per Annual Report	NA	NA	NA
12.	Number of Board Meetings attended during the Financial Year 2023-24	Two of Two	NA	NA	NA

By Order of the Board
For Philips India Limited

Date : August 7, 2024
Place : Gurugram

Dev Kumar Tripathy
Whole-Time Director & CFO
DIN: 10373357

PHILIPS INDIA LIMITED

NOTES:

1. Pursuant to Ministry of Corporate Affairs ('MCA') General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 19/2021 dated December 21, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022, General Circular 03/2022, General Circular No 10/2022 dated 28.12.2022 and General Circular No 11/2022 dated 28.12.2022, Circular No. 09/2023 dated September 25, 2023 and other applicable circulars, if any, has allowed the Companies to conduct the AGM/ EGM or passing of Ordinary/ Special Resolution through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 30th September 2024. In accordance with the said circulars, the 94th AGM of the Company will be conducted through VC / OAVM on Friday, September 27, 2024. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. Kfin Technologies Limited ('Kfintech') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in Notes below and is also available on the website of the Company at <https://www.philips.co.in/a-w/about/philips-india-limited>.
3. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item No. 2, 3, 4, 5, 6, 7, 8 and 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Institutional / Corporate shareholders are requested to send a scanned copy (PDF / JPEG format) of the certified Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the RTA at evoting@kfintech.com and read the other instruction given in point no. 12.
6. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary & Special Businesses from Item no. 2 to 9 of the Notice and the relevant details of the Directors seeking re-appointment under Item No. 2 to 8 above as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are annexed hereto.
9. Members are requested to contact the Registrar and Share Transfer Agent, M/s Kfin Technologies Ltd. for all matters connected with Company's shares at

Kfin Technologies Ltd, Selenium Tower-B, Plot no.31-(&)32, Financial District, Nanakramguda, Hyderabad-500 032. Toll Free no. 18 00 3094 001 Telephone: +91 - 40 -6716 1631 Email id: einward.ris@kfintech.com	Kfin Technologies Ltd, Kankaria centre. 2/1 Russel Street 4th Floor Kolkata- 700071 Telephone: +91 033 66285939
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10. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13). If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form SH-14, as the case may be.

Members holding shares in physical mode are requested to update KYC details by submitting self-attested copies of PAN Card, Aadhaar Card, Bank account cancelled cheque leaf and duly completed ISR-1, ISR-2 forms. Please note that ISR forms can be downloaded from below link of RTA, Kfin Technologies Ltd. Investor Support Center | Kfintech. Duly complete documents need to be sent at below address for updation.

Kfin Technologies Ltd,
Selenium, Tower-B, Plot no.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.
Toll Free no. 18 00 3094 001
Telephone: +91 - 40 -6716 1631
Email id: einward.ris@kfintech.com





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

- I. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021, General Circular No. 19/2021 dated December 21, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022, General Circular No. 3/2022, General Circular No 10/2022 dated 28.12.2022, General Circular No 11/2022 dated 28.12.2022 and Circular No. 09/2023 dated September 25, 2023 issued by MCA, 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 2023-24, is available on the website of the Company at <https://www.philips.co.in/a-w/about/philips-india-limited>, and on the website of KFinTech at <https://evoting.kfintech.com> or <https://emeetings.kfintech.com>.

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

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- II. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- III. The remote e-voting period commences at 09.00 A.M. on Tuesday, September 24, 2024 and end at 05.00 P.M on Thursday, September 26, 2024. The remote e-voting module will be disabled by KFinTech for voting thereafter.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com or einward.ris@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- VI. In case of individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- VII. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
 1. **Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 2. **Step 2:** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
 3. **Step 3:** Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

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	<p>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</p> <ol style="list-style-type: none"> 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.
	<p>Those not registered under IDeAS:</p> <ol style="list-style-type: none"> 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. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing user who have opted for Electronic Access To Securities Information (“EASI / Easiest”) facility: <ol style="list-style-type: none"> 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 authentication. 2. User not registered for EASI / Easiest <ol style="list-style-type: none"> 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 <ol style="list-style-type: none"> i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Philips India Limited’ or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> 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

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I. Details on #Step I are mentioned below:

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

- A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Philips India Limited - AGM" and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to Scrutinizer at asimsecy@gmail.com and the RTA at evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."
- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- xiii. 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.
 - xiv. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

2. Details on Step 2 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(EVENT) of the Company.
- iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

13. OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from September 24, 2024 (9:00 a.m.) to September 25, 2024 (5.00 p.m.) Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open from September 24, 2024 (9:00 a.m.) to September 25, 2024 (5.00 p.m.).
- III. The Company reserves the right to restrict the number of questions and number of speakers.
Facility for joining AGM through VC/ OAVM shall open atleast thirty (30) minutes before the scheduled time for the commencement of the Meeting and shall be allowed till 15 minutes from the commencement of the meeting. The Members will be able to view the proceedings on <https://emeetings.kfintech.com>.
- IV. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- V. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- VI. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at <https://emeetings.kfintech.com/Questions> / queries received by the Company till Wednesday, September 25, 2024 shall only be considered and responded during the AGM.
- VII. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- VIII. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- IX. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis. However, the participation of large shareholders i.e. members holding 2% or more, promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- X. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
- XI. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

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- 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 September 20, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- XIV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- (i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL:
MYEPWD <SPACE> I402345612345678
 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - (ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - (iii) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- XV. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- XVI. KPRISM- Mobile service application by KFin:

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

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

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



14. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFintech's website for e-voting: <https://evoting@kfintech.com> or call KFintech on 1800 309 4001 (toll free).
15. Members are requested to note the following contact details for addressing e-voting grievances:

Mr. Anil Dalvi

Senior Manager

KFin Technologies Limited

Selenium Tower B, Plot 31 - 32, Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500 032

Telephone: +91 - 40 - 6716 1631

E-mail: einward.ris@kfintech.com.

16. PROCEDURE FOR INSPECTION OF DOCUMENTS:

- I. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on <https://evoting.kfintech.com>.
- II. The Statutory registers of the Company maintained as per the provisions of the Companies Act 2013 and required to be kept open for inspection during AGM and will be available for inspection by the Members electronically during the AGM.

17. DIVIDEND RELATED INFORMATION :

- I. The directors do not recommend any dividend for the period ended March 31,2024
- II. Members are requested to contact KFinTech / Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
- III. Pursuant to Section 123 of the Companies Act 2013 (previously 205A (5) of the Companies Act, 1956), the unpaid dividend that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend No.	Date of declaration	For the year ended	Tentative date for transfer to IEPF
70	15.09.2017	31.03.2017	22.10.2024
71	28.09.2018	31.03.2018	05.11.2025
72	20.09.2019	31.03.2019	27.10.2026
74	24.09.2020	31.03.2020	01.11.2027
75	24.09.2021	31.03.2021	01.11.2028
76	23.09.2022	31.03.2022	01.11.2029
77	24.11.2022	31.03.2023	02.01.2030

Pursuant to the provisions of the Companies Act, 2013 and the rules notified thereunder, the Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which have not been encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on August 22, 2023 (date of last Annual General Meeting) are available on the website of the Company www.philips.co.in.

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

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

18. Scrutinizer for AGM through VC/OAVM:

- I. Dr. Asim Kumar Chattopadhyay has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the e-voting as well as remote e-voting process in a fair and transparent manner.
- II. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, submit to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- III. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of Kfintech immediately after the declaration of result by the Chairman or a person authorized by him in writing.

19. GENERAL INFORMATION:

- I. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- II. The voting rights shall be as per the number of equity shares held by the Member(s) as on September 20, 2024, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

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DIRECTORS' REPORT

For the financial year ended March 31, 2024

To the Members,

Your Company's Directors are pleased to present the Ninety Fourth (94th) Directors Report of the Company, along with the Audited Annual Accounts for the financial year ended March 31, 2024 ('the year').

I. FINANCIAL PERFORMANCE

I.1 RESULTS

	Rs. in Millions	
	2023-24	2022-23
Gross Income	60,613	58,059
Profit before tax	3,269	3,208
Provision for current tax	(889)	(827)
Deferred tax – Credit / (Charge)	195	219
Profit after tax	2,575	2,600

I.2 SEGMENTWISE SALES

	2023-24	2022-23
Personal Health	7,658	7,746
Health Systems	28,338	26,493
Innovation Services	22,719	21,729
Others	659	714
Total	59,374	56,682

I.3 FINANCE & ACCOUNTS/STATE OF COMPANY AFFAIRS

Your Company witnessed a 1.9% growth in profit at Rs.3,269 million (Profit before Tax) as against Rs.3,208 million (Profit before Tax) in the previous year (2022-23). During the year, capital expenditure incurred is Rs. 6,201 million vis-a-vis Rs. 1,701 million during the previous year (2022-23) and were towards HIC capacity, PIC new facility and IT equipments etc.

Company's retained earnings have witnessed an increase of Rs. 2,553 million from previous financial year (2022-23) which stood at Rs. 11,768 million. The cash in hand balance at the end of year stood at Rs. 2,728 million (31 March 2024) against Rs. 2,118 million at the end of previous year (31 March 2023). Due to the modest financial performance and volatility in the industry and to ensure efficient management of operations going forward, the Board of Directors are not recommending any dividends to be distributed.

I.4 ANNUAL RETURN

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

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

I.5 DIVIDEND

The directors do not recommend any dividend for the financial year 2023-24.

2. SHARE CAPITAL

The Authorised Share Capital of your Company is Rs. 1,120,000,000/- comprising of 92,000,000 equity shares of Rs. 10/- each and 2,00,00,000 preference shares of Rs. 10/- each. The paid-up equity share capital of the Company is Rs. 575,172,420/- comprising 57,517,242 equity shares of Rs. 10/- each fully paid-up. There is no change in the authorised share capital and paid-up equity share capital of your Company during the year under review.

The Company is in the process of reducing its issued, subscribed and paid-up equity share capital from the existing Rs. 57,517,242 (Indian Rupees five hundred seventy five million one seventy two thousand four hundred and twenty only) divided into 57,517,242 (fifty seven million five hundred seventeen thousand and two hundred forty two) equity shares having a face value of Rs. 10 (Indian Rupees ten only) each fully paid up, to Rs. 552,902,420 (Indian Rupees five hundred fifty two million nine hundred two thousand four hundred and twenty only) divided into 55,290,242 (fifty five million two hundred ninety thousand two hundred and forty two) equity shares having a face value of Rs. 10 (Indian Rupees ten only) each fully paid up, by cancelling and extinguishing 2,227,000 (two million two hundred twenty seven thousand) equity shares having a face value of Rs. 10 (Indian Rupees ten only), in aggregate, constituting 3.87% of the total issued, subscribed and paid-up equity share capital of the Company held by all the equity shareholders of the Company other than Koninklijke Philips N.V. and Philips Radio B.V.

Pursuant to the approval of the Board at its meeting held on October 31, 2023 and shareholder's approval by way of special resolution passed through postal ballot on December 9, 2023, Company petition was filed with National Company Law Tribunal ("NCLT"), Kolkata. The aforesaid Company Petition was presented on December 19, 2023 and admitted by an order of the Hon'ble Tribunal dated January 4, 2024. Currently, the matter is pending before the NCLT.

During the year under review, the Company has never issued any convertible securities / shares with differential rights (as to dividend, voting or otherwise) / sweat equity shares / warrants.

3. TRANSFER TO RESERVES

During the financial year 2023-24, your Company does not propose any transfer to General Reserve.

4. DEPOSITS

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

5. BUSINESS PERFORMANCE

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

5.1 HEALTH SYSTEMS

During the year 2023-24, the Health Systems business of your Company delivered a strong performance considering the various headwinds on account of the global macro-economic scenario. Health Systems primarily focuses on selling and distributing healthcare products and services, as well as contract manufacturing and contract R&D for the Philips Group in India.

Market Share in the addressable market has seen a decline in comparison to the previous year. With the challenges in global macro-economic and geo-political situation, your Company is consciously navigating through headwinds on account of inflation, adverse currency fluctuation and supply chain disruptions. The impact of the above is expected to continue in the medium term. Your Company has chosen a balanced approach on the portfolio, thereby witnessing market share decline in select categories while sustaining profitability.

With launch of wide bore helium free, multi-nuclei and AI solutions in 1.5T and 3T MRI, the Company is addressing the changing market needs and solving for rising helium shortages globally. Our latest innovation in Spectral CT, allows for precision diagnosis of cancer and cardiac ailments. Philips compact series ultrasound offers superior performance in a compact portable form. General care solutions with Intellivue Guardian SW app support clinicians with optimized workflow in general wards.

5.2 PERSONAL HEALTH

The financial year 2023-24 presented a dynamic and challenging environment for businesses, characterized by unpredictability in economic conditions. The confluence of inflationary pressures, rising interest rates, slowing discretionary spending, impacted consumer behavior and demand patterns. Personal Health primarily deals in selling and distributing health-hygiene, mother and childcare products of Philips group in India.

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In 2023-24, Personal Health business declined by 1% compared to the previous financial year, primarily due to the volatile and dynamic competitive environment. Intense competition from low-cost players in core categories, coupled with the emergence of new product segments, has reshaped the competitive landscape and significantly impacted the business.

Amidst the volatility and challenges of 2023-24, your Company has persisted in its commitment to innovation, exemplified by the launch of a new range of products such as Philips Nourish Care hair straightener, the limited edition of Beard Trimmer and co-designed with our brand Ambassador and Famous Cricketer Virat Kohli. Nourish care Hair Straightener was special indeed as it was designed for the Indian women and manufactured in India. These new launches have added more options for consumers to choose from the pre-existing stellar self-care product portfolio such as the Philips Hair Straightening Brush, Philips Avent Sterilizer and Sterilizer bags, Philips Avent Electric and Manual Breastfeeding Pumps, Philips Avent feeding bottle and more.

With the aim to build brand relevance and drive preference, the Company has leveraged the power of digital to reach out to the young target consumers and also enhance its social media presence. The Company continues to engage Cricket stars, Popular Cinema Stars and Top Influencers to drive engagement with the young consumers across the country. This year, the Company launched multiple new campaigns – Philips Nourish care Hair Straightener with Alia Bhatt, Philips Multi-groomer range with our brand Ambassador and Famous Cricketer Virat Kohli, Philips One Blade and Philips Avent – Share the Care.

5.3 PHILIPS INNOVATION CAMPUS

Philips Innovation Campus, Bengaluru (PIC-B) established in 1996 as a premier software research and development organization serving for Royal Philips, today hosts 4400+ top-notch professionals working on developing products and innovative solutions across the healthcare continuum to improve people's health. Philips Innovation Campus is a contract Software developer for Philips Group. It is one among the four innovation hubs globally in the Philips ecosystem.

The Centre is working on solutions based on artificial intelligence and machine learning, smartphone and tablet enabled data analytics, AI-based radiology solutions, with Philips group remote management of ICUs and cloud-based solutions with Philips group. 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, Image Guided Therapy, Connected Care and Personal Health businesses.

PIC-Bengaluru has an established working model that leverages strengths businesses enabling value creation for our customers, thereby driving Philips mission of providing impact with care. It is leveraging the ecosystem, combining the strength of Philips and our partners to co-create patient centric healthcare solutions.

During the year, Sales amounted to Rs. 22,700 million (as compared to Rs. 21,700 million in 2022-23). PIC's average workforce during 2023-24 was 4,489 (4,578 in 2022-23).

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

The Company is in the process of reducing its issued, subscribed and paid-up equity share capital by cancelling and extinguishing 2,227,000 (two million two hundred twenty seven thousand) equity shares constituting 3.87% of the total issued, subscribed and paid-up equity share capital of the Company. As stated above, the matter is pending in NCLT.

Further, the Company had transitioned from "Philips India Ltd Management Staff Provident Fund Trust" to "Employees Provident Fund Organization ("EPFO")" during 2021-22. As a result of complaint received on the transfer, the EPFO had ordered re-audit of the said transition. Consequent to this, the Company had received a demand notice for Rs. 2,492 million from EPFO. Basis the facts and legal opinion obtained, the Company has concluded that the demand is frivolous and without any substance. Accordingly, the Company filed a writ petition with the Karnataka High Court. The Court has ordered a stay on the above demand.

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

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

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

8. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

9. BUSINESS RESTRUCTURING OR CHANGE IN THE NATURE OF BUSINESS

There was no Business Restructuring done during the financial year 2023-2024 except for filing of an application for capital reduction with NCLT Kolkata.

