

PHILIPS INDIA LIMITED

Registered Office: 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat), Kolkata, West Bengal- 700156.
CIN: U31902WB1930PLC006663,
Phone: +911244606000, Fax: +911244606666
Website: www.philips.co.in

87th Annual General Meeting

Friday, September 15, 2017 at 11:00 a.m.
at Vidya Mandir, 1, Moira Street, Kolkata - 700 017

ATTENDANCE SLIP

Sr No :

Regd. Folio No / DP ID & Client ID :

Number of Shares :

- A MEMBER/PROXY IS REQUESTED TO BRING THIS ATTENDANCE SLIP DULY FILLED IN AND SIGNED BEFORE COMING TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL.
- If you intend to appoint a Proxy, please complete the Proxy Form and deposit it at the Company's Registered Office, at least 48 hours before the time of holding the Meeting.
- Please bring your copy of the Annual Report to the Meeting.

I hereby record my presence at the
87th Annual General Meeting of the Company

Name of Proxy in BLOCK LETTERS
(If the Proxy attends instead of the Member)

Signature of Member/Proxy

PHILIPS**PHILIPS INDIA LIMITED**

Registered Office: 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat), Kolkata, West Bengal- 700156.
CIN: U31902WB1930PLC006663,
Phone: +911244606000, Fax: +911244606666
Website: www.philips.co.in

87th Annual General Meeting

Friday, September 15, 2017 at 11:00 a.m.
at Vidya Mandir 1, Moira Street, Kolkata - 700 017

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please read instructions, given below the Notice of the 87th Annual General Meeting, forming part of the Annual Report, carefully before voting electronically.

PHILIPS

Philips India Limited

Registered Office: 3rd Floor, Tower A, DLF IT
Park, 08 Block AF, Major Arterial Road, New Town
(Rajarhat), Kolkata, West Bengal- 700156.
CIN: U31902WB1930PLC006663,
Phone: +91 1244606000, Fax: +91 1244606666
Website: www.philips.co.in

87th Annual General Meeting
on Friday, September 15, 2017
at 11:00 a.m. at VidyaMandir,
I, Moira Street, Kolkata – 700 017

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :	
Registered address :	
E-mail Id:	
Folio No. / Client Id :	
DP ID :	

I/We, being the holder(s) of _____ equity shares of Philips India Limited, hereby appoint

1. Name _____ E- Mail Id: _____
Address _____

Signature: _____ or failing him/her
2. Name _____ E- Mail Id: _____
Address _____

Signature: _____ or failing him/her
3. Name _____ E- Mail Id: _____
Address _____

Signature: _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 87th Annual General Meeting of the Company, to be held on Friday, September 15, 2017 at 11:00 a.m. at Vidya Mandir, I, Moira Street, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	
1.	To receive, consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2017, including the audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon.
2.	To declare dividend for the financial year ended March 31, 2017.
3.	To appoint a Director in place of Mr. Rajiv Mathur (DIN 06931798), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To ratify the appointment of Statutory Auditors of the Company for a further period of one year and to fix their remuneration.
Special Business	
5.	Revision in remuneration of Mr. V Raja (DIN 00669376).
6.	Revision in remuneration of Mr. Rajiv Mathur (DIN 06931798).
7.	Revision in remuneration of Mr. Hariharan Madhavan (DIN 07217072).
8.	Approval of remuneration of Cost Auditors.

Signed this _____ day of _____ 2017

Signature of Shareholder _____ Signature of Proxy holder(s) _____

AFFIX
REVENUE
STAMP OF
₹ 1

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

PHILIPS



PHILIPS

Philips India Limited

Annual Report

Innovating

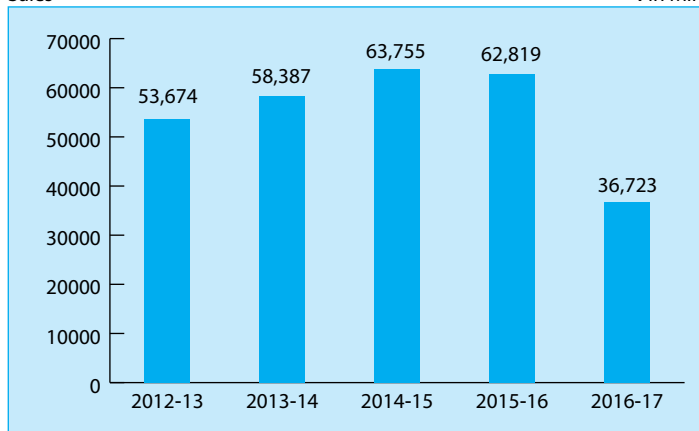
new approaches to global health challenges