Further, during the financial year 2023-24 there was no change in the nature of business of the Company.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of Board of Directors of the Company on the date of this report are as follows:

Name of the Director	Designation	DIN
Angarai Dorairajan Aditya Ratnam	Non-Executive Independent Director-Chairman	05296020
Geetu Gidwani Verma	Non-Executive Independent Director	00696047
Dev Kumar Tripathy	Whole - Time Director and Chief Financial Officer	10373357
Harish Chawla	Whole - Time Director	07958339
Bharath Ram Raman Sesha	Managing Director effective from September 1, 2024	01983066

Pursuant to the provisions of Section 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time the following are the Key Managerial Personnel of the Company on the date of this report.

Name	Designation
Dev Kumar Tripathy	Whole - Time Director and Chief Financial Officer
Harish Chawla	Whole - Time Director
Bharath Ram Raman Sesha	Managing Director effective from September 1, 2024

During the year, the following changes had been taken place in the constitution of Board of Directors of the Company:

1. Mr. Sudeep Agrawal (DIN:08056132) resigned from the position of Whole-time Director and Chief Financial Officer of the Company with effect from close of business hours of October 03, 2023.
2. Mr. Dev Kumar Tripathy (DIN: 10373357) was appointed as Chief Financial Officer of the Company with effect from October 31, 2023.
3. Mr. Dev Kumar Tripathy (DIN: 10373357) was appointed as Additional Director and Whole time Director with effect from December 15, 2023.
4. Ms. Pooja Bedi (DIN: 06934281) resigned from the position of Whole-time Director and Company Secretary of the Company with effect from the close of business hours of March 20, 2024.

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Subsequent to the close of the Financial Year, following changes took place in the constitution of Board of Directors of the Company

1. Mr. S.M. Datta (DIN: 00032812) resigned as Independent Director of the Company with effect from the close of business hours of July 17, 2024.
2. Mr. Daniel Mazon (DIN: 07954025) resigned from the Board and Managing Director of the Company with effect from close of business hours of July 17, 2024.
3. Mr. Angarai Dorairajan Aditya Ratnam (DIN: 05296020) was appointed as an Additional director in the capacity of an Independent Director of the Company with effect from July 18, 2024.
4. Mr. Harish Chawla (DIN:07958339) was appointed as an Additional Director and Whole time Director of the Company with effect from July 18, 2024.
5. Mr. Bharath Ram Raman Sesha (DIN 01983066) has been appointed as an Additional director and Managing Director of the Company with effect from September 1, 2024.

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

Consequent to the resignation of Mr. Sudeep Agrawal, Ms. Pooja Bedi, Mr. S.M. Datta and Mr. Daniel Mazon, there was no director (Other than Geetu Gidwani, Independent Director) who served longest period of office, liable to retire by rotation. Therefore, re-appointment of Director liable to retire by rotation is not recommended for consideration by the shareholders.

The Board, upon the recommendation of Nomination and Remuneration Committee has recommended the appointment of following Directors at the ensuing Annual General Meeting of the Company:

Name	Proposed Appointments
Dev Kumar Tripathy	Whole - Time Director and Chief Financial Officer
Angarai Dorairajan Aditya Ratnam	Non-Executive Independent Director
Harish Chawla	Whole - Time Director
Bharath Ram Raman Sesha	Managing Director effective from September 1, 2024

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2023-24, 5 (five) Meetings of the Board were held viz. on May 26, 2023, July 07, 2023, October 31, 2023, December 15, 2023 and March 20, 2024, which were attended by all the Directors. No leave of absence was requested for any of the meetings held during the year by any Director.

12. BOARD EVALUATION

The Nomination and Remuneration Committee of the Company has a robust framework for evaluation of the Board, Committee and individual directors. The Board had carried out an evaluation of its own performance, Board Committees and Individual Directors, on an annual basis, pursuant to the provisions of the Act. A detailed questionnaire was circulated to all the directors, responses were analyzed and results were discussed by the Board.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In a separate meeting of the Independent Directors held on May 26, 2024, performance of Non- Independent Directors, performance of the Board as a Whole was evaluated. The discussion was also made upon the Committees of the Board and Individual Directors of the Company.

13. COMMITTEES OF THE BOARD

13.1 AUDIT COMMITTEE

The Board has constituted an Audit Committee in terms of Section 177 of the Companies Act, 2013. During the year there were changes in the constitution of the Audit Committee due to the resignations and appointments of directors. At the end of the financial year i.e. on March 31, 2024, the Audit Committee comprised of the following members:

• Mr. S M Datta, Non-Executive Independent Director	Chairman
• Mr. Dev Kumar Tripathy, Whole Time Director and Chief Financial Officer	Member
• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member

Subsequent to the close of year, there were change in the constitution of the Audit Committee. The Audit Committee as on the date of this Board Report comprises of the following members:

• Mr. Angarai Dorairajan Aditya Ratnam, Independent Director	Chairman
• Mr. Dev Kumar Tripathy, Whole Time Director and Chief Financial Officer	Member
• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member

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

During the year, the Committee conducted its 5 (Five) meetings viz. on May 26, 2023, July 07, 2023, October 31, 2023, December 15, 2023 and March 20, 2024. All the meetings were attended by all the Directors except the Audit Committee meeting held on July 07, 2023 which was not attended by Mr. S M Datta.

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

Mr. S. M. Datta, attended the Annual General Meeting of the Company held on August 22, 2023 to Chair the Meeting and to respond to the shareholders' queries.

13.2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year, there has been a change in the constitution of the Corporate Social Responsibility Committee. At the end of the year i.e. on March 31, 2024, the Corporate Social Responsibility Committee comprised of the following members:

• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Chairperson
• Mr. Daniel Mazon, Managing Director and Vice Chairman	Member
• Mr. Dev Kumar Tripathy, Whole-time Director and Chief Financial Officer	Member

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Subsequent to the close of year, there was change in the constitution of the CSR Committee. The CSR Committee as on the date of this Board Report comprises of the following members:

• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Chairperson
• Mr. Dev Kumar Tripathy, Whole-time Director and Chief Financial Officer	Member
• Mr. Harish Chawla, Whole-time Director	Member

During the year, the meetings of the Committee were held 2(Two) times i.e. on May 26, 2023 and February 13, 2024 which was attended by all the Directors. No leave of absence was requested for any of the meetings held during the year by any Committee Member.

Your Company was engaged in Corporate Social Responsibility (CSR) Projects, during the year 2023-24, the details of which are set out in Annual Corporate Social Responsibility report attached as **Annexure I** to this Board's report. All the requisite amount was spent during the year.

13.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted by the Board in terms of Section 178 of the Companies Act, 2013. During the year, there were changes in the constitution of the Stakeholders' Relationship Committee. At the end of the year i.e. on March 31, 2024, the Stakeholders' Relationship Committee comprised of the following members:

• Mr. S M Datta, Non-Executive Independent Director	Chairman
• Mr. Daniel Mazon, Managing Director and Vice Chairman	Member
• Mr. Dev Kumar Tripathy, Whole-time Director and Chief Financial Officer	Member

Subsequent to the close of year, there was change in the constitution of the Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee as on the date of this Board Report comprises of the following members:

• Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Chairman
• Mr. Harish Chawla, Whole-time Director	Member
• Mr. Dev Kumar Tripathy, Whole-Time Director and Chief Financial Officer	Member

During the year, the meeting of the Committee were held on May 26, 2023, October 31, 2023, December 15, 2023 and March 20, 2024, attended by all the Directors. No leave of absence was requested for the meeting held during the year by any Committee Member.

13.4 NOMINATION AND REMUNERATION COMMITTEE

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

During the year, there were changes in the constitution of the Nomination and Remuneration Committee. At the end of the year i.e. on March 31, 2024, the Nomination and Remuneration Committee comprised of the following members:

• Mr. Daniel Mazon, Managing, Director and Vice Chairman	Chairman
• Mr. Dev Kumar Tripathy, Whole-Time Director and Chief Financial Officer	Member
• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member
• Mr. S.M. Datta, Non-Executive Independent Director	Member

Subsequent to the close of year, there was change in the constitution of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee as on the date of this Board Report comprises of the following members:

• Mr. Dev Kumar Tripathy, Whole-Time Director and Chief Financial Officer	Chairman
• Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Member
• Ms. Geetu Gidwani Verma, Non-Executive Independent Director	Member
• Ms. Harish Chawla, Whole-time Director	Member

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, the 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 4 (Four) times i.e. on May 26, 2023, October 31, 2023, December 15, 2023 and March 20, 2024., which were attended by all the Directors. No leave of absence was requested for any of the meetings held during the year by any Committee Member.

14. DECLARATION BY INDEPENDENT DIRECTORS

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

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

During the year, the Audit Committee of the Board, considered and reviewed internal control systems as well as financial disclosures.

16. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

17. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company focuses on the workforce for the future with the purpose of improving people’s health and well-being through customer centricity, meaningful innovation and focus on employee development.

The Company believes in the three core pillars of People Strategy namely transformation, Culture and Empowerment.

With transformation, we focus on adapting to changes in the business environment, technology and market dynamics through workforce planning, upskilling, agility, diversity and digital transformation. At Philips we believe, Culture shapes employee behavior, engagement and performance and stress on values, employee experience, communication, recognition and change management. We believe, effective leadership and empowered employees drive success and hence at Philips we ensure leadership development, performance management, empowerment, career growth and well-being matter. These pillars align with the Company’s goals and vision, creating a strong foundation for growth.

Transform our Organization and Workforce for the Future

Your Company is committed to empowering talent with cutting edge capabilities and aligned culture to drive predictable execution with superior quality and speed. In 2023-24, your Company continued to strengthen the strategic workforce plan and focused on a balanced combination of build and buy strategy to ensure 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 to meet the ever-changing business requirements.

With a special focus on encouraging and developing internal talent to take on diverse and bigger roles your organization filled 42% + job requisitions with internal talent & increased internal mobility significantly compared to the previous year. Your organization further built on its capabilities by hiring more than 24% talent from MedTech organization which helped with embedment of patient safety & quality culture across the organization.

You Company successfully launched a new campus initiative called 'Philips Day' to collaborate with campuses across India. We visited various campuses and interacted with thousands of curious and energetic students with leadership sessions and engagement activities.

Your Company continues to accelerate on enhancing gender diversity, through targeted initiatives to attract, engage and retain women talent in your Company. We partnered with the non-profit Society of Women Engineers (SWE) to host a Leadership Symposium at the Philips office in Pune and were part of the SWE We Local conference in Bengaluru.

In 2023-24 multiple initiatives have been successfully executed at Philips Innovation Campus to ensure that your Company continues to be a software powerhouse driving superior quality software that aids in delivering impact with care. To promote peer learning, best practice & knowledge sharing, industry expert & customer interactions, build outside -in perspectives and enhance the sense of belongingness, your Company formed 6 Community of Practitioners (CoPs) viz., Data and AI community, Architects community, Project and Program Management community, Product Management community, Systems Software community and People Leaders community. More than 3000 employees are actively engaged and are contributing to these CoPs.

Your Company also continues to invest in developing commercial leaders of the future by structurally driving development across commercial functions and levels. Your Company successfully delivered on their commitment to 'Grow from Within', an initiative focused towards taking bold bets on internal talent and giving them aspirational growth opportunities. As a result, your Company saw close to 29% of overall commercial roles being filled internally and about 80% of health systems leadership roles were filled by internal talent.

To strengthen customer interactions, Customer Project Managers and Customer Service field teams participated in a customized program focused on impactful customer relations and commercial skills. Additionally, selecting top talent underwent a Leadership Effectiveness program designed to enhance their leadership capabilities for more complex roles. Your Company adopted a structured approach towards functional training and development of the sales teams across business. These included sales enablement, product/technical, skill development and tools and process training.

Your Company embraced the future of work by making flexible work and Gigs real. Gigs are flexible development opportunities our employees undertook alongside their current role, empowering them to build meaningful careers at Philips while strengthening collaboration and creating competitive advantage for the Company.

Your Company is committed to acting responsibly towards the planet and society, as also reflected in our ESG commitments. In 2023, Philips conducted Human Rights Impact Assessments (HRIAs) at its sites in Pune (India), living up to its commitment of conducting HRIAs at 100% of its at-risk sites by 2023 to gain insights into the views of potentially affected stakeholders, engage in constructive dialogue with them, and determine which actions and management processes are needed to effectively mitigate and address human rights risks based on knowledge of how our global policies and codes related to human rights are implemented locally.

You would be pleased to learn that the Philips Healthcare Innovation Center (HIC) in Pune was recognized with the Pune Best Employer Brand Award 2023. The award by CHRO Asia and the World Federation of HR Professionals recognizes companies in Pune with exemplary practices and marketing communication excellence for Human Resources Development. The award underlines our commitment to attracting, retaining and nurturing talent, enabling them to flourish and advance at Philips.

Evolve our Culture

Your Company focused significantly on activating a culture of Patient Safety, Quality & Integrity, Speaking -Up & Health & Wellbeing for its employees.

Your Company organized its first ever Psychological Safety Week initiative that emphasized the freedom to share ideas, concerns, questions. The cornerstone of this initiative was to build a culture where employees feel safe in contributing what they believe will take Philips' journey in Patient Safety and Quality forward. The week saw 15 Leadership team members coming forward and sharing their stories and perspectives and thus making this initiative inspiring for employees. Additionally, employees were also encouraged to take up the training so that they are fully equipped to support in this journey. At the end, there were 1500+ employees who took the pledge to continue to champion this cause. Several employees came forward to share their stories and experiences in a #yourvoicematters campaign.

Your Company also introduced Listening Corners, an initiative to move us closer to our people and listen attentively to their voices. This complemented the organization's broader efforts to provide channels and forums for every individual to share their perspectives. The goal was to gain first-hand input from employees and understand the level of engagement in two crucial areas: Confidence in Future Success and Orientation towards Customer & Competition. Many employees participated in sharing their thoughts, concerns and perspectives, and provided leaders with a direct pulse from their talent.

Your Company ensures that its employee benefits and offerings stay competitive with respect to the market, hence attracting and retaining the right talent throughout the year. This is done with regular market benchmarking and pay structure review exercises by the People Function.

As a key pillar to the culture shift agenda, your Company continues to put great emphasis on the Health & Well-being of its employees. To ensure there is consistent and enhanced employee experience, your Company activated multiple health and well-being interventions, ranging from tie-ups and discounts for health check-ups and OPD, organizing webinars for mental wellness & stress management, Yoga session to extending our in-house product Philips Heartprint as a pilot offering to all employees at zero cost. Philips Heartprint is the world's first smartphone-based heart health early guidance solution. This innovative service is designed to measure your health, increase awareness of emergent risks, provide early lifestyle guidance, and facilitate precise referrals to the healthcare system for proactive heart health management. The heart print pilot was successful with more than 8000+ scans and 1000+ heart prints.

With a strengthened Reward & Recognition framework, the annual recognition forum – the CEO Awards 2023 also reinstated the importance of Patient Safety that our organization puts in for all our customers by addition of a new category – “Champions of Patient Safety”. This annual recognition event was well appreciated by your employees and the group of winners had the opportunity to come together to meet the India leadership team and receive the awards in person at the Gurugram office.

Your employee engagement scores across all locations and sites are positive with an average response rate of 86% and an increase in overall engagement by 200 basis points to 83%. 88% of your employees feel proud to work with Philips and 84% of employees recommend Philips as a great place to work. 93% employees feel Patient Safety & Quality are top priority at all levels in Philips and 92% employees feel comfortable in reporting any concern, no matter how small. The well-being and Work Life Rhythm scores have remained high at 84%.

Your Company continues to accelerate on enhancing gender diversity. Through targeted initiatives to attract, engage and retain women talent in your Company, We were successfully able to train more than 100 of our people managers on “License to Hire” to ensure an unbiased hiring approach, thereby increasing the overall gender ratio to 29% in 2023 and continue to make notable progress through strong metrics-based approach followed through by Daily Management Board, formal targets for identified senior grades and focused efforts to replace open positions through women talent.

Your Company is committed to building a diverse workforce and providing equal employment opportunity to all individuals & qualified applicants. We have increased focus on hiring diversity beyond gender with a targeted approach towards hiring people with disabilities and hiring from LGBTQIA+ community. Diversity improvement initiatives like Bias at work, Daily Management Board, earmarking of roles, External social branding, Leadership role modelling helped enhance the overall diversity hiring for your organization.

To promote camaraderie, belongingness and support, there are several strong Employee Groups across the company (ERGs) viz 'India Philips Women Lead (IPWL)' our Women's network, an initiative designed to create a collective of strong

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women leaders, building a stronger community on the pillars of Health & Wellbeing, Professional Development, and Culture 'Rainbow Network for LGBTQIA+ community 'Young Leaders Club (YLC)' to promote generational inclusivity. 'PULSE' an employee engagement and culture committee at Philips Healthcare Innovation Center (HIC) fostering unity with events like cricket tournaments, chess battles, and Diwali celebrations, engaging 900 employees in cricket tournament.

The said ERGs are voluntarily led by employees and have a formal charter of initiatives for and engaging respective communities through driving active participation.

Your Company has an overall attrition at 14.7% in comparison with the Industry Benchmark at 20%, with the voluntary attrition being at 12.7%; Involuntary at 2%.

Enable our Leaders and Empower our People

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

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

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

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

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

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

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

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

19. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

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

20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

21. RELATED PARTY TRANSCATIONS

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

22. STATEMENT OF RISK MANAGEMENT

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. Your Company strives to create a balance of sustainable growth and resource efficiency and hence to cater to its growth path, build resilience and take timely action, potential business risks and opportunities are identified and assessed. Mitigation actions are actively monitored through regular cadences and by ensuring compliances with legal and financial requirements.

23. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge confirm that:

- i. In the preparation of the annual accounts, 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, 2024 and of the profit of the Company for the year ended March 31, 2024;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. AUDITORS

At the Annual General Meeting of the Company held on September 24, 2021, M/s S.R. Batliboi & Co. LLP, Chartered Accountants had been re- appointed as Statutory Auditors of the Company, for a further period of 5 years. Vide notification dated May 7, 2018, issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of Statutory Auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in notice of the Ninety Fourth (94th) Annual General Meeting of the Company.

The Statutory Auditors of the Company have reported that during the year under review, the Company does not have server physically located in India for the daily backup of the books of accounts and that the feature of recording audit trail facility in the accounting software is not enabled for direct changes to the database level.

The Statutory Auditors were present in the last AGM.

25. COST AUDITORS AND COST RECORDS

Your Company is required to carry out an audit of the Company's cost accounts in respect of healthcare equipment. Pursuant to the provisions of Section 148 of the Companies Act, 2013, your Directors have approved the appointment of M/s Nanabhoy & Company, a firm of cost accountants, to conduct the Cost Audit for the year ending March 31, 2025, at a

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remuneration of Rs. 760,000 (Rupees Seven Hundred Sixty thousand only) plus applicable taxes and out of pocket expenses, subject to the confirmation of such remuneration by the members of the Company at its Annual General Meeting.

Cost Audit Report for the financial year 2023-24 does not contain any qualification, reservation, disclaimer or adverse remark.

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

26. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act 2013 and rules made thereunder, the Board of Directors had appointed Ashok Tyagi Company Secretary in Practice as Secretarial Auditors of the Company for the financial year 2023-24. The secretarial auditors have submitted their report confirming inter-alia compliance by the Company subject to the constitution of Nomination and Remuneration Committee and keeping a backup of books of accounts on a daily basis in India in accordance with the provisions of Rule 3 of Companies (Accounts) Rules, 2014. The copy of the report is attached as **Annexure IV** to this report.

27. DIRECTORS RESPONSE TO AUDITORS REMARKS

The backup of books of accounts are being maintained for Philips group at a global level and the Company was finding technical challenges in moving the location of entire server or taking backup of the Company in India only which is taking lot of time. The Company has already initiated the process and is in the final stages of implementation and the same shall be in place during the financial year 2024-25.

Further, the management would like to submit that the Company has been using SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level. There was no instance of audit trail feature being tampered with was noted in respect of SAP accounting software where the audit trail has been enabled. The Company had tried its best to enable the same at database level too, however the same could not happen due to practical challenges which are being faced industry wide on all similar companies.

Your Directors would further like to submit that during the year there had been series of changes in the constitution of Board of Directors and that the Board is still reviewing the composition of Committees and taking steps to ensure adequate compliance with the requirements of Companies Act 2013.

28. PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016, during the year.

29. ONE TIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION

The Company has not entered into any one-time settlement with Banks or Financial Institutions; therefore, there was no reportable instance of difference in amount of the valuation.

30. EMPLOYEE STOCK OPTIONS SCHEME

The Company has neither approved any Stock Options Scheme during the year nor there is any Stock Option Scheme subsisting from previous years.

31. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company adhered to the provisions of SS-1 and SS-2 during the financial year 2023- 24.

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

In compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ("Act"), Philips circulated the Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees at Workplace Policy ("Policy"). The Company has, accordingly, established a Core Complaints Redressal Committee at the Corporate Office in Gurugram and Site Complaint Redressal Committees in Pimpri, Chakan, Bangalore, Mumbai, Chennai and Kolkata.

During the year, the Company received four complaints of sexual harassment, which were investigated, actions were taken and resolved. Further trainings were conducted to increase the awareness of employees.

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 : August 7, 2024

Angarai Dorairajan Aditya Ratnam
(Chairman)
DIN: 05296020

ANNEXURE - I

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

The CSR team of Philips India dedicates its efforts to addressing healthcare and related issues, with a primary focus on the well-being of women, children, and adolescents. By promoting healthy living and preventive healthcare, the team strives to ensure that underprivileged communities have access to quality healthcare services. This commitment underscores Philips India's dedication to improving health outcomes and supporting the broader objectives of the UN Sustainable Development Goals.

In the reporting year, the Company's CSR programs primarily targeted improving the health of mothers, children, and adolescents, along with enhancing healthcare access for economically disadvantaged community members. Efforts included multi-year projects aimed at increasing affordable healthcare availability and reducing childhood pneumonia through awareness campaigns and encouraging proper vaccination for mothers. The Company has implemented community health awareness initiatives, mobile medical units, and programs to treat heart diseases in both children and adults. Additionally, the Company has increased access to digital technology by providing laptops to teacher trainers (eventually providing access to students), and graduate and post-graduate students that will help them enhance their learning opportunities, develop essential digital skills and improve their academic performance. By developing a detailed recording and reporting system, the Company has worked towards heart surgeries, improved access to primary healthcare and digital tools for education and focused on enhancing reproductive, maternal, child and adolescent health.

Collaborating closely with NGOs such as Smile Foundation, PCOS Society of India, Rotary Bangalore, ZMQ, Recal Foundation, and Kaivalya Education Foundation the Company is taking a strategic and comprehensive approach to ensure positive outcomes for its social investment programs. The CSR Policy of the Company is accessible on its website by following the link:

https://www.philips.co.in/a-w/about/philips-india-limited.html#slide_corporate_social_responsibility

2. Composition of the CSR Committee.

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

1. Daniel Mazon has resigned from the committee with effect from July 17, 2024
2. Sudeep Agrawal has resigned from the committee with effect from October 3, 2024
3. Dev Kumar Tripathy was inducted to the Committee with effect from March 20, 2024
4. Pooja Bedi has resigned from the committee on March 20, 2024
5. Harish Chawla was inducted to the Committee with effect from July 18, 2024

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

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

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

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

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

Not Applicable

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

- (a) Average net profit of the company as per sub-section (5) of section 135.
Rs. 2,804,666,667

- (b) Two percent of the average net profit of the company as per sub-section (5) of section 135.
Rs. 56,093,333
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
Rs. 0
- (d) Amount required to be set-off for the financial year, if any.
Rs. 0
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)].
Rs. 56,093,333
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
Rs. 53,351,453
- (b) Amount spent in Administrative Overheads.
Rs. 2,741,880
- (c) Amount spent on Impact Assessment, if applicable.
NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)].
Rs. 56,093,333
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 56,093,333	NIL	NA	NA	NA	NA

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	NA
(ii)	Total amount spent for the Financial Year	NA
(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	NA
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year 2023-24 (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
				Amount (in Rs)	Date of Transfer			
1	FY 2020-21	19,456,142	Nil	Nil	3,428,343	14 June 2023	Nil	XXX
2	FY 2021-22	28,289,258	5,421,143	5,421,143	Nil	NA	Nil	XXX
3	FY 2022-23	2,40,00,000	24,000,000	11,800,000	Nil	Nil	12,200,000*	NA

*Note: Rs. 1,22,00,000 is on account of the ongoing projects approved by the board of directors which are scheduled to be spent during the third financial year of the project i.e. in the year FY 2024-25.

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

Yes No

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
I	Recal Foundation- 100 refurbished laptops Recal Foundation: Ground Floor, Admin Block, NIT Trichy, Tanjore Main Road, NH67, Tiruchirappalli – 620015	Recal: 603210 (Chennai) 620015 (Trichy)	25 March 2024	17,28,958.78	Recal: CSR00035797	Recal Foundation	Recal Foundation: Ground Floor, Admin Block, NIT Trichy, Tanjore Main Road, NH67, Tiruchirappalli – 620015
	KEF - 100 refurbished Laptops Kupwara Location: District Library Kupwara, opposite Masjid Ul Murshadeen Kupwara, Pin-193222 Nuh: DEEO Office (Education Department) Mini Secretariat ,Nuh Pin-122107	Nuh: 122107 Kupwara: 193222	27 June 2023 and 29 Feb 2024	24,23,081.34	KEF: CSR00000617	Kaivalya Education Foundation	KEF: 02nd Floor, Piramal Ananta, Piramal Agastya Corporate Park, LBS Marg, Kurla West, Mumbai, Maharashtra, India - 400070.

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

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

Not applicable

On behalf of the Board of Directors
For Philips India Limited

On behalf of the Board of Directors
For Philips India Limited

Dev Kumar Tripathy
(Whole-time Director & CFO)

Geetu Gidwani
(Chairman CSR Committee)

Place: Gurugram
Date: August 7, 2024

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 2024

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2023-24:

1. The steps taken or impact on conservation of energy:
 - a) Energy Week Celebrated with various campaigns and sessions conducted for awareness on Energy Conservation.
 - b) New projects identified for Energy Conservation on HVAC / Lights/ Transformer usage and same are implemented.
 - c) Continuing with the previous implemented projects in FY 2022-2023.
 - d) Considered energy efficient equipment during new procurement of Electrical Goods.Viz. – AC Compressors of HVAC system, Lights etc.
2. Steps taken by the Company for utilizing alternate sources of energy
 - a) 1 MW Rooftop Solar plant kept functional generating 80 KW Units/Month.
3. The capital investment on energy conservation equipment

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

B. RESEARCH AND DEVELOPMENT

Philips Innovation Campus is a contract software developer for Philips Group. It is one among the four innovation hubs globally in the Philips ecosystem. Philips Innovation Campus, Bengaluru (PIC-B) established in 1996 as a premier software research and development organization serving for Royal Philips, today hosts 4400+ top-notch professionals working on developing products and innovative solutions across the healthcare continuum to improve people's health.

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, Image Guided Therapy, Connected Care and Personal Health businesses.

PIC-Bengaluru has an established working model that leverages strengths businesses enabling value creation for our customers, thereby driving Philips mission of providing impact with care. It is leveraging the ecosystem, combining the strength of Philips and our partners to co-create patient centric healthcare solutions.

Innovation for Businesses at Enterprise level:

Magnetic Resonance Imaging (MRI)

The team is working on improving EasyPlan further by adding artificial intelligence and moving towards one-touch planning for Cardiac examinations. The team is also enabling Cloud connectivity to enable the integration of 3rd party Cloud applications around Neurology, Oncology and Cardiology.

Ultrasound

Some of the recent releases and upcoming areas, where PIC-B team has an important role, are

1. Lumify 5.0, comes with the unique AI solution called Auto EF where the ejection fraction in the left ventricle is calculated using an AI solution.

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2. Multiple other products & solutions in POC (Point of care), CV (Cardio Vascular), OB (Obstetrics) & GI (General Imaging) space.

On the NextGen Technology area, Ultrasound team is working on some unique AI solutions to solve the problems in Healthcare in partnership with Bill and Melinda Gates foundation and few other partners.

Enterprise Informatics

In Clinical Informatics, the team is reimagining Advanced Visualization (AV) and Artificial Intelligence (AI) as services with flexible workflow, customization, automation and AI to provide uniform user experience across points of care.

PIC-B team is focused on standardizing compute environment of VuePACS and service tools to enable faster implementation of VuePACS. Team is working towards Core PACS functionality lift & shift to the AWS cloud as part of Radiology informatics.

Radiology Operations Command Centre is setup to showcase all-important KPIs and dashboards enabling 24/7 operations along with other key information. The command centre brings visibility and awareness which can derive immediate actions towards high priority issues.

Personal Health (PH)

Grooming & Beauty

The Grooming and Beauty team focused on delivering digital solutions via multiple mobile applications towards Smart Shavers, One Blade and Lumeia which provide in-app personalized coaching using AI models.

Mother & Childcare

The team focuses on delivering digital solutions through multiple mobile applications for Pre-Conception Pregnancy and Post-Partum phases. These solutions offer personalization through content, educational resources and AI models.

Image Guided Therapy (IGT)

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

The team in Bangalore plays pivotal role in:

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

The year also saw the first release of Software component platform for unified workflows AppOS1.0, which will be consumed by IGT Devices Avila Program. AppOS2.0 is being delivered for SmartNav iApps Program. The SCSS team delivered ServiceHub as Remote Service Solution via HS Edge for IGT Cathlab. The Centre for Excellence in Automation improved the quality and reliability of systems & parts.

HealthSuite Service Analytics & Platform (HSSAP)

HSSAP team at PIC-B has been engaged to help businesses unlock value of independently evolving Business and third party (AI) applications in the Cloud and unlock insights to optimize customer value and workflow performance from telemetry and other data. The team also enables Philips Business needs for industry-standard and cost-effective data science environment to build AI models quickly. The team also provides building blocks and cloud assets needed for High Scalable Solutions on Cloud.

During the year,

- The Remote services team helped in enabling our businesses and regions to embark on the IoT transformation journey. Successful pilot evaluations performed at NH Bangalore and Children's Hospital Phoenix.
- Digital platforms team partnered with MR team in piloting the integration of Modality AI solution, which is key for success of MR to enable AI solutions seamlessly.

Clinical Partnerships

The focus of the Clinical Partnerships is to capitalize on the potential we have with Philips' strong clinical partnership network by focusing on business led projects and extracting value from this network on topics like data management, actionable insights and early validation of propositions and AI models.

The team is well poised to harness the strengths of co-located teams to develop capabilities and standards around clinical partnerships and identify mutually beneficial growth opportunities for customer innovation with Philips businesses.

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 Rs. 2,485 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. No technology was imported during the year.

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

During the year, total inflows (on cash basis) in foreign exchange was Rs. 30,117 Million and total outflows (on cash basis) in foreign exchange was Rs. 19,789 Million.

On behalf of the Board of Directors
For Philips India Limited

Angarai Dorairajan Aditya Ratnam
(Chairman)
DIN: 05296020

Place: Gurugram
Date: August 7, 2024

Annexure - III

Form No.AOC-2

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

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

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

There were no contracts or arrangements or Transactions entered into during the year ended March 31, 2024, 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, 2024 (₹ 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	3,797
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,707
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	8,128
Koninklijke Philips N.V. Parent company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,774
Philips Consumer Lifestyle 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	1,114
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	3,543

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, 2024 (₹ 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	1,507
Philips Electronics Singapore Pte Ltd Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,406
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	1,576
Philips Medical Systems (Cleveland), Inc. Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,402
Philips Medical Systems Technologies Ltd. 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	1,336
Philips North America LLC Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	2,371
Philips RS North America LLC Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,045

PHILIPS INDIA LIMITED

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, 2024 (₹ Millions)
Philips North America LLC Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,213
Philips Ultrasound LLC Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,197
Philips Ultrasound LLC Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,789
Philips Medizin Systeme Böblingen GmbH 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	1,021

please note that transactions with related parties of value Rs. 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

On behalf of the Board of Directors
For Philips India Limited

Place: Gurugram
Date: August 7, 2024

Angarai Dorairajan Aditya Ratnam
(Chairman)
DIN: 05296020

Annexure - IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,

The Members,

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

SECRETARIAL AUDIT REPORT

I report that:

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PHILIPS INDIA LIMITED** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

My responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on my audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

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

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

Limitation

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI). Further, I conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. made available to me. The management has confirmed that the records submitted to me are true and correct.

PHILIPS INDIA LIMITED

Basis of opinion

I have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion. I also believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on Secretarial Records and Compliances made thereunder

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, agents 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 March 31, 2024, generally 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 and 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, 2024 according to the provisions of:

- 1) The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: **Not Applicable**
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable**
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable;**
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review.**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not applicable** and;
 - i) The Securities and Exchange Board of India (Buy-Back of securities) Regulations, 2018; - **Not applicable;**
- 6) The Company has identified following laws applicable specifically to the Company and I have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under sectoral laws as applicable during the year under review:

A. Sectoral Laws:

- 1) The Legal Metrology Act, 2009;

B. Commercial and other Laws:

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

I have also examined compliance with the applicable provisions of the following: -

- (i) Secretarial Standards on meeting of Board of Directors (SS-1) and on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The listing Agreements entered with Stock Exchange(s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations 2015, as amended: **Not Applicable**

Based on my examination and verification of records produced to me and according to the information and explanations given to me by the Company, in my opinion, the Company has generally complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

I further report that

Subject to the Constitution of the Nomination and Remuneration Committee, the Board of Directors of the Company has been duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board.