Annual report 2016-17

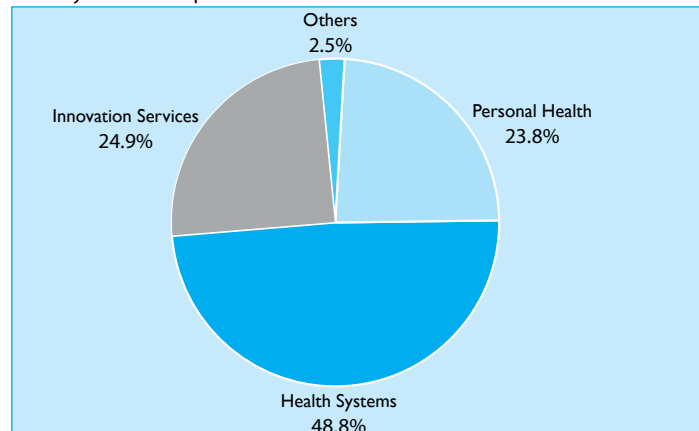
PHILIPS INDIA LIMITED

Sales

₹ in Mln

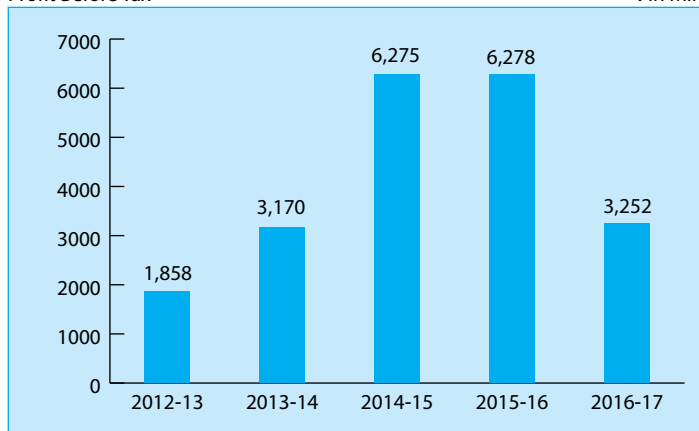


Sales by Activities- Apr 2016 - Mar 2017



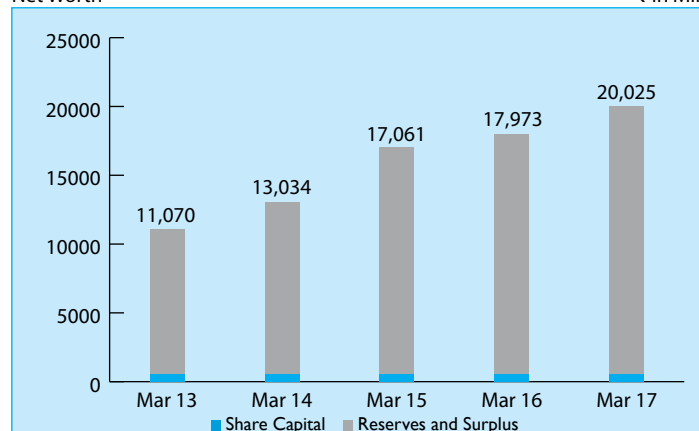
Profit Before Tax

₹ in Mln



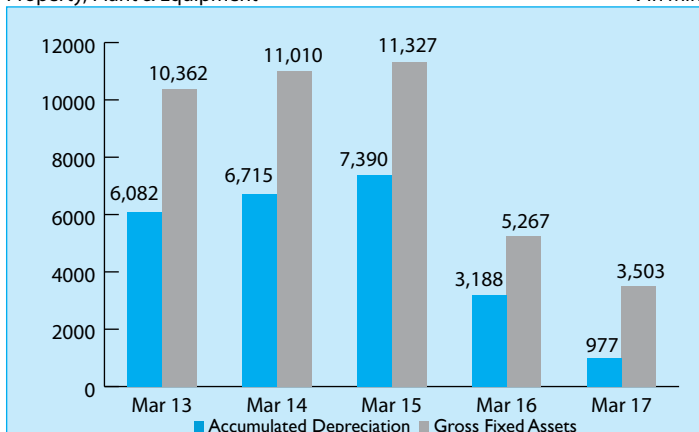
Net Worth

₹ in Mln



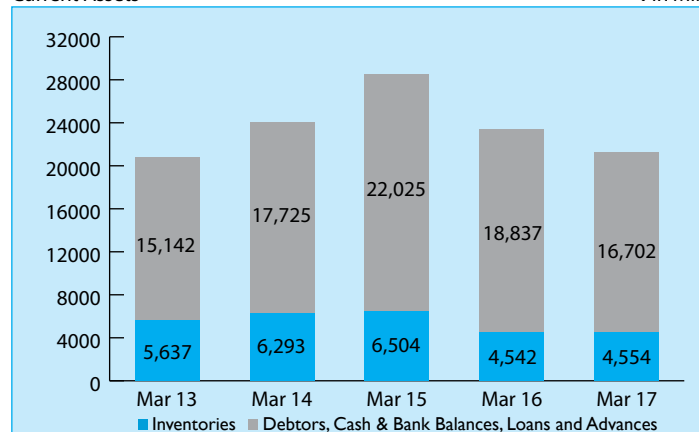
Property, Plant & Equipment

₹ in Mln



Current Assets

₹ in Mln



PHILIPS INDIA LIMITED

CONTENTS

Board of Directors	: 2
Notice of Annual General Meeting	: 3
Directors' Report	: 15
Standalone Financial Statements	
Independent Auditors' Report	: 46
Balance Sheet as at 31 March 2017	: 52
Statement of Profit and Loss for the year ended 31 March 2017	: 53
Statement of Changes in Equity for the year ended 31 March 2017	: 54
Cash flow Statement for the year ended 31 March 2017	: 55
Notes forming part of the Financial Statements	: 57
Consolidated Financial Statements	
Independent Auditors' Report	: 105
Balance Sheet as at 31 March 2017	: 110
Statement of Profit and Loss for the year ended 31 March 2017	: 111
Statement of Changes in Equity for the year ended 31 March 2017	: 112
Cash flow Statement for the year ended 31 March 2017	: 113
Notes forming part of the Financial Statements	: 125
Statement pursuant to Section 129(3) of the Companies Act, 2013 relating to Subsidiary/Associate Companies (AOC-I)	: 168

Annual General Meeting on Friday, September 15, 2017 at 11.00 a.m.
At Vidya Mandir, I, Moira Street, Kolkata 700 017
For route map to the venue, please refer the AGM Notice that forms part of the
Annual Report.
You are requested to kindly carry your copy of the Annual Report to the Meeting.

PHILIPS INDIA LIMITED

BOARD OF DIRECTORS

Chairman and Non-Executive Independent Director

S. M. Datta

Vice – Chairman and Managing Director

V. Raja

Whole - Time Director and Company Secretary

Rajiv Mathur

Whole - Time Director and CFO

Hariharan Madhavan

Non-Executive Independent Directors

Vivek Gambhir

Geetu Gidwani Verma

STATUTORY AUDITORS

S. R. Batliboi & Co. LLP

Chartered Accountants

BANKERS

Citibank N.A.

Bank of America N.A.

Deutsche Bank AG

State Bank of India

HDFC Bank

Standard Chartered Bank

REGISTERED OFFICE

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty-Seventh Annual General Meeting of PHILIPS INDIA LIMITED will be held at Vidya Mandir, I, Moira Street, Kolkata – 700 017 on Friday, September 15, 2017 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended March 31, 2017, including the audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Rajiv Mathur (DIN 06931798), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company for a further period of one year and to fix their remuneration and pass the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number 301003E /E300005), as the Statutory Auditors of the Company be and is hereby ratified for a further period of one year, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors and that such remuneration may be paid on a progressive billing basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby also authorized to file all the requisite forms and other relevant documents with the Registrar of Companies and any other authority as may be required to give effect to the ratification of appointment of Auditors.”

SPECIAL BUSINESS:

5. REVISION IN REMUNERATION OF MR.V. RAJA (DIN 00669376)

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

“RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the Annual General Meeting of the Company held on September 29, 2016, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr.V. Raja, having DIN No. 00669376, Vice – Chairman & Managing Director, to take effect from 1st April, 2017, for the balance term of his appointment on the Board, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment, in such manner as may be agreed to between the Board of Directors and Mr. V. Raja.

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

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

6. REVISION IN REMUNERATION OF MR. RAJIV MATHUR (DIN 06931798)

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

“RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the Annual General Meeting of the Company held on September 29, 2016, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V

and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Rajiv Mathur, having DIN No. 06931798, Whole-time Director, designated as Director and Company Secretary, to take effect from 1st April, 2017, for the balance term of his appointment on the Board, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Rajiv Mathur.

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

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. REVISION IN REMUNERATION OF MR. HARIHARAN MADHAVAN (DIN 07217072)

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

"RESOLVED THAT in partial modification of the resolution passed earlier by the shareholders at the Annual General Meeting of the Company held on September 29, 2016, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, subject to such consents, approvals or permissions as may be necessary, including an approval from the Central Government, if required, the approval of the Company be and is hereby accorded for the revision in remuneration payable to Mr. Hariharan Madhavan, having DIN No. 07217072, Whole-time Director, designated as Director and Chief Financial Officer, to take effect from 1st April, 2017, for the balance term of his appointment on the Board, on the terms and conditions as detailed in the Explanatory Statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Hariharan Madhavan.

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

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

8. APPROVAL OF REMUNERATION OF COST AUDITORS

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby approves the remuneration of ₹ 5,00,000 (Rupees Five Lacs) plus applicable taxes and out of pocket expenses payable to M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464 who have been 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 financial year ending on 31st March, 2018.

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

By Order of the Board

Rajiv Mathur
Director and Company Secretary
DIN No. 06931798

Place: New Delhi
Date: July 18, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
3. Members / Proxies / authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at Item nos. 5, 6, 7 and 8 of the Notice, is annexed hereto.
6. The Statutory registers of the Company maintained as per the provisions of the Companies Act 2013, will be available for inspection by the Members at the AGM.
7. The Share Transfer Books and the Register of Members of the Company will remain closed from September 9, 2017 to September 15, 2017 (both days inclusive).
8. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of saving bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
9. Subject to provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared, at the meeting, will be paid within 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members as on September 15, 2017. In respect of demat shares, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.
10. Members may be aware that the Company has changed its Registrar and Share Transfer Agents ("RTA") and M/s Karvy Computershare Pvt. Ltd. has been appointed as RTA w.e.f. July 1, 2016. An intimation in this regard was sent individually to each Member at their address available in the Company's records. Members are requested to contact the Registrar and Share Transfer Agents, M/s Karvy Computershare Pvt. Ltd. for all matters connected with Company's shares at:

Karvy Computershare Pvt. Ltd.,
 Karvy Selenium, Tower-B, Plot no.31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad-500 032.
 Toll Free no. 18 00 3454 001, Tel. +91 040 67162222
 Fax no. +91 04023001153
 Email id: einward.ris@karvy.com

Karvy Computershare Private Limited
 49 Jatin Das Road, 1st Floor
 Kolkata 700 029, West Bengal,
 Tel. +91 033 6619 2844

11. Pursuant to Sections 123, 124 and 125 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
64	10.06.2011	31.12.2010	17.07.2018
65	04.09.2012	31.03.2012	11.10.2019
66	20.09.2013	31.03.2013	27.10.2020
67	25.09.2014	31.03.2014	02.11.2021
68	28.09.2015	31.03.2015	05.11.2022
69	29.09.2016	31.03.2016	06.11.2023

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate

the Companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on September 29, 2016 (date of last Annual General Meeting) are available on the website of the Company <http://www.philips.co.in/a-w/about-philips/investor-relations.html>.

In accordance with the aforesaid IEPF Rules, on March 29, 2017, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement on March 31, 2017 in regard to the same.

Members are requested to contact Karvy Computershare Private Limited for encashing the unclaimed dividends standing to the credit of their account.

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

12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better service:
 - a. any change in their address/mandate/bank details, along with documentary proof in support of the same;
 - b. share certificate(s) held in multiple account name or joint accounts in the same order of names for consolidation of such shareholdings into one account.
13. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13).