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

I further report that :-

1. The Company is still into the process of formalizing the setup of keeping the backup on daily basis for books of account and other books and papers maintained in electronic mode in India, as per the requirement of Section 128 of the Companies Act, 2013 read with proviso to sub rule 5 of Rule 3 of Companies (Accounts) Rules, 2014.
2. As reported earlier, in July, 2020, during management reconciliations, it was detected that few employees (current and former) colluded with the vendors to fraudulently record and pay service and maintenance bills without services being provided by vendors. The fraud committed by the accused on the Company, pertains to period January 1, 2018 to June 30, 2020 amounting to Rs. 28 Crores. The management not only took instance cognizance on governance efforts but also made remarkable recovery in this case. The matter is pending with the Directorate, Ministry of Corporate Affairs.

PHILIPS INDIA LIMITED

I further report that during the audit period, the Company has the following specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines.

- The Company is in the process of reducing its issued, subscribed and paid-up equity share capital of the Company from the existing Rs. 57,51,72,420 (Indian Rupees fifty seven crore fifty one lakh seventy two thousand four hundred and twenty only) divided into 5,75,17,242 (Five Crore Seventy Five Lakh Seventeen Thousand Two Hundred Forty Two) equity shares having a face value of Rs. 10 (Indian Rupees Ten only) each fully paid up, to Rs. 55,29,02,420 (Indian Rupees Fifty Five Crore Twenty Nine Lakh Two Thousand Four Hundred And Twenty Only) divided into 5,52,90,242 (Five Crore Fifty Two Lakh Ninety Thousand Two Hundred And Forty Two) equity shares having a face value of Rs. 10 (Indian Rupees Ten only) each fully paid up, by cancelling and extinguishing 22,27,000 (Twenty Two Lakh Twenty Seven Thousand) equity shares having a face value of Rs. 10 (Indian Rupees Ten only), in aggregate, constituting 3.87% of the total issued, subscribed and paid-up equity share capital of the Company held by all the equity shareholders of the Company other than Koninklijke Philips N.V. and Philips Radio B.V. Pursuant to the Board approval at their meeting held on October 31, 2023 and shareholder's approval by way of approval special resolution passed through postal ballot on December 9, 2018, Company has filed the petition with National Company Law Tribunal ("NCLT"), Kolkata. The aforesaid Company Petition was presented on 19th day of December 2023 and admitted by an order of the Hon'ble NCLT dated 4th day of January 2024. The matter is under sub-judice under the Hon'ble NCLT at Kolkata.

CS ASHOK TYAGI

FCS: 2968

C P No: 7322

UDIN: F002968F000901008

Peer Review Certificate. No. 1578/2021

Place: Gurugram

Date: August 7, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Philips India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Philips India Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

PHILIPS INDIA LIMITED

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except (a) for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g) and (b) the company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as explained in note 46(a);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
 - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in

PHILIPS INDIA LIMITED

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled for direct changes to the database using certain access rights as explained in note 46(b). Wherever audit trail is enabled, we did not come across any instance of audit trail feature being tampered with.

Further as explained in the above note, in respect of applications managed by a third-party software service provider, due to absence of Service Organization report, we are unable to comment on whether audit trail feature was enabled and operated throughout the year or whether there were any instances of the audit trail feature being tampered with.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Divya Mathur

Partner

Membership Number: 506846

UDIN: 24506846BKGWJY2718

Place of Signature: Gurugram

Date: August 7, 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024. There are no discrepancies of 10% or more in aggregate for each class of inventory.
- (ii) (b) As disclosed in note 38 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

PHILIPS INDIA LIMITED

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Healthcare Products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The dues of goods and services tax, provident fund, income-tax, duty of custom, sales tax, service tax, excise duty, and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of the statute	Nature of dues	Amount of demand without netting of amount paid under protest (INR in million)	Amount paid under protest and provided (INR in million)	Recourse* (INR in million)	Net Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Disallowances and transfer Pricing additions including Interest and Penalty where applicable	3,854	187	-	3,667	AY 2004-05 to AY 2023-24	Appellate Authority upto commissioner (Appeals)
		328	111	-	217	AY 2004-05	Tribunal
		1,786	-	-	1,786	AY 2017-18 & AY 2018-19	High Court
		79	70	-	9	AY 2003-04	Supreme Court
Central Sales Tax Act, 1956 and Individual State Sales Tax Act	Sales Tax including Interest and penalty	705	155	287	264	1987-88 to 2022-23	Appellate Authority upto commissioner (Appeals)
		267	13	237	18	1986-87 to 2014-15	Tribunal
		54	9	44	0	1998-99 to 2010-11	High Court
		38	-	13	25	2007-08	Supreme Court

The Goods & Services Tax Act, 2017	GST including interest and penalty where applicable	259	12	-	247	2017-18 to 2023-24	GST - Appellate Authority upto commissioner (Appeals)
The Finance Act, 1994	Service tax including interest and penalty where applicable	14	-	-	14	April 2016 to June 2017	Custom, Excise and Service tax Appellate Tribunal
The Finance Act, 1994	Service tax including interest and penalty where applicable	8	-	-	8	Above 8 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	11	-	-	11	Above 8 years	Appellate Authority upto commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and penalty where applicable	16	-	-	16	Above 8 years	Bombay High Court
Custom Act, 1962	Custom duty including interest and penalty where applicable	252	117	-	135	2012-13, 2013-14 & 2017-18	Appellate Authority upto commissioner (Appeals)
Employee Provident Fund Organization	Demand on account of short deposition of PF liability during transition	2,492	-	-	2,492	2022-23	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) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

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

PHILIPS INDIA LIMITED

- (ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix) (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 26 to the financial statements.
- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 26 to the financial statements.
- (xxi) The company does not have any subsidiary or joint venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Divya Mathur

Partner

Membership Number: 506846

UDIN: 24506846BKGWJY2718

Place of Signature: Gurugram

Date: August 7, 2024

PHILIPS INDIA LIMITED

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

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

We have audited the internal financial controls with reference to financial statements of Philips India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Divya Mathur

Partner

Membership Number: 506846

UDIN: 24506846BKGWJY2718

Place of Signature: Gurugram

Date: August 7, 2024

PHILIPS INDIA LIMITED

Balance Sheet As at 31 March, 2024

Amounts in ₹ Mln

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	8,054	2,526
Capital work-in-progress	2(a)	249	1,158
Investment property	3	1,377	1,334
Financial Assets			
Trade Receivables	5(a)	379	715
Investments	5(b)	-	-
Other Financial Assets	5(c)	161	159
Deferred tax assets (net)	6	836	633
Advance income tax (net of provision)		4,013	3,724
Other non current assets	7	549	549
		15,618	10,798
Current assets			
Inventories	8	8,240	7,184
Contract Assets	4	371	710
Financial Assets			
Trade receivables	9(a)	9,171	7,401
Investments	5(b)	47	50
Cash and cash equivalents	9(b)	2,728	2,118
Other Financial Assets	9(c)	293	498
Other current assets	10	2,689	3,247
		23,539	21,208
		39,157	32,006
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	575	575
Other Equity	12	14,321	11,768
Equity attributable to equity shareholders		14,896	12,343
LIABILITIES			
Non-current liabilities			
Contract Liabilities	4	1,534	1,099
Financial Liabilities			
Lease Liabilities	13	3,669	603
Other non-current liabilities	14	183	146
Provisions	15(a)	3,200	2,809
		8,586	4,657
Current liabilities			
Contract Liabilities	4	4,031	4,176
Financial Liabilities			
Lease Liabilities	16(a)	338	598
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	16(b)	242	134
Total outstanding dues of creditors other than micro enterprises and small enterprises	16(b)	6,963	6,819
Other financial liabilities	16(c)	406	410
Other current liabilities	17	2,690	1,921
Provision for taxation (net of advances)		267	313
Provisions	15(b)	738	635
		15,675	15,006
		39,157	32,006
TOTAL EQUITY AND LIABILITIES			
Bas of preparation, measurement and material accounting policies	I		

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors of Philips India Limited
CIN: U31902WB1930PLC006663

For S.R. Batliboi & Co LLP

Chartered Accountants

Firm registration number: 301003E/E300005

Chairman

ANGARAI DORAJAN ADITYA RATNAM

(DIN: 05296020)

Whole-time Director & CFO

DEV KUMAR TRIPATHY

(DIN: 10373357)

DIVYA MATHUR

Partner

Membership No.: 506846

Gurugram, August 07, 2024

Gurugram, August 07, 2024

Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note	Amounts in ₹ Mln	
		Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	18	60,004	57,340
Other income	19	609	719
Total Income		60,613	58,059
Expenses			
Cost of raw materials consumed	20	4,074	4,630
Purchases of stock-in-trade	21	21,310	19,803
Changes in inventories of work-in-progress, finished goods and stock-in-trade	22	(762)	(562)
Employee benefits expense	23	21,649	20,115
Finance costs	24	388	264
Depreciation and amortization expense	25	1,426	1,285
Other expenses	26	9,259	9,316
Total expenses		57,344	54,851
Profit before tax		3,269	3,208
Tax expense			
Current tax	6	(889)	(827)
Deferred tax expenses - credit / (charge)	6	195	219
Total Tax Expense		(694)	(608)
Profit for the year (A)		2,575	2,600
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or Loss			
Re-measurement gains / (losses) on defined benefit plans	27	(30)	(120)
Income tax effect on defined benefit plans	6	8	30
Other Comprehensive Income for the year (B)		(22)	(90)
Total Comprehensive income for the year (A+B)		2,553	2,510
Earnings per equity share			
Basic and diluted earnings per equity share of ₹10 each (in ₹)	39	44.78	45.21
Basis of preparation, measurement and material accounting policies	1		

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors of Philips India Limited
CIN: U31902WB1930PLC006663

For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Chairman **ANGARAI DORAIRAJAN ADITYA RATNAM**
(DIN: 05296020)

Whole-time Director & CFO

DEV KUMAR TRIPATHY
(DIN: 10373357)

DIVYA MATHUR
Partner
Membership No.: 506846
Gurugram, August 07, 2024

Gurugram, August 07, 2024

Statement of Changes in Equity for the year ended 31 March 2024

Particulars	Amounts in ₹ Mn	
	Number of shares	Amounts
A. Equity Share Capital		
Equity shares of ₹10 each issued, subscribed and fully paid up		
As at March 31 2022	57,517,242	575
Changes in equity share capital during the year	-	-
As at March 31 2023	57,517,242	575
Changes in equity share capital during the year	-	-
As at March 31 2024	57,517,242	575

B. Other Equity

Particulars	Retained Earnings	Items of OCI Remeasurement*	Total
As at March 31 2022	22,841	(641)	22,200
Profit for the year	2,600		2,600
Remeasurement benefit of defined benefit plans		(90)	(90)
Total Comprehensive Income for the year	2,600	(90)	2,510
Reductions during the year			
Dividend for FY 2021-22	(173)	-	(173)
Interim Dividend for FY 2022-23	(12,769)		(12,769)
Total	(12,942)	-	(12,942)
As at March 31 2023	12,499	(731)	11,768
Profit for the year	2,575		2,575
Remeasurement benefit of defined benefit plans		(22)	(22)
Total Comprehensive Income for the year	2,575	(22)	2,553
As at March 31 2024	15,074	(753)	14,321

* Refer Note 12

Refer accompanying notes forming part of the Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

DIVYA MATHUR
Partner
Membership No.: 506846
Gurugram, August 07, 2024

For and on behalf of the Board of Directors of Philips India Limited
CIN: U31902WB1930PLC006663

Chairman **ANGARAI DORAIRAJAN ADITYA RATNAM**
(DIN: 05296020)

Whole-time Director & CFO **DEV KUMAR TRIPATHY**
(DIN: 10373357)

Gurugram, August 07, 2024

Cash Flow Statement for the year ended 31 March 2024

Amounts in ₹ Mn

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash generated from operating activities			
Profit before tax		3,269	3,208
Adjusted for			
Write off & other adjustment of Property, Plant & Equipment		47	9
Profit on sale of property		-	(16)
Depreciation and amortization		1,426	1,285
Unrealized foreign exchange (gain) and loss (net) (included in note 19)		25	21
Allowances for doubtful trade receivables & loans & advances		388	158
Liabilities no longer required written back		(39)	(105)
Interest on advances, current accounts and deposits		(415)	(506)
Lease Rental Income		(116)	(109)
Finance costs		388	264
		1,704	1,001
Operating profit before working capital changes		4,973	4,209
Changes in			
Trade receivables and other current & non-current assets (except inventories)		(621)	289
Inventories		(1,057)	(323)
Trade payables and other current, non-current liabilities and provisions		5,065	107
Cash generated from operations		8,360	4,282
Income tax paid (net of refunds)		(1,005)	(869)
Net Cash generated from operating activities		7,355	3,413
B. Cash generated from investing activities			
Purchase of Property, Plant and Equipment		(6,049)	(1,256)
Proceeds from sale of Property, Plant & Equipment		-	32
Proceeds from redemption of Investments		39	59
Lease Rental Income		116	109
Interest received		65	527
Net Cash used in investing activities		(5,829)	(529)
C. Cash flow from financing activities			
Finance costs		(286)	(264)
Proceeds from borrowings		3,150	-
Repayment of borrowings		(3,150)	-
Principal repayment of lease liabilities		(631)	(720)
Dividend paid		-	(12,941)
Net Cash used in financing activities		(917)	(13,925)
Increase / (Decrease) in cash and cash equivalents (A+B+C)		610	(11,041)

PHILIPS INDIA LIMITED

Cash Flow Statement for the year ended 31 March 2024 (Contd.)

Amounts in ₹ Mln

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
D. Cash and cash equivalents - Opening Balance			
Cash and cash equivalents	9(b)	299	2,524
Unpaid dividend	9(b)	19	15
Deposits with Banks	9(b)	1,800	10,620
Total		2,118	13,159
E. Cash and cash equivalents - Closing Balance			
Cash and cash equivalents	9(b)	984	299
Unpaid dividend	9(b)	94	19
Deposits with Banks	9(b)	1,650	1,800
Total		2,728	2,118
Net increase/(decrease) in cash and cash equivalents (E-D)		610	(11,041)

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 Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors of Philips India Limited
CIN: U31902WB1930PLC006663

For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Chairman **ANGARAI DORAIRAJAN ADITYA RATNAM**
(DIN: 05296020)

Whole-time Director & CFO **DEV KUMAR TRIPATHY**
(DIN: 10373357)

DIVYA MATHUR
Partner
Membership No.: 506846
Gurugram, August 07, 2024

Gurugram, August 07, 2024

Notes to Financial Statements for the year ended March 31, 2024

CORPORATE INFORMATION:

Philips India Limited (the 'Company') is a public limited company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business segments comprise of (a) Healthcare Systems, (b) Personal Health and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra, and Software Development centre in Bangalore. The company sells its products primarily in India through independent distributors and modern trade. The Financial statements for the year ended 31 March 2024 were authorized by the Board of Directors for issue in accordance with resolution passed on August 7, 2024.

I. MATERIAL ACCOUNTING POLICIES:

I.1. (a) Basis of preparation of financial statements

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

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

(b) Current / Non-Current classification

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

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

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

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

I.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.

Notes to Financial Statements for the year ended March 31, 2024

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

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

1.3. (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 INDAS. 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.

The useful life of major components of Property, Plant and Equipment is as follows:

Factory buildings 30 years, plant & equipment 3-17 years, general furniture and fixtures 5-10 years, office equipment 3-5 years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

(b) Investment Properties:

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

Investment properties are depreciated using the straight-line method over their estimated useful lives and building component of investment property is depreciated over 30 years from the date of original purchase.

Notes to Financial Statements for the year ended March 31, 2024

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

(c) Capital work in progress and Capital Advances

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

1.4. 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.

1.5. Cash and Cash equivalents:

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

1.6. Financial Instruments:

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

a) Financial Assets:

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

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

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on

Notes to Financial Statements for the year ended March 31, 2024

the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at FVTPL

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

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

De-recognition

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

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

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

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

Notes to Financial Statements for the year ended March 31, 2024

Impairment of financial assets

In accordance with INDAS 109, the Company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

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

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

- Trade receivables or contract revenue receivables.
- All lease receivables resulting from the transactions within the scope of IND AS 116

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

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

b) Financial Liabilities:

Initial recognition and measurement

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

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

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

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.