14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration Amendment Rules, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 87th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).
- II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. **The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.**
- IV. The remote e-voting period commences on September 12, 2017 (9:00 a.m.) and ends on September 14, 2017 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 8, 2017, may cast their vote by remote e-voting. The remote e-voting facility shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

(A) In case of Members receiving an e-mail from Karvy Computershare Private Limited:

- (i) Launch an internet browser and open <https://evoting.karvy.com/>
- (ii) Enter the login credentials i.e. User ID and password, provided in the e-mail received from Karvy Computershare Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering the above details, click on - 'Login'.
- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, e-mail 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. After changing the password, you need to login again with the new credentials.

- (v) On successful login, the system will prompt you to select the E-Voting Event.
- (vi) Select 'EVENT' of Philips India Limited - AGM and click on - 'Submit'.
- (vii) Now you are ready for e-voting as 'Ballot Form' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xi) 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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (xii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (xiii) 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.
- (xiv) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xv) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, 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).
- (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at asimsecy@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

(B) In case of Members receiving physical copy of the Notice of AGM and Attendance Slip

- (i) Initial Password is provided at the bottom of the Attendance Slip in the following format:

USER ID	PASSWORD
-	-

- (ii) Please follow all steps from Sr. No. (A)(i) to Sr. No. (A)(xvi) mentioned above, to cast vote.
- (iii) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Karvy Computershare Private Limited i.e. <https://evoting.karvy.com/>.
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- (v) The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, September 8, 2017, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- (vi) Members who have acquired shares after 11th August, 2017 i.e. the date considered for dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot Password' option available on <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at toll free no. 1-800-3454-001 or e-mail at evoting@karvy.com. In case of any other queries / grievances connected with voting by electronic means, you may also contact Mr.V. K. Jayaraman of Karvy Computershare Private Limited, at telephone no. 040-67161662.

15. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
16. Dr. Asim Kumar Chattopadhyay has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall 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 the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of result by the Chairman or a person authorized by him in writing.

EXPLANATORY STATEMENT

Under Section 102 of the Companies Act, 2013

ITEM NO. 5

Based on the recommendation of Nomination and Remuneration Committee of the Board, the Board of Directors, at their meeting held on December 15, 2015, had appointed Mr. V. Raja as the Vice-Chairman and Managing Director of the Company for a period of 5 years, with effect from December 15, 2015, on the terms and conditions agreed between the Board and Mr. V. Raja. The appointment of Mr. V. Raja as the Vice-Chairman and Managing Director of the Company was approved by the shareholders at the Eighty-Sixth Annual General Meeting of the Company held on September 29, 2016.

In view of the annual performance review process followed by the Company, revision in remuneration payable to Mr. V. Raja was proposed, with effect from April 1, 2017.

The matter regarding revision in the remuneration of Mr. V. Raja was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors held on July 18, 2017, based on which the approval of the members is requested for revision in the remuneration of Mr. V. Raja for the balance term of his appointment on the Board.

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

- I. Mr. V. Raja shall be entitled to receive remuneration for his services by way of Salary, Variable Performance Linked Bonus and Perquisites as mentioned hereunder. Further, the details of the Salary, Variable Performance Linked Bonus and Perquisites, presently being paid to Mr. V. Raja (prior to the proposed revision) are also mentioned in the table as below:

Remuneration:

Particulars	Present Remuneration (prior to the proposed revision)		Revised Remuneration (as proposed)	
	Amount (₹)	Comments	Amount (₹)	Comments
Total Annual Fixed salary (Guaranteed Cash and Retrials)	34,500,000	-	35,362,500	-
Variable Bonus @40% of Target Fixed Salary (with an earnings potential upto 200%)	13,800,000	ALL Plan Design : • Weightage of Financials 70%; • Individual 30% Financials Weightage 70% split as follows:	14,145,000	ALL Plan Design : • Weightage of Financials 70%; • Individual 30% Financials Weightage 70% split as follows:

Particulars	Present Remuneration (prior to the proposed revision)		Revised Remuneration (as proposed)	
	Amount (₹)	Comments	Amount (₹)	Comments
		a) Own level i.e. Health Tech India (45%) b) Next Level Financials - Health Tech Global (25%) Combination of CSG, EBIT and AWOCA.		a) Own level i.e. Health Tech India (45%) b) Next Level Financials - Health Tech Global (25%) Combination of CSG%, Adjusted EBITA and AWOCA.
Total Target Cost (Total Fixed Salary + Target)	48,300,000	-	49,507,500	-
LTI - Annual Recurring Performance Share Plan with a 3 year cliff vesting. The Actual grant will be made in Euro (Euro 150K) and this Annual LTIP grant will be as per April 2016	10,500,000	Long Term Incentive Plan Design: Performance measurement at vesting (forward looking) Vesting of shares based on 2 equally weighted performance conditions: 50% adjusted Earnings Per Share growth ('EPS') and 50% Relative Total Shareholder Return ('TSR') Payout Max is at 200%	-	-
Total Cost to the Company	58,800,000	-	49,507,500	-
One Time Additional Special Grants: Additional Partial PS Euro 37500* Additional One time RSUs 450K* (1/3rd over 3 years) (* Conversion: 1 Euro to INR 70)	2,625,000 31,500,000	As per Philips Global Performance Share plan One time LTI Sign-on made in Restricted Shares spread over 3 years	-	-
Total	92,925,000	-	49,507,500	-
	Mr. V. Raja shall be entitled to the following additional benefits: • First year Variable Pay bonus to be guaranteed at 100% target achievement. • An additional sign-on cash compensation of ₹ 20,00,000/- (₹ 20 Lakhs) shall be payable to Mr.V. Raja for loss of gratuity. • Parents' health insurance to be covered over and above spouse and two children. • Gratuity will be paid as ex-gratia in case of exiting Philips before 5 years from date of joining.		Mr. V. Raja shall be entitled to the following additional benefits: • Parents' health insurance to be covered over and above spouse and two children. • Gratuity will be paid as ex-gratia in case of exiting Philips before 5 years from date of joining. • Company Car - Provided as a Lifestyle benefit Car Value up to ₹ 60 lakhs the employee buy-back at 1% of residual value at the end of a 3 year period. Fuel and Maintenance is fully covered by the company.	

Particulars	Present Remuneration (prior to the proposed revision)		Revised Remuneration (as proposed)	
	Amount (₹)	Comments	Amount (₹)	Comments
	<ul style="list-style-type: none"> • Company Car — Provided as a Lifestyle benefit Car Value up to ₹ 60 lakhs. The employee buys-back at 1% of residual value at the end of a 3 year period. Fuel and Maintenance is fully covered by the Company. • Medical reimbursement — up to a limit of ₹ 80,000 (for domiciliary as well as hospitalization) • Medclaim - Family floater insurance cover of ₹ 5 Lakhs p.a. for self, spouse and up to two children. In addition, the insurance provider will also provide parental cover under this policy as mentioned above. • Group Personal Accident Insurance - Coverage for ₹ 90 lakhs • Group Term Life Insurance — Cover equal to 24 month's salary • Club Membership - DLF Golf Club — Gurgaon 		<ul style="list-style-type: none"> • Medical reimbursement - up to a limit of ₹ 80,000 (for domiciliary as well as hospitalization). • MediClaim - Family floater insurance cover of ₹ 5 Lakhs p.a. for self, spouse and up to two children. In addition, the insurance provider will also provide parental cover under this policy as mentioned above. • Group Personal Accident Insurance - Coverage for ₹ 1 Crore. • Group Term Life Insurance - Cover equal to 24 month's salary. • Club Membership - DLF Golf Club — Gurgaon. 	

2. Minimum Remuneration: Notwithstanding anything stated hereinabove, where in any financial year during the term of office of Mr. V. Raja, as the Vice-Chairman & 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, subject to the approval of the Central Government, if required.
3. All the above perquisites and benefits would be subject to the applicable Company policy.
4. All other terms and conditions of Mr. V. Raja's appointment, as approved earlier by the Board and the shareholders, shall remain unchanged.

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

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

Your Directors recommend the resolutions set forth in item No. 5 for approval of the members.