Notes to Financial Statements for the year ended March 31, 2024

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.

I.7. 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.

I.8. Revenue Recognition

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

- **Sale of goods**

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

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

Notes to Financial Statements for the year ended March 31, 2024

- **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.

Notes to Financial Statements for the year ended March 31, 2024

Refund Liabilities:

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

- **Rendering of Services**

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

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

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

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

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

- **Export benefits**

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

- **Interest Income**

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

- **Rental Income**

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

I.9. Employee Benefits:

Short-term obligations

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

Defined Contribution Plans

Contributions to defined contribution schemes such as Employees' State Insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution 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.

Notes to Financial Statements for the year ended March 31, 2024

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

In respect of gratuity, any differences between the interest income on plan assets and the return achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss. In respect of compensated absences, actuarial gains / losses are recognized in the Statement of Profit and Loss in the year in which they arise.

Post-Retirement Medical Benefit plan

The Company operates a defined Post-Retirement Medical Benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Share-based payments

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

1.10. 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

Notes to Financial Statements for the year ended March 31, 2024

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.

1.11. Leases:

As a lessee

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

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

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

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

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

Notes to Financial Statements for the year ended March 31, 2024

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

1.12. 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, 2024 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.

1.13. 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 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.

Notes to Financial Statements for the year ended March 31, 2024

I.14.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.

I.15.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.

I.16.Operating Segments:

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

I.17. Dividend:

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

Notes to Financial Statements for the year ended March 31, 2024

2. Property, Plant and Equipment

Amounts in ₹ Mn

Particulars	Gross Carrying Value				Accumulated Depreciation				Net book value	
	As at March 31 2023	*Reclassification	Additions	Disposals	As at March 31 2024	*Reclassification	Additions	Disposals	As at March 31 2024	As at March 31 2023
Owned Assets										
Buildings	269	-	-	-	269	103	8	-	111	158
Leasehold Improvements	819	-	1,008	(44)	1,783	680	59	(38)	702	1,081
Plant & Equipment	2,129	(1)	1,945	(42)	4,031	1,417	371	(41)	1,747	2,284
Plant & Equipment (given on operating lease)	270	-	34	(56)	248	132	29	(33)	128	120
Office Equipment	571	(1)	223	(44)	749	476	47	(39)	484	265
Furniture	301	-	271	(94)	478	183	35	(71)	147	331
Right of Use (ROU) Assets										
Vehicles	811	-	513	(187)	1,137	304	230	131	403	734
Buildings	2,431	-	2,995	(2,124)	3,302	1,849	565	(2,124)	290	3,012
Leasehold Land	80	-	-	-	80	10	1	-	11	69
Total	7,680	(2)	6,989	(2,591)	12,076	5,154	1,345	(2,477)	4,022	8,054

Particulars	Gross Carrying Value				Accumulated Depreciation				Net book value	
	As at 31 March 2022	*Reclassification	Additions	Disposals	As at March 31 2023	*Reclassification	Additions	Disposals	As at March 31 2023	As at March 31 2023
Owned Assets										
Leasehold Land	80	(80)	-	-	-	(11)	-	-	0	-
Buildings	269	-	-	-	269	48	8	-	103	165
Leasehold Improvements	773	-	52	(6)	819	582	58	(2)	680	139
Plant & Equipment	1,959	-	239	(69)	2,129	1,278	291	(55)	1,417	712
Plant & Equipment (given on operating lease)	270	-	-	-	270	111	23	-	132	138
Office Equipment	559	-	35	(22)	571	360	74	(22)	476	96
Furniture	338	-	15	(52)	301	212	40	(35)	183	118
Right of Use (ROU) Assets										
Vehicles	641	-	398	(229)	811	369	163	(208)	304	506
Buildings	2,990	-	38	(598)	2,431	1,467	562	(180)	1,849	582
Leasehold Land	80	80	-	-	80	10	-	-	10	70
Total	7,878	-	777	(975)	7,680	4,437	1,219	(502)	5,154	2,526

*Reclassification due to internal transfer.

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Property, Plant and Equipment (Contd..)

Amounts in ₹ Mln

2(a). Capital Work in Progress

Capital Work in Progress	As at March 31 2024	As at March 31 2023
Book value	249	1,158

Capital Work in Progress As at 31 March, 2024 includes assets under construction due to expansion work in Company's Plant at Pune and Software Development Centre at Bengaluru.

2(b) Capital Work in Progress Ageing Schedule

Particulars	As at March 31 2024		As at March 31 2023	
	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 year	211	-	821	-
1-2 Years	11	-	310	-
2-3 Years	17	-	20	-
More than 3 years	10	-	7	-
Total	249	-	1,158	-

(2)(c) Details of Capital Work-in-Progress whose completion is overdue to it's original plan

Name of the Projects	As at March 31 2024				As at March 31 2023			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Amon 2	-	34	-	-	11	15	10	-
Super	-	3	-	-	51	9	5	6
Madhav	-	-	-	-	-	5	-	-
Labs Set up	41	12	-	-	90	-	-	-
Vayu	-	-	-	-	-	-	-	-
Kohinoor	26	1	-	-	-	-	-	-
Susan	-	1	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

Particulars	Amounts in ₹ Mn	
	As at 31-03-2024	As at 31-03-2023
3. Investment property		
Gross Carrying Amount		
At the beginning of the year	1,461	1,427
Additions	122	34
Disposals	-	-
Reclassification	2	-
End of the year	1,585	1,461
Accumulated Depreciation		
At the beginning of the year	127	61
Additions	81	66
Disposals	-	-
Reclassification	-	-
End of the year	208	127
Net Block	1,377	1,334

The investment property consists of land, building and leasehold improvements held by the Company located in the State of Maharashtra given on long term lease. The fair value of investment property is ₹1,384 (Previous year ₹ 1,333) and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorized as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes assets that are subleased and rental income of ₹116 (Previous year ₹109) has been recognized in the Statement of Profit and Loss.

Information regarding income and expenditure on Investment property

	FY 2023 - 24	FY 2022 - 23
Rental Income derived from Investment properties	116	109
Direct operating expenses (including repairs and maintenance) generating rental income	28	23
Profit/(Loss) arising from investment properties before depreciation and indirect expenses	88	86
Less: Depreciation	81	66
Profit/(Loss) arising from investment properties before indirect expenses	7	20
Operating Expenses (including depreciation) arising from investment properties not generating rental income	-	-

4. Contract Balances

Particulars	Amounts in ₹ Mn	
	As at 31-03-2024	As at 31-03-2023
Contract assets	371	710
Current	371	710
Contract liabilities	5,565	5,275
Non-current	1,534	1,099
Current	4,031	4,176

“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.

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

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

Particulars	As at 31-03-2024	As at 31-03-2023
Trade receivables	379	715
Break up for security details		
Trade receivables		
Trade receivables - Secured, considered good {{refer note 9(a)}}	379	715
Trade receivables - Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	98	83
	477	798
Less: Allowance for Trade Receivable - credit impaired	(98)	(83)
	379	715

Amounts in ₹ Mln

Non-Current Trade Receivables

Ageing Schedule 31 March 2024

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(1) Undisputed Trade receivables – considered good	379	-	-	-	-	-	379
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	-	-	98	-	-	98
(4) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	379	-	-	98	-	-	477

Non-Current Trade Receivables

Ageing Schedule 31 March 2023

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

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

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

Non-current : Investment at FVTPL	Face value	As at March	As at March	As at March	As at March
Quoted:	per	31 2024	31 2023	31 2024	31 2023
IL&FS Financial Services Limited	unit	Units	Units		
Secured Non-convertible debentures*	1000	2,12,557	2,12,557	-	-
Unsecured Non-convertible debentures	1000	62,100	62,100	14	14
IL&FS Limited					
Secured Non-convertible debentures*	1000000	63	63	7	10
Secured Non-convertible debentures*	1000	2,84,693	2,84,693	29	48
Total Non-current Gross				50	72
Less: Provision for Impairment*	-	-	-	(50)	(72)
Total Non-current Net					
Aggregate book value of quoted investments	-	-	-	-	-
Aggregate market value of quoted investments	-	-	-	-	-

* During FY 23-24, the Company has received ₹36 (Previous Year ₹ 55) from IL&FS Financial Services Limited on account of interim distribution of investment, resulting in profit ₹14 (Previous Year ₹ 9) (Current Year ₹36 minus cost ₹22) (Previous Year ₹ 55 minus cost ₹ 46) (Refer Note 19).

Current Investment at FVTPL	Face	As at March	As at March	As at March	As at March
Quoted:	value per	31 2024	31 2023	31 2024	31 2023
Piramal Capital and Housing Finance Limited	unit	Units	Units		
Secured Non-convertible debenture **	875	65,966	65,966	47	50
Total Current	-	-	-	47	50
Aggregate book value of quoted investments	-	-	-	47	50
Aggregate market value of quoted investments	-	-	-	48	52

** During the year, principal of ₹ 50 (Previous Year ₹ 50) per Non-convertible debenture are redeemed.

5 (c) Non-current Financial assets - Others

Particulars	As at	As at
	31-03-2024	31-03-2023
Security Deposits		
- Security Deposits Considered good	161	159
- Security Deposits Credit impaired	-	-
- Less: Allowances for Security Deposits - credit impaired	-	-
	161	159

6. Deferred Tax Assets (net)

(a) Components of Income Tax Expense

(i) Tax expense recognized in Statement of Profit and Loss

- Current Tax *

* includes (a) ₹34 (Previous Year ₹46) recognized due to impact of Appendix C to Ind AS 12 and (b) release of tax provision relating to previous years ₹111 (Previous year ₹200)

Deferred Tax expense - credit / (charge)

- Relating to origination and reversal of temporary differences

(ii) Tax on Other Comprehensive Income

Deferred tax

- Gain / (Loss) on measurement of net defined benefit plans

Total

	Year 2023-24	Year 2022-23
	(889)	(827)
	(889)	(827)
	195	219
	8	30
Total	(686)	(578)

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

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

Amounts in ₹ Mn

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

	Year 2023-24	Year 2022-23
Profit before tax	3,239	3,088
Income tax calculated @ %	25.168%	25.168%
Computed tax expense	815	777
Differences due to:		
- Expenses not deductible for tax purposes	19	15
- Others	(148)	(214)
Income tax charged to Statement of Profit and Loss at effective tax rate of 21.18% (Previous year - 18.72%)	686	578
Income tax expense reported in Statement of Profit and Loss	686	578

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

Particulars	Balance Sheet		Recognised in Statement of Profit and Loss	
	As at 31-03-2024	As at 31-03-2023	Year 2023-24	Year 2022-23
Net deferred tax assets/ (liabilities)				
- Provision for employee benefits	261	202	59	40
- Doubtful trade receivables and advances	268	189	79	11
- Difference between book and tax depreciation	(48)	(65)	17	180
- Other timing differences	349	309	40	(12)
Total (A)	830	635	195	219
Re-measurement (gains) / losses on defined benefit plans (B)	6	(2)	8	30
Net deferred tax assets/ (liabilities) (A+B)	836	633	203	249

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

Particulars	Balance Sheet	
	As at 31-03-2024	As at 31-03-2023
Opening balance as of 1 April	633	385
Tax income/(expense) during the year recognized in profit and loss	195	219
Tax income/(expense) during the year recognized in OCI	8	30
Closing balance as at 31 March	836	633

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

7. Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31-03-2024	As at 31-03-2023
Advance Rentals	35	12
Capital Advances	25	12
VAT Credit receivable	-	62
Deposits against legal cases	489	463
Considered doubtful		
Deposits against legal cases	80	80
Special additional duty receivables and drawback claims	56	56
Claims receivables	54	54
Less: Allowances for doubtful other loans and advances		
Deposits against legal cases	(80)	(80)
Special additional duty receivables and drawback claims	(56)	(56)
Claims receivables	(54)	(54)
	549	549

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

	As at 31-03-2024	As at 31-03-2023
Raw Materials	1,527	1,388
Raw Materials-in-Transit	148	15
	1,675	1,403
Work-in-Progress	2,996	2,258
Finished Goods	253	76
Stock-in-Trade (goods purchased for re-sale)	2,808	2,961
Stock-in-Trade (goods purchased for re-sale) - In Transit	495	472
	3,303	3,433
Stores and spares	13	14
	8,240	7,184

9. (a) Current Financial assets - Trade Receivables

Particulars

	As at 31-03-2024	As at 31-03-2023
Trade receivables	5,199	5,582
Trade Receivables from other related parties (Note 30)	3,972	1,819
Total	9,171	7,401
Break up for security details		
Trade receivables		
Trade receivables -Secured, considered good **	637	766
Trade receivables - Unsecured, considered good	8,534	6,635
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	600	468
	9,771	7,869
Allowances for Trade Receivables - credit impaired	(600)	(468)
	9,171	7,401

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:

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

Secured trade receivables includes finance lease receivables amounting to ₹875 (31 March 2023 - ₹806) 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 ₹1,111 (31 March 2023 - ₹1,175) which includes unearned interest of ₹235 (31 March 2023 - ₹369). The maturity profile of finance lease receivable is as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Minimum lease payments		
Receivable within 1 year	340	320
Receivable between 1-5 years	699	728
Receivable after 5 years	72	127
Total	1,111	1,175
Present value		
Receivable within 1 year	250	153
Receivable between 1-5 years	564	539
Receivable after 5 years	61	114
Total	875	806
Unearned interest	236	369

Current Trade Receivables Ageing Schedule 31 March 2024

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(1) Undisputed Trade receivables – considered good	4,125	4,230	279	208	235	94	9,171
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	600	-	-	-	-	600
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	4,125	4,830	279	208	235	94	9,771

Current Trade Receivables Ageing Schedule 31 March 2023

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(1) Undisputed Trade receivables – considered good	4,181	2,834	273	109	4	-	7,401
(2) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(3) Undisputed Trade Receivables – credit impaired	-	13	20	77	90	72	271
(4) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(5) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(6) Disputed Trade Receivables – credit impaired	-	-	27	133	13	24	197
	4,181	2,847	319	318	107	96	7,869

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

9. (b) Cash and cash equivalents

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks:		
– On current accounts	972	270
– Deposits with original maturity of less than three months	1,650	1,800
Cheques/ drafts on hand	-	24
	2,622	2,094
Other Bank Balances		
Unpaid dividend accounts	94	19
Unspent CSR accounts	12	5
	2,728	2,118

Changes in Liabilities arising from financing activities

Lease Liabilities	As at 31-03-2024	As at 31-03-2023
Opening balance as of 1 April	1,201	1,912
Cash Flows during the year		
Cashflows	2,806	(711)
Closing balance as of 31 March	4,007	1,201
Break up of Cash Flows during the year		
Additions during the year	3,407	418
Deletions/Remeasurements during the year	30	(409)
Payment of lease liabilities (Principal)	(631)	(720)
Total	2,806	(711)

9. (c) Current Financial assets - Others

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued on deposits with banks	1	
Government Grants-Considered good	69	219
Government Grants Credit impaired	13	112
Allowances for Government Grants - Credit impaired	(13)	(112)
Security Deposits (Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good	223	279
Security Deposits Credit impaired	11	9
Allowances for Security Deposits - credit impaired	(11)	(9)
	293	498

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

10. Other Current Assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31-03-2024	As at 31-03-2023
Advance Rentals	11	11
Advance to suppliers (other than related party)	326	229
CENVAT credit receivable	147	147
GST Input tax credit receivable	694	1,019
Special additional duty receivables and drawback claims	181	106
Balances with customs and port trust	88	229
Prepaid expenses	147	149
Claims receivables	1,086	1,351
Advances to employees	9	6
Considered doubtful		
Advance to suppliers	27	36
Claims receivables	101	108
Special additional duty receivables and drawback claims	30	-
Allowances for doubtful other loans and advances		
Advance to suppliers	(27)	(36)
Claims receivables	(101)	(108)
Special additional duty receivables and drawback claims	(30)	-
Total	2,689	3,247

11. Equity Share Capital

Particulars	As at 31-03-2024	As at 31-03-2023
Authorised Share Capital		
92,000,000 (March 31 2023 - 92,000,000) Equity shares of ₹10 each	920	920
20,000,000 (March 31 2023 - 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 2023 - 57,517,242) Equity shares of ₹10 each	575	575
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(a) Reconciliation of the number of equity shares outstanding

	Number of shares	Equity share capital
As at March 31 2022	57,517,242	575
Increase / (Decrease) during the year	-	-
As at March 31 2023	57,517,242	575
Increase / (Decrease) during the year	-	-
As at March 31 2024	57,517,242	575

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

The Company has only one class of equity shares having a par value of ₹10/- per share (31 March 2023 : ₹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.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

(c) Shares held by holding and the ultimate holding company Koninklijke Philips N.V (KPNV)	As at	As at
	31-03-2024	31-03-2023
55,290,182 (March 31 2023 - 55,290,182) Equity shares of ₹ 10 each	553	553

(d) Details of shareholders holding more than 5% shares of the company	As at	As at
	31-03-2024	31-03-2023
Koninklijke Philips N.V (KPNV)		
Number of equity shares held	5,52,90,182	5,52,90,182
% of Holding	96.13	96.13

12. Other Equity

Particulars	As at	As at
	31-03-2024	31-03-2023
Retained Earnings		
As at the beginning of the year	11,768	22,200
Add: Profit for the year	2,575	2,600
Less: Reductions during the year		
Dividend for FY 2021-22	-	(173)
Interim Dividend for FY 2022-23	-	(12,769)
Items of Other Comprehensive Income (OCI) recognized directly in retained earnings		
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	(22)	(90)
As at the end of the year	14,321	11,768
Total Other Equity	14,321	11,768

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

Particulars	As at	As at
	31-03-2024	31-03-2023
Re-measurement gains / (losses) on defined benefit plans	(30)	(120)
Income tax effect on defined benefit plans	8	30
	(22)	(90)

A. Summary of Other Equity

Particulars	As at	As at
	31-03-2024	31-03-2023
Retained Earnings	15,074	12,499
Items of OCI	(753)	(731)
Total other Equity	14,321	11,768

B. Description of nature and purpose of each reserve

(i) 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.