ITEM NO. 6

The Board of Directors at their meeting held on June 25, 2013, had taken note of appointment of Mr. Rajiv Mathur as Company Secretary of the Company. Further, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on August 18, 2015, had appointed Mr. Rajiv Mathur as a Whole time Director of the Company, with effect from August 18, 2015 till July 31, 2020, which was approved by the shareholders of the Company at the Eighty – Fifth Annual General Meeting of the Company held on September 28, 2015.

Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, at their meeting held on July 25, 2016, the revision in remuneration of Mr. Rajiv Mathur was approved by the shareholders of the Company at the Eighty-Sixth Annual General Meeting of the Company held on September 29, 2016.

Mr. Mathur has been responsible for enhancing the legal capabilities within the Company and other companies of the group in the Indian sub-continent, guiding overall group strategy, conducting several sessions on secretarial and other compliances impacting the business of the Company.

In view of the above and as per annual performance review process followed by the Company, revision in remuneration payable to Mr. Rajiv Mathur was proposed, with effect from April 1, 2017.

The matter regarding revision in the remuneration of Mr. Rajiv Mathur was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors held on July 18, 2017, based on which the approval of the members is requested for revision in the remuneration of Mr. Rajiv Mathur for the balance term of his appointment on the Board.

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

- I. Mr. Rajiv Mathur shall be entitled to receive remuneration for his services by way of Salary, Variable Performance Linked Bonus and Perquisites as mentioned hereunder. Further, the details of the Salary, Variable Performance Linked Bonus and Perquisites, presently being paid to Mr. Rajiv Mathur (prior to the proposed revision) are also mentioned in the table as below:

Remuneration:

Particulars	Present Remuneration (prior to the proposed revision)	Revised Remuneration (as proposed)
Salary	₹ 1,144,794 per month or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 429,298 2. House Rent Allowance: ₹ 214,649 3. Flexible Benefit Plan: ₹ 428,683 4. Retrial Benefit: ₹ 72,165 (as set out in Part B)	₹1,203,180 /- per month or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 451,192 2. House Rent Allowance: ₹ 225,596 3. Flexible Benefit Plan: ₹ 450,546 4. Retrial Benefits: ₹ 75,846 (as set out in Part B)
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Rajiv Mathur shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Rajiv Mathur shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.

Part-A

- i. Mr. Rajiv Mathur shall also be entitled to perquisites and allowances including but not restricted to medical reimbursement for self and family, club fees, medical insurance, personal accident insurance, Company stock (as per the global LTI plan), Company's car for official duties and such other perquisites and allowances in accordance with the Rules of the Company as amended from time to time.
- ii. The perquisites and allowances as mentioned above, shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision for use of the telephone at residence shall not be included in the computation of perquisites.

Part-B

- i. Company's contribution towards Provident Fund and Pension Fund not exceeding 12% of the Basic Salary or such other percentage as may be permitted in law from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and have been included in the remuneration amount mentioned above.
2. Minimum Remuneration: Notwithstanding anything stated hereinabove, where in any financial year during the term of office of Mr. Rajiv Mathur, as Whole-time Director and Company Secretary, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration as minimum remuneration by way of Salary, Variable Performance Linked Bonus and Perquisites. However, the total remuneration by way of salary, perquisites and any other allowance shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any re-enactment thereof.
 3. All the above perquisites and benefits would be subject to the applicable Company policy.
 4. All other terms and conditions of Mr. Rajiv Mathur, as approved earlier by the Board and the shareholders, shall remain unchanged.

PHILIPS INDIA LIMITED

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

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

Your Directors recommend the resolutions set forth in item No. 6 for approval of the members.

ITEM NO. 7

Based on the recommendation of Nomination and Remuneration Committee of the Board, the Board of Directors at their meeting held on August 18, 2015 appointed Mr. Hariharan Madhavan as a Whole-time Director and Chief Financial Officer of the Company for a period of 5 years from August 18, 2015 to July 31, 2020 on the terms and conditions agreed between the Board and Mr. Hariharan Madhavan which was approved by the shareholders at the Eighty-Fifth Annual General Meeting of the Company held on 28th September, 2015.

Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, at their meeting held on July 25, 2016, the revision in remuneration of Mr. Hariharan Madhavan was approved by the shareholders of the Company at the Eighty-Sixth Annual General Meeting of the Company held on September 29, 2016.

Mr. Madhavan has been with Philips for over 16 years and has been in various leadership positions in the recent years. Further to his appointment as CFO of the Company and a member of its Board of Directors, Mr. Madhavan has played a significant role in driving key initiatives like close focus on collection of receivable, cost optimization and other financial decisions of your Company.

In view of the above and as per annual performance review process followed by the Company, revision in remuneration payable to Mr. Hariharan Madhavan was proposed, with effect from April 1, 2017.

The matter regarding revision in the remuneration of Mr. Hariharan Madhavan was discussed in the Nomination and Remuneration Committee of the Board and the meeting of the Board of Directors held on July 18, 2017, based on which the approval of the members is requested for revision in the remuneration of Mr. Hariharan Madhavan for the balance term of his appointment on the Board.

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

- I. Mr. Hariharan Madhavan shall be entitled to receive remuneration for his services by way of Salary, Variable Performance Linked Bonus and Perquisites as mentioned hereunder. Further, the details of the Salary, Variable Performance Linked Bonus and Perquisites, presently being paid to Mr. Hariharan Madhavan (prior to the proposed revision) are also mentioned in the table as below:

Remuneration:

Particulars	Present Remuneration (prior to the proposed revision)	Revised Remuneration (as proposed)
Salary	₹ 1,237,500 per month or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 464,063 2. House Rent Allowance: ₹ 232,031 3. Flexible Benefit Plan: ₹ 393,788 4. Retrial Benefit: ₹ 147,618 (as set out in Part B)	₹ 1,299,377 per month or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount includes: 1. Basic Salary: ₹ 487,266 2. House Rent Allowance: ₹ 243,633 3. Flexible Benefit Plan: ₹ 413,478 4. Retrial Benefit: ₹ 155,000 (as set out in Part B)
Variable Performance Linked Bonus	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.	Not exceeding one and half times the Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Hariharan Madhavan shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	Subject to the limits contained in Schedule V of the Companies Act, 2013. Perquisites shall be payable as set out in Part A, as applicable. Mr. Hariharan Madhavan shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.

Part- A

- i. Mr. Hariharan Madhavan shall also be entitled to perquisites and allowances including but not restricted to medical reimbursement for self and family, club fees, medical insurance, personal accident insurance, Company stock (as per the global LTI plan), Company's car for official duties and such other perquisites and allowances in accordance with the Rules of the Company as amended from time to time.
- ii. The perquisites and allowances as mentioned above, shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision for use of the telephone at residence shall not be included in the computation of perquisites.

Part-B

- i. Company's contribution towards Provident Fund and Pension Fund not exceeding 12% of the Basic Salary or such other percentage as may be permitted in law from time to time, to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity and encashment of leave are payable as per the Rules of the Company at the end of the tenure and have been included in the remuneration amount mentioned above.
2. Minimum Remuneration: Notwithstanding anything stated hereinabove, where in any financial year during the term of office of Mr. Hariharan Madhavan, as the Whole-time Director and CFO, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration as minimum remuneration by way of Salary, Variable Performance Linked Bonus and Perquisites. However, the total remuneration by way of salary, perquisites and any other allowance shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any re-enactment thereof.
3. All the above perquisites and benefits would be subject to the applicable Company policy.
4. All other terms and conditions of Mr. Hariharan Madhavan, as approved earlier by the Board and the shareholders, shall remain unchanged.

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

Your Directors recommend the resolutions set forth in item No. 7 for approval of the members.

ITEM NO. 8

The Company is required to have the audit of its cost records conducted by a cost accountant in practice under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"). The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464, as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018.

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

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at item no. 8 of the notice for approval of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2018.