(ii) Re-measurement of Net Defined Benefit Plans

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

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

13. Non-current financial liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Lease Liabilities	3,669	603
	3,669	603

14. Other non-current liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Employee related payables	183	146
	183	146

15. Provisions

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Non-Current		
Provision for employee benefits	1,171	839
Gratuity (refer note 27)	643	374
Compensated absences	365	330
Long Service Awards	163	135
Others	2,029	1,970
Legal and regulatory (refer note 15.1)	2,029	1,970
Total (a)	3,200	2,809
(b) Current		
Provision for employee benefits	69	67
Compensated absences	51	49
Post-employment medical benefits	-	2
Long Service Awards	18	16
Others	669	568
Warranty (refer note 15.1)	387	228
Legal and regulatory (refer note 15.1)	232	302
Miscellaneous (refer note 15.1)	50	38
Total (b)	738	635

Additional disclosure relating to provisions

15.1. Movement in other provisions (non-current and current)	Warranty	Legal and Regulatory	Miscellaneous*	Total
Particulars				
as at 31 March, 2022	269	2,430	117	2,816
Add: Accruals during the year	374	49	258	681
Less: Utilization	(415)	(203)	(169)	(787)
Less: Write back during the year	-	(3)	-	(3)
Less: Reclassification	-	-	168	168
as at 31 March, 2023	228	2,273	38	2,539
Add: Accruals during the year	566	27	44	637
Less: Utilization during the year	(407)	-	(32)	(439)
Less: Write back during the year	-	(39)	-	(39)
as at 31 March 2024	387	2,261	50	2,698

* relates to provision for decommissioning.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

16. Current Financial Liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
(a) Lease Liabilities	338	598
(b) Trade Payables		
Dues to others	4,863	4,407
Dues to related parties	2,100	2,412
Dues to Micro, Small and Medium Enterprises		
a. Principal amount remaining unpaid to any supplier as at end of the year	242	134
b. Interest due on the above amount	-	-
c. Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year	-	-
d. Amount of interest due and payable for the period of delay in making the payment but without adding the interest specified under this Act	-	-
e. Amount of interest accrued and remaining unpaid at the end of the year	-	-
f. Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises	-	-
	7,205	6,953

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

Trade Payables due for payment Ageing Schedule 31-03-2024	Dues to MSME	Dues to Others & related parties	Disputed Dues to MSME	Disputed Dues to Others & related parties	Total
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Outstanding for following periods from due date of payment

Not Due	195	5,864	-	-	6,059
Less than 1 year	42	994	-	-	1,036
1 - 2 Years	3	88	-	-	91
2 - 3 Years	2	8	-	-	10
More than 3 years	-	9	-	-	9
	242	6,963	-	-	7,205

Trade Payables due for payment Ageing Schedule 31-03-2023	Dues to MSME	Dues to Others & related parties	Disputed Dues to MSME	Disputed Dues to Others & related parties	Total
--	-----------------	---	-----------------------------	---	-------

Outstanding for following periods from due date of payment

Not Due	111	5,735	-	-	5,846
Less than 1 year	23	893	-	-	916
1 - 2 Years	-	176	-	-	176
2 - 3 Years	-	9	-	-	9
More than 3 years	-	6	-	-	6
	134	6,819	-	-	6,953

Trade payables are non-interest bearing and are normally settled on sixty day terms. The Company has identified enterprises which have provided goods and services and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The details of overdue amount and interest payable are set out above.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

(c) Other financial liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Unpaid dividend	94	19
Book overdraft	138	125
Other payables:		
Payables for purchase of fixed assets (other than micro and small enterprises)	174	266
	406	410

17. Other current liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Other payables:		
Employee related payables	1,082	989
Statutory dues	1,608	932
	2,690	1,921

18. Revenue from operations

Particulars	Year 2023-24	Year 2022-23
Sale of goods	25,917	25,648
Sale of services	33,457	31,034
(i) Revenue from contracts with customers	59,374	56,682
(ii) Other operating revenues	630	658
Liabilities no longer required written back	39	105
Finance income - leases	79	102
Duty drawback and export incentives	242	230
Miscellaneous*	270	221
Revenue from operations (i+ii)	60,004	57,340

* Includes Lease rental income on Investment Property ₹ 116 (Previous Year ₹ 109).

18 (a) Disaggregated revenue information

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

Particulars	Year 2023-24				Total
	Personal Health	Health Systems	Innovation Services	Other Unallocable	
Nature of Goods or Services					
Sale of Goods	7,637	18,280	-	-	25,917
Sale of Services	21	10,058	22,719	659	33,457
Revenue from contracts with customers	7,658	28,338	22,719	659	59,374
Geography					
Within India	7,637	20,663	9	98	28,407
Outside India	21	7,675	22,710	561	30,967
Revenue from contracts with customers	7,658	28,338	22,719	659	59,374
Timing of revenue recognition					
Goods transferred at a point in time	7,637	18,280	-	-	25,917
Services transferred over time	21	10,058	22,719	659	33,457
Revenue from contracts with customers	7,658	28,338	22,719	659	59,374

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

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

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

Particulars	Year 2023-24	Year 2022-23
Revenue as per contracted price	64,139	58,429
Adjustments		
Extended warranties	(3,616)	(536)
Significant financing component	(117)	(116)
Sales returns	(226)	(266)
Rebates	(806)	(829)
Revenue from contracts with customers	59,374	56,682

18 (c) Performance obligation:

Sale of products:

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

Sales of services:

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

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

Particulars	Year 2023-24	Year 2022-23
Within one year	4,031	4,176
More than one year	1,534	1,099
	5,565	5,275

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.

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

19. Other Income

Particulars	Year 2023-24	Year 2022-23
Interest income (other than on investments)	62	373
Interest income on Current Investments	4	4
Interest on income-tax refund	229	46
Net gain on foreign currency transaction and translation	194	135
Interest income on defined benefit plan	81	77
Interest income on Security Deposits	3	11
Profit on sale of investments	14	9
Surplus on disposal of fixed assets	-	16
Other non-operating income	22	48
	609	719

20. Cost of raw materials consumed

Particulars	Year 2023-24	Year 2022-23
Inventory of raw materials at the beginning of the year	1,388	1,189
Add: Purchases	4,213	4,829
Less: Inventory of raw materials at the end of the year	1,527	1,388
Cost of raw materials consumed	4,074	4,630

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

	21,310	19,803
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22. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Stock at the beginning of the year		
Finished goods	76	-
Work-in-Progress	2,258	2,448
Stock-in-trade (goods purchased for resale)	2,961	2,285
Total	5,295	4,733
Stock at the end of the year		
Finished goods	253	76
Work-in-Progress	2,996	2,258
Stock-in-trade (goods purchased for resale)	2,808	2,961
	6,057	5,295
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(762)	(562)

23. Employee benefits expense

Particulars	Year 2023-24	Year 2022-23
Salaries, wages and bonus	19,995	18,377
Contribution to provident and other funds	758	752
Defined benefit plan expense	232	191
Expense on Employee Stock Option Schemes	225	180
Staff welfare expenses	439	615
	21,649	20,115

24. Finance costs

Interest on Lease Liabilities (refer note 40)	179	120
Net interest on the net defined benefit liability	99	79
Other interest expense	107	60
Total interest expense	385	259
Unwinding of discount and effect of changes in discount rate on provisions	3	5
Total Finance costs	388	264

Notes to Financial Statements for the year ended March 31, 2024

Particulars	Amounts in ₹ Mn	
	Year 2023-24	Year 2022-23
25. Depreciation and amortization expense		
Depreciation of property, plant & equipment (Refer note 2)	549	494
Depreciation of Investment property ((Refer note 3)	81	66
Depreciation of Right of Use Assets (Refer note 2 & 40)	796	725
	1,426	1,285
26. Other expenses		
Power and fuel	277	202
Packing, freight and transport	460	747
Rent	152	144
Repairs to buildings	27	28
Repairs to plant and machinery	2	3
Insurance	119	137
Rates and taxes	2	9
Travelling and conveyance	908	731
Legal and professional	1,379	1,808
Publicity	1,372	1,545
IT and Communication	1,590	1,594
Fees for services from Holding company and Fellow Subsidiary Company	271	244
Allowance for doubtful trade receivables and advances	388	158
Warranty	566	374
Miscellaneous Expenses	1,746	1,592
	9,259	9,316
Legal and professional includes payments to auditors as given below:		
Statutory audit fees	5.2	5.2
Tax audit fees	2.6	2.5
Certification fees	3.3	-
Miscellaneous include:		
Undepreciated value of property, plant & equipment written-off / provided for	47	9
Handling charges	89	87
Royalty	321	306
Commission	49	46
Corporate Social Responsibility Expense	77	62
Details of CSR Expenditure:		
a) Gross amount required to be spent by the Company during the year	56	52
b) Amount spent during the year		
i) For Purposes mentioned below:		
- In Cash	56	28
- Yet to be paid in Cash	-	24
ii) On purposes other than (i) above		
- In Cash	-	-
- Yet to be paid in Cash	-	-
c) Shortfall at the end of the year	-	24
d) Total of previous years' shortfall	12	9

In terms of the provisions of Section 135 of the Companies Act, 2013, for the financial year 2023-2024, the Company was required to spend an amount of ₹56 (Previous Year ₹52) towards CSR activities and the Company has spent ₹56 (Previous Year ₹28) against the same.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

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

The Company has a defined gratuity benefit plan which is governed by Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at the retirement age. The Company covers the liability towards employees' gratuity managed through Income Tax recognized trust. Annual contributions are made to the employee's gratuity fund, established with the insurance company based on an actuarial valuation carried out as at 31 March each year. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)

Particulars	Year 2023-24	Year 2022-23
Current service cost	232	191
Interest cost on benefit obligation	99	79
Interest (income) on plan assets	(81)	(77)
Net actuarial (gain)/ loss recognized in the year	30	120
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	280	313

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

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

Changes in the present value of the defined benefit obligation:

Particulars	Gratuity	
	Year 2023-24	Year 2022-23
A. Present value of obligations as at beginning of the year	1,457	1,177
(1) Current service cost	232	191
(2) Interest cost	99	79
(3) Benefits settled	(123)	(125)
(4) Settlements	-	-
(5) Actuarial (gain) / loss	40	135
(6) Actuarial (gain) / loss due to Interest rate guarantee	-	-
(7) Employees' contribution	-	-
(8) Acquisition/Business Combination/Divestiture	-	-
(9) Change in reserves	-	-
(10) Transfer in	-	-
Present value of obligations as at end of the year	1,705	1,457

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

Changes in the fair value of plan assets as at 31 March 2024

Particulars	Gratuity	
	Year 2023-24	Year 2022-23
B. Change in Plan Assets		
Plan assets as at beginning of the year	1,083	1,089
(1) Interest Income	81	77
(2) Contributions	-	28
(3) Benefits settled	(113)	(126)
(4) Employer and Employee contribution	11	-
(5) Transfer in	-	-
(6) Benefit payments from employer	(10)	-
(7) Asset gain / (loss)	10	15
(8) Settlements	-	-
(9) Acquisition/Business Combination/Divestiture	-	-
Plan assets as at end of the year	1,062	1,083
Surplus / (Deficit)	(643)	(374)
C. Actual return on plan assets	91	92
D. Reconciliation of present value of the obligation and the fair value of the plan assets:		
(1) Present value of obligations at end of the year	(1,705)	(1,457)
(2) Fair value of Plan assets	1,062	1,083
Liability recognized in Balance Sheet	(643)	(374)
E. Components of Employer Expense:		
(1) Current service cost	232	191
(2) Interest cost	99	79
(3) Interest (income) on plan assets	(81)	(77)
(4) Past service cost	-	-
(5) Actuarial (gain) / loss	30	120
Total expense recognized in Statement of Profit and Loss	280	313

F. Experience Adjustments

Particulars	2023-24	Gratuity (Funded)			
		2022-23	2021-22	2020-21	2019-20
Defined Benefit Obligations	1,705	1,457	1,177	933	782
Plan Assets	1,062	1,083	1,089	455	483
Surplus/(Deficit)	(643)	(374)	(88)	(478)	(299)
Experience adjustments on Plan assets/ liabilities (gain) / loss	(67)	143	(33)	32	46
Particulars	2023-24	Gratuity (Unfunded)			
Defined Benefit Obligations	-	-	-	239	206
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	-	-	-	(239)	(206)
Experience adjustments on Plan assets/ liabilities (gain) / loss	-	-	-	-	6

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

G. Assumptions

Particulars	Gratuity	
	2023-24	2022-23
Financial Assumptions		
Discount factor (%)	7.20%	7.15%
Estimated rate of return on Plan Assets (%)	7.20%	7.15%
Salary Increase (%)	8.00%	7.00%

Demographic Assumptions

Mortality	IALM (2012-14)	IALM (2012-14)
Attrition rate (%)	10%	10%
Retirement age (Years)	60	60

H. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation

	As at 31-03-2024	As at 31-03-2023
Discount rate		
a. Discount rate - 100 basis points	1,840	1,568
b. Discount rate + 100 basis points	1,588	1,360
Salary increase rate		
a. Rate - 100 basis points	1,595	1,359
b. Rate + 100 basis points	1,829	1,568

I. Maturity profile of defined benefit obligation

Particulars	As at 31-03-2024	As at 31-03-2023
Within the next 12 months (next annual reporting period)	151	140
Between 1 and 5 years	878	575
Between 5 and 10 years	1,707	710
Total expected payments	2,736	1,425

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

28. Employees' Share-based Payments

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with the guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India (ICAI) in respect of the grants made on or after 1 April 2005, the following disclosures are made:

(a) Method adopted for valuation

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Options" and amortised over the vesting period. The "Fair Value of the Options" is determined using "Black-Scholes" option pricing model.

(b) Nature and extent of Employee Share-based Payment Plans:

As from 2003 onwards, the Holding Company (KPNV) issued restricted share rights that vest in equal annual instalments over a three-year period. Restricted shares are KPNV's shares that the grantee will receive in three successive years, provided the grantee is still with the Company on the respective delivery dates. If the grantee still holds the shares after three years from the delivery date, Philips will grant 20% additional (premium) shares, provided the grantee is still with Philips. As from 2002, the Holding Company granted fixed stock options that expire after 10 years. Generally, the options vest after 3 years; however, a limited number of options granted to certain employees of acquired businesses contain accelerated vesting. In prior years, fixed and variable (performance) options were issued with terms of ten years, vesting one to three years after grant.

In 2013, a new Plan has been introduced which consists of performance shares only. The performance is measured over a three-year performance period. The performance shares vest three years after the grant date. The number of performance shares that will vest is dependent on achieving performance conditions, which are equally weighted, and provided that the grantee is still employed with the Company.

Restricted shares exclude 20% additional (premium) shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

(c) Method and assumptions for arriving at the Fair Value of Restricted Shares:

The fair value of restricted shares is equal to the Fair Value of the stock at grant date net of the present value of dividends which will not be received up to the vesting date. The expected dividend used is the dividend of the preceding year.

(d) Method and assumptions for arriving at the Fair Value of Performance Shares:

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions for the 2023-24 grants.