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

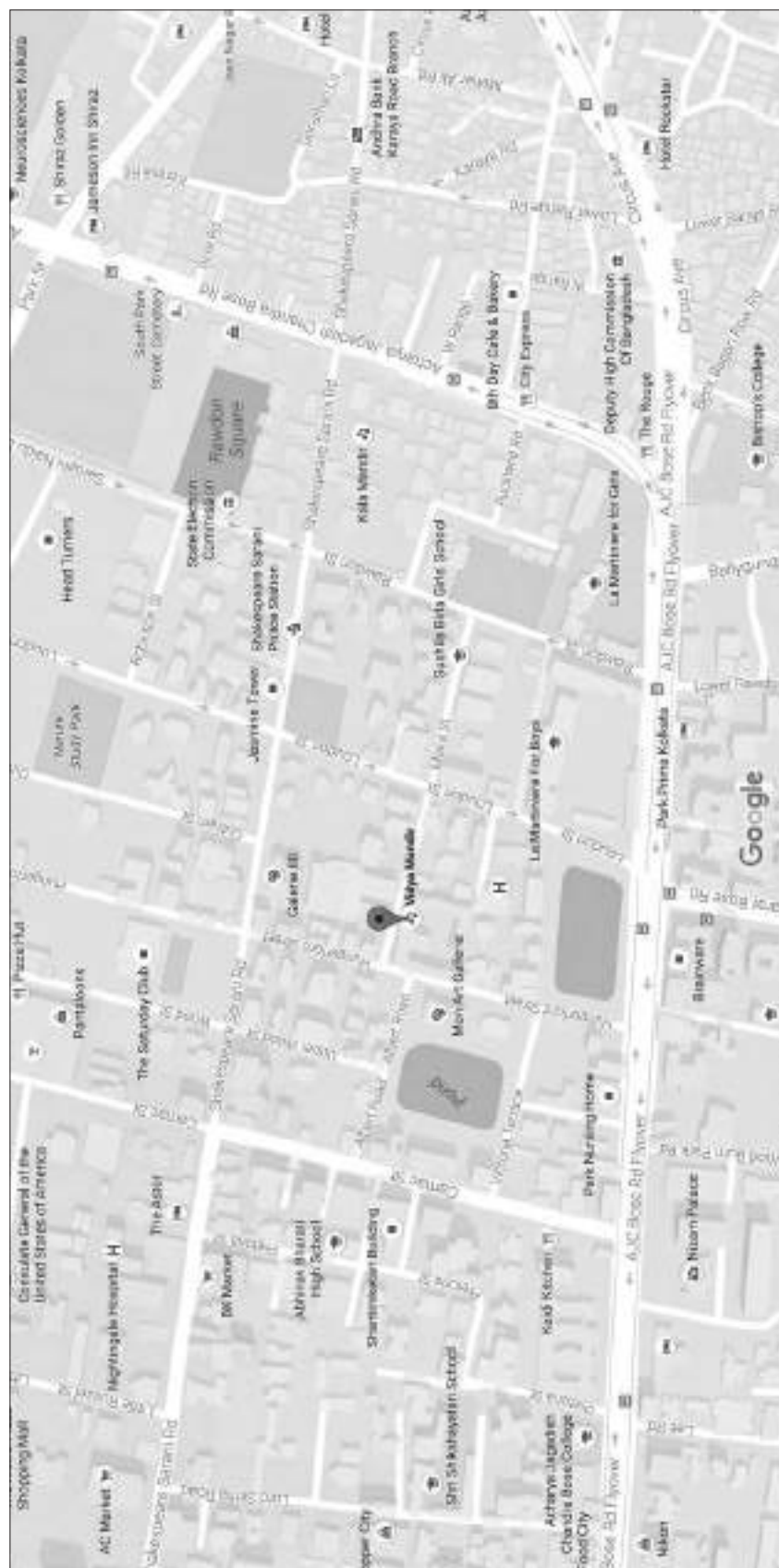
None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 8 of the accompanying notice.

By Order of the Board

Rajiv Mathur
Director and Company Secretary
DIN No. 06931798

Place: New Delhi
Date: July 18, 2017

**ROUTE MAP TO THE VENUE OF THE 87TH ANNUAL GENERAL MEETING
TO BE HELD ON SEPTEMBER 15, 2017 AT 11:00 A.M. AT
VIDYA MANDIR, 1, MOIRA STREET, KOLKATA - 700 017**



DIRECTORS' REPORT

For the financial year ended March 31, 2017

To the Members,

Your Company's Directors are pleased to present the 87th Annual Report of the Company, along with the Audited Annual Accounts for the financial year ended March 31, 2017.

I. FINANCIAL PERFORMANCE

I.1 RESULTS

	2016-17	2015-16*
		₹ Million
Gross Income	37,408	36,031
Profit before tax from continuing operations	3,252	3,056
Provision for current tax	(1,244)	(1,194)
Deferred tax—Release/(Charge)	56	7
Profit after tax from continuing operations	2,064	1,869
Profit before tax from discontinued operations	-	3,208
Provision for current tax	-	(1,244)
Deferred Tax- Release/(Charge)	-	133
Profit after tax from discontinued operations	-	2,097

I.2 SECTORWISE SALES

	2016-17	2015-16
Personal Health	8,728	10,954
Health Systems	17,936	15,764
Innovation Services	9,133	8,024
Others	926	425
Total	36,723	35,167

*The financial results for the year 2015-16 have been restated to show Lighting as discontinued business.

In accordance with Section 134 (3) (a) of the Companies Act 2013, an extract of the annual return in the prescribed format (MGT 9) is appended as Annexure I to the Board's Report.

I.3 INDIAN ACCOUNTING STANDARDS (Ind AS)

Your Company has adopted Indian Accounting Standards (Ind AS) as per the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs (MCA). Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Your Company has published financials using Ind AS for the year ended March 31, 2017, along with comparable figures as on March 31, 2016 and Opening Statement of Assets and Liabilities as on April 1, 2015.

The reconciliations and descriptions of the effect of the transition from Indian GAAP to Ind AS have been provided in the Note 44 to the standalone and Note 47 to the consolidated financial statements.

I.4 FINANCE & ACCOUNTS

Your Company has delivered positive net cash from operations through improved sales performance. Your Company has not made any major borrowings in this financial year and has managed working capital requirements from internal cash generation.

Capital expenditure during the year was ₹ 1,223 million (vis – a – vis ₹ 929 million during Apr'15 – Mar'16) and this expense was incurred towards expansion of Philips Innovation Campus and manufacturing facility at Pune, servers and other IT devices and moulds etc.

During the year, your Company infused an amount of ₹ 2,698 million into Preethi Kitchen Appliances Private Limited ("Preethi") towards its preference share capital. Further to this infusion and reduction of its equity share capital carried

out by Preethi with the approval of the Hon'ble Mumbai High Court, your Company consolidated its shareholding in Preethi to 100% and Preethi became a wholly owned subsidiary of your Company with effect from November 22, 2016.

Further, during the year, your Company also invested ₹ 50 million in equity share capital of Healthmap Diagnostics Private Limited, joint venture Company and ₹ 61 million in equity share capital of Philips Home Care Services India Private Limited, a wholly owned subsidiary of your Company. Your Company has invested its surplus funds in Fixed Deposits and is earning interest on the same.

During the year, your Company has transferred unpaid dividend of ₹ 1.24 million to Investor Education and Protection Fund (IEPF).

2. DIVIDEND

Your Directors recommend payment of ₹ 3/- per share (@30%) as dividend on the fully paid equity shares, for the financial year ended March 31, 2017. This will absorb ₹ 172.60 million as dividend and ₹ 35.10 million as dividend distribution tax.

3. TRANSFER TO RESERVES

In the financial year 2016 -17, 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 Consolidated Statement of 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

Health Systems business of your Company delivered another year of strong performance in 2016-17 with an overall revenue growth of 13.8% amidst focus on profitability improvement and cost reduction initiatives. A strong performance in diagnostic imaging, Interventional Guided Therapy and Ultrasound led to the strong growth of the business during the period. Customer Services revenue continued to register strong growth as well, during the same period. This has been a remarkable achievement despite the external factors which severely affected the healthcare equipment market in 2016-17. Significant increase in imports duty of 7%, in 2016-17, was one of the prominent external factors impacting the business. In 2016-17, it was observed that premium segment customers are tending to Value segment for their new additions / replacements for faster break even. Further, during the period, Government tenders were deferred and were on lower side as compared to previous years. The recent GST roll out is expected to lead to price escalation, which could impact the market affordability further.

During the year, Health Systems business of your Company consolidated its business position in Diagnostic imaging, interventional X-Ray and ultrasound businesses, while its patient monitoring business saw a decline due to sluggish market conditions during the year. In the MRI segment, Philips conceded market share due to market preference towards value 1.5 T MRI, where the presence of competition is relatively strong. During the year, your Company focused on protecting its margins and to that objective decided to not participate in certain 3T MRI deals with negligible margins. This focus has resulted in your Company improving its profitability.

In the CT segment, your Company's share marginally de-grew, led by higher market growth in 16 slice and below (which is currently about 45% of total CT market) where competition is very stiff due to price sensitivity. Your Company continues its strong share in the premium segment CT market with Ingenuity CT. The launch of Access CT during FY 2016-17 is expected to grow revenues of your Company in the value segment.

In the Interventional X Ray segment, a slow growth market, your Company's market share grew marginally during the year, due to strong demand for Philips' premium segment of FD 10 and 10C. In 2017-18, the introduction of the cutting edge Azurion 3 and 7 series, in the premium segment, is expected to garner further share for your Company in the segment. Moreover, in view of the faster growth trend of value segment market, Philips Intuis is being positioned to counter Indian Cathlab players.

In Ultrasound, your Company's market share de-grew due to steep de-growing market till Q3, which showed signs of rebound in Q4. Your Company continues to be a strong player in Premium Ultrasound market. Due to market factors, the demand for value segment portfolio was high. The expected new launch of Innosight in FY 2017-18 is expected to address value segment ultrasound market demand.

Your Company's Patient monitoring and critical care business also continues to face stiff competition driven by the increased demand for mid and low-end monitors and top of the line ventilator players, while Philips sustains its premium segment share in Patient monitors. Your Company has a strong pipeline of value segment product launches in 2017-18 in Diagnostic imaging, Cathlabs, Ultrasound, Patient Monitoring which would strengthen its market share further.

Health Systems continued its focus on most of its strategic key accounts, on multi-modality deals and government tenders. Your Company's global innovation strengths at Philips Innovation Campus (PIC), Bangalore, along with global design and manufacturing centre in Healthcare Innovation Campus (HIC), Pune are delivering world-class "Made in India" medical equipment. During the year, HIC continued to develop and deliver meaningful value segment and connected care innovations for local and global customers. It is one of the global hubs for Mobile Surgery and X-ray businesses where Intuis Cathlab and strategic Mobile Surgery products are being manufactured.

Healthmap Diagnostics Private Limited (Healthmap) (your Company's JV with Manipal Hospitals group, where it holds 35% stake) has set up radiology centers under Public Private Partnership (PPP) model. Healthmap has already set up 5 centers across Haryana and has major expansion plans in Haryana & Jharkhand.

5.2 PERSONAL HEALTH

The Personal Health business of your Company declined this year by 20.3% over the previous financial year, after last few years of strong growth. The decline was driven, among other factors, due to amended regulations announced by Government of India in April, 2016 in online retail space, which impacted the business of the Company and lower festival sales in traditional and modern trade.

Mixers and Irons also showed decline over previous financial year leading to overall decline of 14.3% in domestic appliances category. Air Purifiers continued to grow significantly, driven by strong media campaign during periods of high levels of air pollution. The Air Purifier category grew by over 63% versus previous financial year.

Your Company has built strong category around Personal Care products over the past few years, however, continued festival discounting during the year lowered the confidence of traditional and modern retailers. The business further dropped due to entry of low cost players in this category. This resulted in 34.7% decline in Personal Care business, over the previous financial year.

In the upcoming years, your Company has strong product pipelines and innovations to stay competitive with sustainable growth. Though your Company could not invest in marketing plans this year due to budget constraints in light of falling sales, there is a robust plan in place to inject strong enablers backed by multi-channel activation to boost sales and gain market share. The Company has implemented a new "Go to Market" strategy which would further penetrate into new category specific channels.

Industrial activity which depicts our local-for-local aspiration, gained momentum with expansion of beauty portfolio. The Company's outlook remains to optimally expand industrialization across categories within Personal Health Division.

Your Company remains committed to launch new and relevant products in the coming years which not only suit the local consumer tastes but also meet the fast changing needs of the Indian consumers. Moreover, the Personal Health Division of your Company continues to focus on building talent, competencies and processes to drive sustainable profitable growth.

5.3 INNOVATION SERVICES

Philips Innovation Campus (PIC), Bangalore, which initially started as a software center in 1996, is now a critical innovation center with a focus on delivering meaningful innovations for local and global markets. The evolution of this expertise is enabled by strategic thought and leadership, working with dedicated, highly qualified and passionate professionals over the last 20 years.

PIC builds products and solutions across the health continuum starting with healthy living, prevention to diagnosis, treatment and home based care.

PIC's software and product innovations enable global advancements in MRI, CT, Advanced Molecular Imaging and Diagnostic X-Ray. PIC has extensive expertise in cutting-edge technologies such as mobile, digital, cloud, AI, Deep Learning, Machine learning, big data analytics and IOT to improve patient outcomes through care coordination and patient empowerment. PIC also engages with the markets to understand their challenges and provide clinically relevant

solutions to make healthcare affordable and accessible in India and other growth geographies like Africa and Indonesia.

Creating experience-centric products and service innovations, PIC has dedicated team focused on harmonizing software through a common platform approach. They help businesses design, build and launch connected digital health solutions. Its expertise also include developing solutions that provide connectivity to a range of home appliances from air purifiers to coffee makers, oral care products for kids and adults, which make consumers' lives easier in today's busy world.

Some market relevant innovations from PIC include:

Heart Safe City:

Heart Safe City is a solution that is developed to address sudden cardiac arrest which claims 6 million lives annually. Early response and prompt care (Cardiac Pulmonary Resuscitation + defibrillation) plays a key role in improving survival rates. This subscriber based workflow solution is enabled with the help of a central command center that ties up Automated External Defibrillator (AED) availability, CPR / AED volunteer network for delivering the first aid, interfaces with local ambulance service and collaborates with regional hospital network to respond to cardiac emergency. This working prototype uses cloud infrastructure, GPS technology and mobile applications.

Philips Sonicare Flexcare Platinum Connected:

Philips Sonicare Flex Care Platinum Connected is a Bluetooth based connected tooth brush which works together with the Philips Sonicare app developed by team at PIC. It is available for both Android and iOS. This app along with the connected brush helps patients with real-time feedback and personalized coaching to build new, healthy brushing habits. This connected solution also provides post-brushing analysis of users' coverage, pressure and scrubbing results, helping them improve their brushing technique overtime.

During the year, the Sales (Export in Foreign Currency) effected by PIC amounted to ₹ 9.1 billion (₹ 8.0 billion in 2015-16). PIC's average employee strength during 2016-17 was 3141 Full Time Equivalents (2508 in 2015-16).

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

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

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

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

8. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

As of March 31, 2017, your Company had two wholly owned subsidiaries, Preethi Kitchen Appliances Private Limited ("Preethi") and Philips Home Care Services India Private Limited ("Philips Home Care") along with a Joint Venture Company, Healthmap Diagnostics Private Limited ("Healthmap") within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the year, your Company further invested an amount of ₹ 2,698 Million in Preethi by subscribing to its Convertible Preference shares ("CPS"). Further to this infusion and reduction of its equity share capital carried out by Preethi with the approval of the Hon'ble Mumbai High Court, your Company consolidated its shareholding in Preethi to 100% and Preethi became a wholly owned subsidiary of your Company with effect from November 22, 2016.

Further, your Company invested ₹ 50 Million in the equity share capital of Healthmap and ₹ 61 Million in the equity share capital of Philips Home Care in the Financial Year 2016-17.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, Preethi and Philips Home Care, along with Joint Venture Company Healthmap, in Form AOC-I, is attached as an Annexure to the financial statements of the Company.

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

9. PERFORMANCE OF THE SUBSIDIARY COMPANIES

PREETHI KITCHEN APPLIANCES PRIVATE LIMITED (“PREETHI”):

During the year, Preethi launched a new model in Mixer Grinder Category under the name Galaxy, which can grind up to 500 Kg of batter in batches. This model has been developed by Preethi's Innovation and Development Centre at Chennai. The product is powered by state-of-the-art Vega W5 Motor which comes with a 5 year Warranty.

Preethi has launched new designer models in Glass Top Stoves (GTS) – Bronze, Inspire & Electra to strengthen the Category. In Electric Cooker category, new Glitter series has been launched with attractive designs. Preethi has developed Mixer Grinder series for online category to cater the needs of the online customers. During the year, Preethi converted all the 750 W Motors under a 5 Year Motor Warranty.

Preethi continued to build its relationship with the Trade Partners by conducting Dealers Meet across markets. The responses received from both the Trade as well as from the Customer are encouraging. Preethi continues to be on growth path and during the year, achieved growth of 14.2% over the previous financial year.