1. Risk free interest rate	2.55%
2. Expected share price volatility	36%

(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 2023	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31 March 2024	Exercisable
April 28, 2023	23.82		1,59,000	(63,000)			96,000	96,000
		-	1,59,000	(63,000)	-	-	96,000	96,000
Previous Year		4,200	-	-	-	(4,200)	-	-

28 Employees' Share-based Payments (contd.)

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 31 March, 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024	Exercisable
April 28, 2023	26.16	-	37,500	-	-	-	37,500	37,500
		-	37,500	-	-	-	37,500	37,500
Previous Year								

(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 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024
April 30, 2020	44.18	17,639	-	-	(94)	(17,545)	-
July 7, 2020	52.11	358	-	-	(2)	(356)	0
April 30, 2021	51.01	18,807	-	(1,499)	(860)	-	16,448
June 9, 2021	51.01	683	-	(28)	(18)	(332)	305
July 30, 2021	32.49	1,611	-	-	-	(1,001)	610
October 22, 2021	36.46	506	-	-	-	(506)	-
January 28, 2022	-	781	-	-	-	(781)	-
April 29, 2022	21.20	60,232	-	(4,940)	(2,681)	(2,630)	49,981
June 8, 2022	21.20	3,682	6	(237)	(134)	(849)	2,468
July 29, 2022	15.06	3,213	-	-	-	(915)	2,298
October 28, 2022	6.87	7,596	773	(641)	(386)	(1,159)	6,183
February 3, 2023	8.86	4,737	-	(688)	-	-	4,049
April 28, 2023	23.82	-	80,936	(6,623)	(1,469)	-	72,844
May 18, 2023	23.82	-	7,848	(563)	(144)	(199)	6,942
July 28, 2023	24.10	-	781	(195)	-	-	586
October 27, 2023	22.86	-	4,331	-	-	-	4,331
		1,19,845	94,674	(15,413)	(5,787)	(26,273)	1,67,046
Previous Year		64,852	82,840	(6,961)	(1,016)	(19,870)	1,19,845

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

28 Employees' Share-based Payments (contd.)

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024
April 30, 2020	47.98	1,128	-	-	-	(1,128)	-
July 7, 2020	60.49	23	-	-	-	(23)	-
April 30, 2021	61.85	791	-	-	-	-	791
June 9, 2021	38.58	36	-	-	-	(21)	15
April 29, 2022	22.35	4,673	-	-	-	-	4,673
June 8, 2022	22.35	244	-	-	-	(43)	201
April 28, 2023	26.16	-	4,215	-	-	-	4,215
May 18, 2023	26.16	-	443	-	-	-	443
		6,895	4,658	-	-	(1,215)	10,337
Previous Year		6,894	4,917	-	-	(4,916)	6,895

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024
April 30, 2020	47.98	1,128	-	(925)	-	(203)	(0)
July 7, 2020	60.49	23	-	(19)	-	(4)	(0)
April 30, 2021	61.85	791	-	-	-	-	791
June 9, 2021	61.85	36	-	(18)	-	(4)	15
April 29, 2022	22.35	9,489	-	-	-	-	9,489
June 8, 2022	22.35	420	-	(35)	-	(8)	377
April 28, 2023	26.16	-	7,823	-	-	-	7,823
May 18, 2023	26.16	-	827	-	-	-	827
		11,887	8,650	(996)	-	(219)	19,322
Previous Year		10,751	9,909	(5,440)	-	(3,334)	11,887

(j) Number and weighted average grant date fair value of Performance Shares (EUR)

Grant Date	Weighted average grant-date fair value of the share in USD	Outstanding as at 31 March, 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024
April 30, 2020	44.18	22,382	-	(18,354)	(17)	(4,012)	(0)
July 7, 2020	52.11	454	-	(373)	(0)	(81)	(0)
April 30, 2021	51.01	23,195	-	(1,992)	(1,448)	-	19,755
June 9, 2021	51.01	854	-	(384)	(27)	(76)	367
July 30, 2021	32.49	1,038	-	-	-	-	1,038
April 29, 2022	21.20	63,294	-	(5,502)	(3,644)	-	54,148
June 8, 2022	21.20	4,071	6	(975)	(188)	(153)	2,760
July 29, 2022	15.06	1,485	-	-	-	-	1,485
October 28, 2022	6.87	5,638	-	(904)	(386)	-	4,348
February 3, 2023	8.86	4,737	-	(688)	-	-	4,049

Grant Date	Weighted average grant-date fair value of the share in USD	Outstanding as at 31 March, 2023	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2024
April 28, 2023	23.82	-	87,409	(7,115)	(1,886)	-	78,408
May 18, 2023	23.82	-	8,351	(675)	(235)	-	7,442
July 28, 2023	24.10	-	781	(195)	-	-	586
October 27, 2023	22.86	-	4,331	-	-	-	4,331
		1,27,148	1,00,878	(37,155)	(7,832)	(4,322)	1,78,717
Previous Year		73,128	83,831	(19,036)	(3,306)	(7,470)	1,27,148

(j) Employee Share Purchase Plan:

Particulars

	31-Mar- 24	31-Mar-23
Expense recognized on account of "Employee Share-Based Payment"	225	180
Carrying liability	327	152

(k) Employee Share Purchase Plan:

Under the terms of Employee Share Purchase Plan established by the Holding Company, substantially all employees are eligible to purchase a limited number of KPNV shares at discounted prices through payroll withholdings, of which the maximum range is 10% of total salary. Generally, the discount provided to the employees is in the range of 10% to 20%.

Particulars

	31-Mar- 24	31-Mar-23
Number of shares bought during the year by the employees	1,47,504	1,46,809
Average purchase price (in Euro)	19.21	18.31

29. Commitments and contingencies

Particulars	As at 31-03-2024	As at 31-03-2023
a. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	593	2,221
b. Contingent liabilities		
(i) Relating to Philips India Limited		
Disputed Excise demands	11	11
Income Tax demands	8,335	6,424
Provident Fund demands*	2,492	-
VAT	1,289	1,083
Service Tax demands	21	21
Customs Duty	329	62
(ii) Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
VAT	581	605

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.

*The Company transitioned from "Philips India Ltd Management Staff Provident Fund Trust" to "Employees Provident Fund Organization ("EPFO")" during 2021-22. As a result of complaint received on the transfer, the EPFO had ordered re-audit of the said transition. Consequent to this, the Company had received a demand notice for ₹ 2,492 from EPFO. Basis the facts and legal opinion obtained, the Company has concluded that the demand is frivolous and without any substance and it is not probable at this stage that an outflow of resources will occur in relation to the demand notice.

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 Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

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

Enterprises exercising control:

Holding and ultimate holding company Koninklijke Philips N.V (KPNV)

Other Related Parties with whom transactions have taken place during the year:

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

Capsule Technologies, Inc.	Philips International B.V.
Cardiologs Technologies SAS	Philips Japan, Ltd.
CardioNet, LLC	Philips Korea Ltd.
Intact Vascular, Inc.	Philips Malaysia Sdn. Bhd.
Limited Liability Company "PHILIPS"	Philips Medical Systems (Cleveland), Inc.
P.T. Philips Industries Batam	Philips Medical Systems DMC GmbH
Philips (China) Investment Company, Ltd.	Philips Medical Systems Nederland B.V.
Philips (Thailand) Ltd.	Philips Medical Systems Technologies Ltd.
Philips Argentina Sociedad Anónima	Philips Medizin Systeme Böblingen GmbH
Philips Caribbean Panamá, Inc.	Philips México Commercial, S.A. de C.V.
Philips Chilena S.A.	Philips North America LLC
Philips Consumer Lifestyle B.V.	Philips Oral Healthcare B.V.
Philips do Brasil Ltda.	Philips Oral Healthcare, LLC
Philips Domestic Appliances and Personal Care Company of Zhuhai SEZ, Ltd.	Philips Philippines, Inc.
Philips DS North America LLC	Philips Polska Sp.z.o.o.
Philips Electronics Australia Limited	Philips RS North America LLC
Philips Electronics Bangladesh Private Limited	Philips Saeco Australia Pty. Limited
Philips Electronics Nederland B.V.	Philips South Africa Commercial (Proprietary) Ltd.
Philips Electronics Singapore Pte Ltd	Philips Ultrasound LLC
Philips Export B.V.	Philips Vietnam Limited
Philips Global Business Services LLP	Philips VitalHealth Software India Private Limited
Philips Health Technology (China) Co., Ltd.	PT Philips Indonesia Commercial
Philips Healthcare (Suzhou) Co., Ltd.	Remote Diagnostic Technologies Limited
Philips Healthcare Saudi Arabia Limited	Respironics California, LLC
Philips Image Guided Therapy Corporation	Spectranetics LLC
	TR Management Company, LLC
	Türk Philips Ticaret Anonim Sirketi
	Volcano Europe

(2) Employee Trusts

Philips Employees Group Gratuity Scheme

(3) Key Management Personnel

Executive Directors:

Mr. Daniel Mazon (Resigned effective from close of business hours 17-07-2024)
Mr. Dev Kumar Tripathy (Executive Director effective 15-12-2023 and CFO effective 31-08-2023)
Ms. Pooja Bedi (Ceased to be Director effective 21-03-2024)
Mr. Sudeep Agrawal (Resigned effective 03-10-2023).
Mr. Harish Chawla (Additional Director & Wholetime Director effective 18-07-2024).

Non-Executive Directors:

Mr. Angarai Dorairajan Aditya Ratnam (Non executive Independent director effective 18-07-2024)
Mr. S.M.Datta (Resigned effective from close of business hours 17-07-2024)
Ms. Geetu Gidwani Verma

Company Secretary:

Ms. Pooja Bedi (Ceased to be Company secretary effective 21-03-2024)

Amounts in ₹ Mln

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

d. Nature of transactions

Particulars	Ultimate Holding Company		Fellow Subsidiary Companies		Key Management Personnel		Employee Trusts	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Purchases								
Goods	-	-	16,371	17,015	-	-	-	-
Property, Plant and Equipment	-	-	125	169	-	-	-	-
Services	305	215	1,274	1,269	-	-	-	-
Reimbursements	225	180	38	38	-	-	-	-
Others	-	-	-	-	-	-	-	-
Sales								
Goods	-	-	3,867	5,276	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-	-	-
Services	3,779	3,070	23,564	22,294	-	-	-	-
Reimbursements	639	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Key Management Personnel								
Mr. Daniel Mazon	-	-	-	-	107	134	-	-
Mr. Dev Kumar Tripathy	-	-	-	-	9	-	-	-
Mr. Sudeep Agrawal	-	-	-	-	10	22	-	-
Mr. S. M. Datta	-	-	-	-	2	1	-	-
Ms. Pooja Bedi	-	-	-	-	17	13	-	-
Mrs. Geetu Gidwani Verma	-	-	-	-	1	1	-	-
Finance								
Dividend Paid	-	12,440	-	-	-	-	-	-
Outstandings								
Payable	209	82	1,891	2,380	-	-	-	-
Receivable	335	46	3,637	1,773	-	-	-	-

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	2023-24	2022-23
Short-term employee benefits	138	165
Post-employment benefits*	8	6
	<u>146</u>	<u>171</u>

* 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 Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

30 (b). Related Party Transactions contd..

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		2023-24	2022-23
Ultimate Holding Company:			
Koninklijke Philips N.V.	Import of Services	305	215
Koninklijke Philips N.V.	Reimbursements paid	225	180
Koninklijke Philips N.V.	Export of Services	3,779	3,070
Koninklijke Philips N.V.	Reimbursement received	639	-
Fellow subsidiary Companies:			
Philips Electronics Nederland B.V.	Export of Services	-	5,356
Philips Medical Systems Nederland B.V.	Export of Services	-	7,422
Philips Medical Systems DMC GmbH	Export of Services	8,128	-
Philips Medical Systems Nederland B.V.	Export of Goods	-	5,260
Philips Medical Systems DMC GmbH	Export of Goods	3,797	-
Philips Consumer Lifestyle B.V.	Import of Services	268	171
Philips Electronics Nederland B.V.	Import of Services	720	686
Philips Consumer Lifestyle B.V.	Import of Goods	3,657	-
Philips Electronics Singapore Pte Ltd	Import of Goods	3,406	-
Philips Medical Systems Nederland B.V.	Import of Goods	3,391	4,033
Philips North America LLC	Import of Goods	-	2,864
Philips Ultrasound LLC	Import of Goods	-	5,305
Philips International B.V.	Reimbursements paid	38	38
Philips Medical Systems Nederland B.V.	Import of Fixed assets	78	140
Volcano Europe	Import of Fixed assets	23	-
Philips Medical Systems Technologies Ltd.	Import of Fixed assets	-	19

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

31. Significant accounting judgments, estimates and assumptions

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgments

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the 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 and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 27.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 and 34 for further disclosures.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

- **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 2024 was ₹50 (31 March 2023: ₹38). The Company estimates that the costs would be realised upon the expiration of the lease period.

32. Forward Contracts:

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on forward contracts is as follows:

(a) Forward contracts outstanding

Details	USD Currency				Euro Currency			
	As at 31-03-2024		As at 31-03-2023		As at 31-03-2024		As at 31-03-2023	
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	4,913	59	4,261	52	202	2	125	1
Payables	4,974	60	4,044	49	619	7	511	6

(b) Foreign exchange currency exposures not covered by Forward Contracts

Details	As at 31-03-2024		As at 31-03-2023		As at 31-03-2024		As at 31-03-2023	
	USD Exposure				Euro Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	-	-	143	2	-	-
Payables	-	-	-	-	108	1	27	0

Details	AUD Exposure				GBP Exposure			
	INR	FC	INR	FC	INR	FC	INR	FC
Receivables	-	-	-	-	-	-	-	-
Payables	2.53	0.05	0.79	0.01	1.02	0.01	-	-

Details	CNY Exposure				SGD Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC	INR	FC
Receivables	-	-	-	-	-	-	-	-
Payables	6.07	0.52	22.29	2.00	-	-	0.13	0.00

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

33. Financial Instruments -Financial assets and financial liabilities

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

Financial Assets	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023
Trade Receivables (Non-Current)	-	-	379	715	379	715	379	715
Other Financial Assets (Non-Current)	-	-	161	159	161	159	161	159
Trade receivables (Current)	-	-	9,171	7,401	9,171	7,401	9,171	7,401
Investments (Current)	47	50			47	50	47	50
Cash and cash equivalents	-	-	2,728	2,118	2,728	2,118	2,728	2,118
Other Financial Assets (Current)	-	-	293	498	293	498	293	498
Total	47	50	12,732	10,891	12,779	10,941	12,799	10,941

Financial Liabilities	Fair value through Profit or loss		Amortised cost		Total carrying value		Total fair value	
	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023
Lease Liabilities (Non-Current)	-	-	3,669	603	3,669	603	3,669	603
Lease Liabilities (Current)	-	-	338	598	338	598	338	598
Trade Payables(Current)	-	-	7,205	6,953	7,205	6,953	7,205	6,953
Other Financial Liabilities(Current)	-	-	406	410	406	410	406	410
Total	-	-	11,618	8,564	11,618	8,564	11,618	8,564

34. Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

Quantitative disclosures fair value measurement hierarchy for assets:

Financial liabilities measured at fair value through profit or loss	Level 1		Level 2		Level 3		Total	
	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023
Investments	47	50			-	-	47	50

2.Assets and liabilities that are disclosed at amortised cost (Refer note 33) for which fair values are disclosed are classified as Level 3

Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

35. Dividend Paid and Proposed

Particulars	Year 2023-24	Year 2022-23
Dividend declared and paid during the year		
Dividend for the year ended March 31, 2024 ₹Nil/- per share (March 31, 2022 : ₹ 3/- per share)	-	173
Interim Dividend for the year ended March 31, 2024 ₹Nil/- per share (March 31, 2023 : ₹222/ per share)	-	12,769
	-	12,942
Proposed Dividend on equity shares:		
Dividend for the year ended March 31, 2024 ₹Nil/- per share (March 31, 2023: ₹ Nil/- per share)	-	-

36. 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, 2024, 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 2023-24	Year 2022-23
Earnings before interest and tax	3,279	2,961
Capital employed	14,896	12,343
Return on Capital Employed (ROCE %)	22.0%	24.0%

37. 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 2024. 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, 2024.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

Foreign currency risk sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Change in US\$ rate	Effect on profit before tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
5%	36.18	(49.77)	(35.18)	50.77
-5%	(36.18)	49.77	35.18	(50.77)

Change in Euro rate	Effect on profit before tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
5%	(18.74)	(24.42)	19.74	25.42
-5%	18.74	24.42	(19.74)	(25.42)

(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, 2024

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, 2024 and 2023 is the carrying value of each class of financial assets as illustrated in note 5 & 9.