Preethi continued to be recognized by different agencies for its high quality performance in various parameters and during the year, it bagged the following Awards:

- “Longest Mixer Grinder Grinding Marathon” entered in Asia Book of Records and India Book of Records-Preethi was the only Brand to enter into the books of records in the Kitchen Appliance Category
- “CII Award” for Active Customer Engagement.
- “2 Maddys Silver Awards”, “2 Pepper Silver Awards” and “7 Awards at Afaqs Fox Glove Award”.

During the year, Preethi's manufacturing locations successfully entered Lean Phase III after completing the necessary requirements and were also certified under OHSAS 18001 and ISO 14001. As part of its continued commitment to improve safety, Preethi introduced self-bonded Aluminum wire for reducing the exposure to Hazardous chemical in the process, which is first such initiative in Kitchen Appliances Industry.

The outlook for Preethi looks positive with a strong pipeline of innovations. It is optimistic about increasing its market share through launch of new models that cater to the customer needs and high trade engagement. It has also initiated steps to expand its presence in the Large Format Retail Category (LFR) stores.

Preethi has further strengthened the Canteen Stores Department (CSD) Category portfolio by enlisting Glass Top Stoves (GTS) and Table Top Grinders (TTG).

Preethi is continuing its exports through servicing Global Philips Organizations and direct exports as well catering to the demands of Indian diaspora in different countries.

PHILIPS HOME CARE SERVICES INDIA PRIVATE LIMITED (“PHILIPS HOME CARE”)

In line with the Health Tech vision and to offer products and services across the health continuum, your Company set up a 100% subsidiary company Philips Homecare Services India Private Limited (Philips Home Care) for chronic disease management, leveraging learnings on similar project undertaken by Sleep and Respiratory Care team in Japan and pilot in India under the name “Project Vijay”.

The business of Philips Home Care envisages enrolling patients through physicians, providing home equipment, providing respiratory therapist / nurse for home visits, monitoring of vital parameters, counseling, rehab backed by a data management / clinical decision support backbone based on the eCC platform. Philips Home Care business became operational on September 1, 2016, with a team of 27 people, which had expanded to 45 employees as of March 2017.

During the period September, 2016 to March, 2017, Philips Home Care served more than 1100 patients and more than 70 physicians had signed up with it for providing the services to the patients.

Under the Respiratory segment, a Care plan is derived based on device given to the patient and the number of respiratory therapist visits, which range from 2 to 30 visits in a month. A report is sent to the patient's primary physician after every visit of the Respiratory therapists, based on various vital parameters noted by the respiratory therapist.

Philips Home Care launched its Critical care segment effective March, 2017 wherein the step down version of ICU is made in the patient's home with 24x7 Nurse along with wide range of equipment like BIPAP, Multi para Monitor / pulse oxymeter, DVT pump, infusion pump, hospital bed, doctor visit, physiotherapist visit and respiratory visit as required in the home ICU. Patients will be monitored remotely through its App ICCA by the team of doctors centrally with every 6 hour vital

monitoring and report of patient condition will be shared with patient's primary physician on daily basis.

The outlook of homecare business is very promising and the business expects to expand through new segment called "Critical care" which was launched in Q1 of FY 2017-18. Philips Home Care will be hiring a medical team of Nurses along with Nurse Supervisor and Doctor in each city to take care of critical care segment which will be remotely monitored through its App ICCA. It will be spending highly in marketing in all forms like Digital media as well as print media and also through conducting Continuing Medical Education sessions with senior Key Opinion Leaders to address their concerns and making them aware about Philips' entry into the homecare segment.

10. BUSINESS RESTRUCTURING

During the year, your Company completed the remaining steps related to demerger of its Lighting business to Philips Lighting India Limited, which had been effected in the previous financial year, pursuant to an Order of Hon'ble Calcutta High Court dated January 7, 2016. In terms of the provisions of the Scheme of Arrangement for Demerger, Philips Lighting India Limited allotted to the shareholders of your Company, for every fully paid-up equity share of face value ₹ 10/- each held by them, one fully-paid up equity share of face value ₹ 10/- each of Philips Lighting India Limited. The allotment was made by Philips Lighting India Limited on April 15, 2016, basis the shareholding data provided to it by your Company as of the Record date notified for the purpose i.e. April 8, 2016.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, there was no change in the constitution of the Board of Directors of your Company.

However, after the close of the financial year, on June 11, 2017, Mr. Vikram Mukund Limaye, Non-Executive Independent Director resigned from the Board of Directors of your Company. Your Directors wish to record their appreciation of the valuable contributions made by Mr. Limaye to the Board's deliberations and proceedings during his tenure on the Board.

12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the meetings of the Board were held six times, on April 25, 2016, May 25, 2016, July 25, 2016, September 28, 2016, December 19, 2016, and February 22, 2017, which were attended by all the Directors in person, except for Ms. Geetu Gidwani Verma, who was allowed leave of absence for the meetings held on April 25, 2016 and September 28, 2016 and Mr. Hariharan Madhavan, who was allowed leave of absence for the meeting held on September 28, 2016, at their request.

13. BOARD EVALUATION

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

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

In a separate meeting of the Independent Directors held on May 25, 2017, performance of Non- Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views from Executive Directors. The performance of the Committees of the Board and Individual Directors of the Company were also discussed.

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

14. COMMITTEES OF THE BOARD

14.1 AUDIT COMMITTEE

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

The powers of Audit Committee include investigating any activity within its terms of reference as specified by the

Board and seeking information from any employee, obtain professional advice from external sources and get full access to information contained in the records of the Company, approval or any subsequent modification of any transactions of the Company with related parties, review and monitor the auditor's independence and performance and effectiveness of audit process, scrutiny of inter corporate loans and investments.

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

As of March 31, 2017, the Audit Committee of your Company comprised of five members, three of whom are Non-Executive Independent Directors. The Audit Committee presently comprises of the following members:

- | | |
|--|----------------------|
| • Mr. S M Datta, Non-Executive Director | Chairman |
| • Mr. Vivek Gambhir, Non-Executive Director | Member |
| • Mr. Hariharan Madhavan, Director | Member |
| • Mr. Rajiv Mathur, Director | Member and Secretary |
| • Ms. Geetu Gidwani Verma, Non- Executive Director | Member |

There was no change in the composition of the Committee during the year.

The meetings of the Committee were held six times during the year i.e. on April 25, 2016, May 25, 2016, July 25, 2016, September 28, 2016, December 19, 2016 and February 22, 2017, which were attended by all the Directors in person except for Ms. Geetu Gidwani Verma, who was allowed leave of absence for the meetings held on April 25, 2016 and September 28, 2016 and Mr. Hariharan Madhavan, who was allowed leave of absence for the meeting held on September 28, 2016, at their request.

The Chairman of Audit Committee, Mr. S M Datta, attended the Annual General Meeting (AGM) of year Company held on September 29, 2016 to Chair the AGM and to respond to the shareholders' queries.

14.2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee was setup to oversee the corporate social responsibility programs of your Company 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 discharge the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013 and the amount of expenditure to be incurred on the same.

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

- | | |
|---|----------------------|
| • Mr. Vivek Gambhir, Non-Executive Director | Chairman |
| • Mr. V. Raja, Managing Director | Member |
| • Mr. Rajiv Mathur, Director | Member and Secretary |
| • Mr. Hariharan Madhavan, Director | Member |

During the year, the meetings of the Committee were held three times i.e. on July 25, 2016, October 13, 2016 and March 17, 2017, which were attended by all the Directors in person except for Mr. V. Raja and Mr. Hariharan Madhavan, both of whom were allowed leave of absence for the meetings held on October 13, 2016 and March 17, 2017, at their request.

Your Company was engaged in Corporate Social Responsibility (CSR) initiatives in various fields, during the year 2016-17, the details of which are set out in Annual Corporate Social Responsibility report attached as Annexure II to the Board's report.

14.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

There was no change in the composition of the Committee during the year. The Committee presently comprises of the following members:-

- | | |
|---|----------------------|
| • Mr. S M Datta, Non-Executive Director | Chairman |
| • Mr. V Raja, Managing Director | Member |
| • Mr. Hariharan Madhavan, Director | Member |
| • Mr. Rajiv Mathur, Director | Member and Secretary |

During the year, the meetings of the Committee were held three times i.e. on May 25, 2016, December 19, 2016 and February 22, 2017, which were attended by all the Directors, in person.