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

(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, 2024 and 31st March, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Undiscounted Amount							
	Carrying amount		Payable within 1 year		More than 1 year		Total	
	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023	As at March 31 2024	As at March 31 2023
Lease Liabilities (Non-Current)	3,669	603	-	-	3,669	603	3,669	603
Lease Liabilities (Current)	338	598	338	598	-	-	338	598
Trade Payables (Current)	7,205	6,953	7,205	6,953	-	-	7,205	6,953
Other Financial Liabilities (Current)	406	410	406	410	-	-	406	410
Total	11,618	8,564	7,949	7,961	3,669	603	11,618	8,564

38. The Company has been sanctioned working capital limits of ₹1600 MLN in aggregate from banks during the year on the basis of security of current assets of the Company. The Company has utilized the credit limit during the year; however there is Nil utilization of the sanctioned limit as at March 31, 2024. Further, the quarterly statements of current assets filed by the Company with the banks are in agreement with the audited books of accounts.

39. Earnings per share (EPS)

Particulars

Year 2023-24

Year 2022-23

Calculation of earnings per share

Weighted average number of equity shares outstanding during the year *

57,517,242

57,517,242

Profit after tax attributable to equity share holders

2,575

2,600

Basic and diluted earnings per equity share (in ₹)

44.78

45.21

* 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.

40. Leases

As a Lessee:

The Company has lease contracts for vehicles, office buildings and leasehold land. Lease terms of vehicles vary between 3-5 years, while other leases have lease terms between 5-7 years and for leasehold land, lease term is 95 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognized.

The Company also has leases of low value and applies the 'lease of low-value assets' recognition exemptions for these leases.

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

Particulars	Year 2023-24	Year 2022-23
(1) Recognized in Balance Sheet As at March 31 2024		
Right-of-use asset As at March 31 2023	1,157	1,795
Additions	3,508	516
Deletions/ Remeasurements during the year	(55)	(429)
Depreciation for the year	(795)	(725)
Right-of-use asset As at March 31 2024	3,815	1,157
Lease Liabilities As at March 31 2023	(1,201)	(1,912)
Additions	(3,407)	(418)
Deletions / Remeasurements during the year	(30)	409
Interest cost accrued during the year	(179)	(120)
Payment of lease liabilities (Principal)	631	720
Payment of lease liabilities (Interest)	179	120
Lease Liabilities As at March 31 2024	(4,007)	(1,201)
Current	(338)	(598)
Non-Current	(3,669)	(603)
Lease Liabilities at the end of the year	(4,007)	(1,201)
(2) Recognized in Statement of Profit and Loss		
Depreciation for the year	795	725
Interest cost accrued during the year	179	120
Expenses relating to leases of low value assets	289	264
Total cash outflows from leases during the year	1,263	1,109

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

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

A: PRIMARY SEGMENT INFORMATION:

	Year 2023-24	Year 2022-23
(1) Segment Revenue		
a. Personal Health	7,659	7,781
b. Innovation services	22,738	21,787
c. Health Systems	28,891	27,041
Total Segment Revenue	59,288	56,609
(2) Inter Segment Revenue		
a. Personal Health	-	-
b. Innovation services	-	-
c. Health Systems	-	-
Total Inter Segment Revenue	-	-
(3) Other Unallocable Income	716	731
Total Revenue from operations (1+2+3)	60,004	57,340
(4) Segment Result		
a. Personal Health	(5)	(58)
b. Innovation services	2,086	2,050
c. Health Systems	1,264	1,016
Total Segment Result	3,345	3,008
(5) Finance Cost	(388)	(264)
(6) Other Unallocable Expenditure Net of Income	312	464
(7) Profit before tax (4+5+6)	3,269	3,208
(8) Tax Expense		
a. Current tax	(889)	(827)
b. Deferred Tax Release / (Charge)	195	219
Total tax expense	(694)	(608)
Profit After Tax	2,575	2,600

Other Information

	As at March 31 2024	As at March 31 2023
(9) Segment Assets		
a. Personal Health	2,231	2,451
b. Innovation services	10,911	5,429
c. Health Systems	17,473	16,128
d. Other Unallocable	8,542	7,998
Total Segment Assets	39,157	32,006

(10) Segment Liabilities

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mln

a. Personal Health	1,726	1,902
b. Innovation services	7,747	4,161
c. Health Systems	11,484	10,496
d. Other Unallocable	3,304	3,104
Total Segment Liabilities	24,261	19,663
(11) Capital Expenditure	Year 2023-24	Year 2022-23
a. Personal Health	93	71
b. Innovation services	5,781	1,090
c. Health Systems	240	500
d. Other Unallocable	87	40
Total Capital Expenditure	6,201	1,701
(12) Depreciation and amortization expense		
a. Personal Health	39	25
b. Innovation services	964	885
c. Health Systems	362	317
d. Other Unallocable	61	58
Total Depreciation and amortization expense	1,426	1,285
(13) Non-cash expenses other than Depreciation and amortization expense		
a. Personal Health	4	19
b. Innovation services	(15)	22
c. Health Systems	362	124
d. Other Unallocable	58	15
Total Non-cash expenses other than Depreciation and amortization expense	409	180
B: SECONDARY SEGMENT INFORMATION:	Year 2023-24	Year 2022-23
Revenue		
a. Within India	29,307	26,989
b. Outside India	30,967	30,351
Total Revenue	60,004	57,340
Assets		
a. Within India	35,185	30,187
b. Outside India	3,972	1,819
Total Assets	39,157	32,006
Capital Expenditure		
a. Within India	6,201	1,701
b. Outside India	-	-
Total Capital Expenditure	6,201	1,701

The secondary segment revenue and assets in the geographical segments considered for disclosure are as follows:

- (1) Revenue and assets within India.
- (2) Revenue and assets outside India.

C: OTHER DISCLOSURES:

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

Inter segment revenue / result:

- Inter-segment revenue has been recognized at competitive prices.
- Allocation of corporate expenses to other segments is at cost.
- All profits / losses on inter segment transfers are eliminated at Company level.

Types of products and services in each business segment:

Business Segments	Type of products / services
a. Health Systems	Medical electronics equipments & customer services
b. Innovation services	Development of embedded software
c. Personal Health	Health and Wellness products and Personal care products

(i) Reconciliations to amounts reflected in the financial statements	Year 2023-24	Year 2022-23
Segment profit	3,345	3,008
Finance cost	(388)	(264)
Other unallocable expenditure net of unallocable income	312	464
Tax expense	(694)	(608)
Profit for the year	2,575	2,600
(ii) Reconciliation of assets		
Segment operating assets	39,157	32,006
Total Assets	39,157	32,006
(iii) Reconciliation of liabilities		
Segment operating liabilities	24,261	19,663
Total liabilities	24,261	19,663

42. Capital Reduction

The Company is in the process of reducing its issued, subscribed and paid-up equity share capital from the existing ₹ 57,51,72,420 (Indian Rupees fifty seven crore fifty one lakh seventy two thousand four hundred and twenty only) divided into 5,75,17,242 (five crore seventy five lakh seventeen thousand two hundred forty two) equity shares having a face value of INR 10 (Indian Rupees ten only) each fully paid up to ₹ 55,29,02,420 (Indian Rupees fifty five crore twenty nine lakh two thousand four hundred and twenty only) divided into ₹ 5,52,90,242 (five crore fifty two lakh ninety thousand two hundred and forty two) equity shares having a face value of ₹ 10 (Indian Rupees ten only) each fully paid up, by cancelling and extinguishing 22,27,000 (twenty two lakh twenty seven thousand) equity shares having a face value of ₹ 10 (Indian Rupees ten only), in aggregate, 3.87% of the total issued, subscribed and paid-up equity share capital of the Company held by all the equity shareholders of the Company other than Koninklijke Philips N.V. and Philips Radio B.V. Pursuant to the Board approval at their meeting held on October 31, 2023 and shareholder's approval by way of approval special resolution passed through postal ballot on December 9, 2023, Company petition was filed with National Company Law Tribunal ("NCLT"), Kolkata. The aforesaid Company Petition was presented on 19th day of December 2023 and admitted by an order of the Hon'ble Tribunal dated 4th day of January 2024. Currently, the matter is pending before the NCLT.

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Amounts in ₹ Mn

43. Significant Ratios

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance over Previous Year
(a) Current ratio (in times)	Current assets	Current liabilities	1.50	1.40	7.1%
(b) Debt - Equity ratio	Total Debt	Total Equity	N.A	N.A	N.A
(c) Debt Service coverage ratio	Earnings available for Debt service	Total Debt service	N.A	N.A	N.A
(d) Return on equity ratio (in %) \$	Profit after tax	Average Total Equity	18.91	14.81	27.7%
(e) Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory	3.19	3.40	-6.1%
(f) Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	6.79	6.82	-0.5%
(g) Trade payables turnover ratio (in times)	Net Purchases	Average trade Payables	3.61	3.36	7.2%
(h) Net capital turnover ratio (in times)	Net Sales	Working capital	7.55	9.14	-17.4%
(i) Net profit ratio (in %)	Profit after tax	Revenue from operations	4.29	4.53	-5.3%
(j) Return on capital employed (in %)	Earnings before Interest and tax	Capital Employed	22.01	23.99	-8.3%
(k) Return on investment (in %)	Profit after tax	Investment	7.24	6.86	5.6%

\$ Basis lower average total equity over the previous year.

44. Disclosure of transactions with Struck Off Companies:

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

45. There are no transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule 3.

1. Crypto Currency or Virtual Currency
2. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
3. Registration of charges or satisfaction with Registrar of Companies
4. Relating to borrowed funds:
 - Willful defaulter
 - Utilization of borrowed funds & share premium
 - Borrowings obtained on the basis of security of current assets
 - Discrepancy in utilization of borrowings
 - Current maturity of long term borrowings
5. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to Financial Statements for the year ended March 31, 2024

7. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 (a) Daily Back up

The Company is using accounting SAP ERP systems for maintaining the books of accounts and other relevant data in the electronic mode as required by law, however, the company has server physically located outside India for the daily backup of the books of account. The Company has already done the preliminary assessment to back-up the books of accounts in India only which is expected to be operational within FY 2024-2025.

(b) Audit trail

The Company has used SAP accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to SAP accounting software. Further no instance of audit trail feature being tampered with was noted in respect of SAP accounting software where the audit trail has been enabled.

Further, in respect of applications managed by a third-party software service provider, Audit trail feature is not covered in SOC I Type 2 report for the period April 1, 2023 to March 31, 2024 to determine whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with, in respect of an accounting software where the audit trail has been enabled.

47 (a) Extended Producer Responsibility (EPR)

The E-waste (Management) Rules, 2022 has become effective from April 1, 2023. The Company deals in wide range of products like Hair Dryer, Electric Shaver, Cardiology equipment & accessories, Ventilators & Respiratory equipment, laboratory equipment for in vitro diagnosis & accessories, MRI-PET and other electronic appliances which are covered under these rules. Company has tied-up with various E-waste collection providers for achieving the collection target.

(b) New Labour codes

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazzate of India. Certain sections of Code came into effect on 3 May 2023. However the final rules/interpretation have not yet been issued. Based on preliminary assessment, the Company believes the impact of the change will not be significant.

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

49. 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 and on behalf of the Board of Directors of Philips India Limited
CIN: U31902WB1930PLC006663

For S.R. Batliboi & Co LLP
Chartered Accountants
Firm registration number: 301003E/E300005

Chairman **ANGARAI DORAIRAJAN ADITYA RATNAM**
(DIN: 05296020)

Whole-time Director & CFO **DEV KUMAR TRIPATHY**
(DIN: 10373357)

DIVYA MATHUR
Partner
Membership No.: 506846
Gurugram, August 07, 2024

Gurugram, August 07, 2024

PHILIPS INDIA LIMITED

Notes to Financial Statements for the year ended March 31, 2024

TEN YEAR REVIEW

Amounts in ₹ Mn

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Income and Dividends										
Sales	58,387	63,755	36,723	38,562	42,398	44,970	48,070	54,290	56,682	59,374
Profit before exceptional items and tax	3,096	5,600	3,252	2,667	2,959	2,346	2,531	2,333	3,208	3,269
As percentage of sales	5.3	8.8	8.9	6.9	7.0	5.2	5.3	4.3	5.7	5.5
Profit before tax	3,170	6,275	3,252	2,667	2,607	2,488	2,531	3,642	3,208	3,269
As percentage of sales	5.4	9.8	8.9	6.9	6.1	5.5	5.3	6.7	5.7	5.5
Profit after tax	2,099	4,235	2,064	1,681	1,760	1,515	1,761	2,659	2,600	2,575
As percentage of sales	3.6	6.6	5.6	4.4	4.2	3.4	3.7	4.9	4.6	4.3
As percentage of net worth	16.1	24.8	10.3	7.8	7.6	6.7	7.4	11.7	21.1	17.3
Earnings per share (₹)	36.49	73.63	35.88	29.22	30.60	26.34	30.61	46.23	45.21	44.78
Dividend per equity share (₹)	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	222.0	0
Assets and Liabilities										
Property, Plant and Equipment	4,295	3,937	2,526	2,940	3,155	3,416	4,343	3,710	3,684	8,303
Investment property	-	-	-	-	-	360	836	1,366	1,334	1,377
Investments	1,000	1,000	7,605	7,725	7,579	7,431	-	50	50	47
Deferred tax assets - net	496	809	572	746	540	642	846	384	633	836
Inventories	6,293	6,504	4,554	4,037	5,072	4,169	4,250	6,861	7,184	8,240
Debtors, loans & advances and cash & bank balances	17,725	22,025	16,735	19,212	21,228	22,078	24,167	30,681	19,121	20,354
Assets directly associated with discontinued operations	-	-	-	-	-	-	8,967	-	-	-
Current liabilities & provisions	15,277	16,578	11,282	12,385	13,800	15,520	17,624	20,277	19,663	24,261
Liabilities directly associated with discontinued operations	-	-	-	-	-	-	1,835	-	-	-
Net current assets	8,741	11,951	10,007	10,864	12,500	10,727	17,925	17,265	6,642	4,333
Net Investment	14,532	17,697	20,710	22,275	23,774	22,576	23,950	22,775	12,343	14,896
Represented by										
Equity share capital	575	575	575	575	575	575	575	575	575	575
Other reserves	12,459	16,486	19,450	21,018	22,523	22,001	23,375	22,200	11,768	14,321
Shareholders' interest (net worth)	13,034	17,061	20,025	21,593	23,098	22,576	23,950	22,775	12,343	14,896
Borrowings	1,498	636	685	682	676	0	-	-	-	-
Total	14,532	17,697	20,710	22,275	23,774	22,576	23,950	22,775	12,343	14,896
General										
Exports (F.O.B)	2,541	3,068	2,467	2,556	3,884	2,592	3,234	2,937	5,271	3,960
Employee Benefit Expense	8,314	10,169	9,989	11,181	12,369	13,514	14,603	16,590	20,115	21,649
Debt : Equity Ratio	10:90	4:96	3:97	3:97	3:97	0:100	0:100	0:100	0:100	0:100
Number of employees at year end	5,830	5,507	3,727	4,167	4,569	4,944	5,395	5,840	6,311	5,992

Registered Office

Philips India Limited
3rd Floor, Tower A, DLF IT Park, 08 Block AF,
Major Arterial Road, New Town (Rajarhat) Kolkata,
West Bengal- 700156.
Tel.: 91-33-4402 4000, Fax : 91-33-4402 4004

Corporate Office

Philips India Limited
Unit No. 402, 4th Floor, Tower 3, Worldmark,
Maidawas Road, Sector - 65,
Gurugram, Haryana, 122 018.

Northern Region

Philips India Limited
Unit No. 402, 4th Floor, Tower 3, Worldmark,
Maidawas Road, Sector - 65,
Gurugram, Haryana, 122 018.

Eastern Region

Philips India Limited
3rd Floor, Tower A, DLF IT Park, 08 Block AF,
Major Arterial Road, New Town (Rajarhat) Kolkata,
West Bengal - 700156.
Tel.: 91-33-4402 4000, Fax : 91-33-4402 4004

Western Region

Philips India Limited
1st Floor, Tower C, SmartWorks,
Time Square Building,
Near Marol, Metro Station,
Andheri East Mumbai - 400059

Southern Region

Philips India Ltd
Level 8, 5th floor, Olympia Cyberspace,
21/22, Alandur Road, Arulayiammanpet,
2nd street, Guindy,
Chennai, Tamil Nadu 600032

Royal Philips

Koninklijke Philips N.V.
Philips Center, Amstelplein 2
1096 BC Amsterdam,
P.O. Box 77900
1070 MX Amsterdam,
The Netherlands
Tel.: 31-20-597 7777



www.philips.co.in