14.4 NOMINATION AND REMUNERATION COMMITTEE

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

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

During the year, there was no change in the composition of the Committee. However, after the close of the financial year, the Committee was re-constituted in the Meeting of the Board held on July 18, 2017 after the resignation of Mr. Vikram Mukund Limaye from the Board of the Company. The Committee presently consists of the following members:-

- | | |
|---|----------------------|
| • Mr. Vivek Gambhir, Non-Executive Director | Chairman |
| • Mr. S M Datta, Non-Executive Director | Member |
| • Ms. Geetu Gidwani Verma, Non-Executive Director | Member |
| • Mr. V Raja, Managing Director | Member |
| • Mr. Rajiv Mathur, Director | Member and Secretary |

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

- Recommend to the Board, the set up and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The Committee will consider periodically 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 re-appointment of Directors.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined under the Act) and executive team members of the Company (as defined by the 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 three times i.e. on May 25, 2016, July 25, 2016 and December 19, 2016, which were attended by all the Directors, in person.

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received a declaration from each of the Independent Directors under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act 2013.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

17. 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 the design or operation were observed.

18. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

At Philips, its approach to personalized innovation is reflected in its ways of doing business and the way it runs its workplace. The four core pillars of HR namely – Business Partner, Talent Acquisition, Learning & Talent Development and Total Rewards have focused on offering innovative programs and solutions to employees in the financial year 2016-17. The HR function of your Company has played a vital role in keeping its business at the forefront of successful and meaningful innovation.

In the Talent Acquisition space, your Company rolled out new initiatives to strengthen its Employer brand on campus and in the job market. To encourage internal talent to take on diverse and bigger roles, all job openings are shared through a mailer 'Opportunity Knocks' with internal employees first. The Leadership Programs for new hires – BLP (Business Leadership Program), TLP (Technical Leadership Program) and Sales Trainee Internship offer job opportunities to select talent from Premier B-Schools and Technical institutions. This is a good source of talent in the organization at entry levels. Your Company's presence at the premier management campuses has been strengthened with activities like campus workshops and talks by the Philips India Leadership Team. Your Company has been successful in identifying and hiring right talent from premier campuses through Blueprint, which is an exclusive case study competition. Your Company continued with the fourth year of Back In the Game (BIG) program – an opportunity to provide a second chance to women on sabbatical to come back to the mainstream work.

There is a continued focus on the learning and development through a variety of experiences: towards this your Company has launched many new programs and revamped certain existing ones. To ensure that your Company's sales and marketing teams are adequately equipped, functional programs such as Sales Excellence, Gurukool (clinical selling), Customer Focused Selling training sessions were continued this year. Your Company launched LEAD India program towards building business and functional leaders for leadership roles in future. LEAD India integrates classroom sessions and experiences to provide an integrated learning journey around key skills including strategic thinking, business and commercial acumen, storytelling and influencing skills. Catalyst program for people managers was introduced with the objective of building capability amongst line managers to be talent developers, and equipping them with tools and competencies to build high-performing and effective teams.

In the area of Rewards, your Company focused on reviewing existing benefits to align with talent market as well as legislation and drive health and well-being for employees; these included enhanced maternity and child adoption benefits, review of leave accumulation and encashment to encourage employees to utilize leaves and create work life balance, enhanced scope of gym reimbursement entitlement to other fitness related activities for promoting health and well-being. Health camps, expert talks and a health challenge was organized to improve health and employee productivity. Building a culture of recognition was another focus area to engage and motivate employees. A special thank you month was organized, where employees were encouraged to recognize and thank their peers, subordinates, superiors and support staff. Your Company also took the opportunity to reward and recognize its top talents across the business verticals at Pan-India level through CEO Awards.

Critical milestone in terms of HR digitization was also accomplished with the implementation of the annual compensation review module in Workday in 2016. Change management and communication was done to ensure a smooth transition. Salary review cycles and benefits awareness sessions continue as usual. The ongoing focus is to fortify Workday information integrity and quality such that it is used as the singular source of truth for all employee level data and all their work related lifecycle information. The HR shared services function continues to consolidate its position as an efficient, scalable and high quality HR services provider for the India market.

Chakan industrial site for Health Systems has embarked on a lean principles journey and has made significant improvement in institutionalizing lean philosophy in its culture. Your Company's focus on enabling right culture to deliver Business growth continues to drive it in its daily actions. Your Company made significant progress on its Lean journey, it has successfully completed Phase II exit and is embarking on its journey towards Phase III, in the near future. Industrial Relations were cordial across all sites of your Company.

19. 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 III to this Report.

20. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

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

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

22. RELATED PARTY TRANSACTIONS

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

23. STATEMENT OF RISK MANAGEMENT

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

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and of the profit of the Company for the year ended March 31, 2017;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. AUDITORS

In terms of provisions of Section 139 and 141 of the Companies Act, 2013 and Rules framed thereunder, the Board of your Company at its meeting held on July 18, 2017 has recommended to the shareholders of the Company, ratification of appointment of M/s S R Batliboi & Co LLP, Chartered Accountants, as Statutory Auditors of your Company for a further period of 1 year.

26. COST AUDITORS

The Central Government has directed your Company 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, 2018, at a remuneration of ₹ 5,00,000 (Rupees Five Lacs only) plus applicable taxes and out of pocket expenses, subject to the confirmation of such remuneration by the Members of the Company at its Annual General Meeting.

27. SECRETARIAL AUDIT

The Secretarial Audit was carried out by Mr. Ashok Tyagi, Company Secretaries (PCS Registration No. 7322) for the financial year ended on March 31, 2017. The Report given by the Secretarial Auditors is annexed as Annexure V and forms integral part of this Report. There is no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors did not report any matter under Section 143 (12) of the Act, therefore no disclosure is required under Section 134 (3) (ca) of the Act.

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

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

During the year, no sexual harassment complaints were received by the Committee.

29. CHANGE IN REGISTERED OFFICE OF THE COMPANY

After the close of the Financial Year, with effect from April 15, 2017, your Company shifted its registered office to a new location within Kolkata. The present registered office address of the Company, after the aforesaid change, is as below:

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

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 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

S.M. Datta
(Chairman)
DIN: 00032812

Place: New Delhi
Date: July 18, 2017

Annexure - I

FORM MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017 [Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I REGISTRATION & OTHER DETAILS:

i	CIN	U31902WB1930PLC006663
ii	Registration Date	31/01/1930
iii	Name of the Company	PHILIPS INDIA LIMITED
iv	Category/Sub-category of the Company	Public Company / Subsidiary of Foreign Company limited by shares
v	Address of the Registered office & contact details	3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata, West Bengal- 700156, India.
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Address: Karvy Selenium, Tower-B, Plot no.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Toll Free no. 18 00 3454 001, Tel. 040-67162222, Fax no. 040-23001153, Email id: einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are stated as below:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Diagnostic imaging equipments	2660	30
2	Software development	5820	25
3	Domestic appliances	2750	14

III PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Koninklijke Philips N.V (KPNV) High Tech Campus 5, 5656 AE Eindhoven, the Netherlands	N.A	Holding	96.13	2(46)
2	Preethi Kitchen Appliances Private Limited. Unit No. 506, 5th Floor, Boomerang Chandivali Farm Road, Powai Mumbai Maharashtra 400072	U36993MH2011PTC213827	Subsidiary	100	2(87)
3	Philips Home Care Services India Private Limited. 3rd Floor, Tower A, DLF IT Park, 08 Block AF Major Arterial Road, New Town (Rajarhat) Kolkata West Bengal 700156	U74994WB2016PTC215908	Subsidiary	100	2(87)
4	Healthmap Diagnostics Private Limited. The Annexe, # 98/2, Rustom Bagh Hal Airport Road Bangalore Karnataka 560017, India	U85110KA2015PTC079665	Associate	35	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	13,028,754	42,261,488	55,290,242	96.13	-	55,290,242	55,290,242	96.13	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other.	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	13,028,754	42,261,488	55,290,242	96.13	0	55,290,242	55,290,242	96.13	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	13,028,754	42,261,488	55,290,242	96.13	0	55,290,242	55,290,242	96.13	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	3,058	3,058	0.01	-	3,058	3,058	0.01	-
b) Banks/FI	2,346	8,623	10,969	0.02	2,346	8,623	10,969	0.02	-
c) Cenntal govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) NBFC	11	-	11	-	11	-	11	-	-
SUB TOTAL (B)(1):	2,357	11,681	14,038	0.02	2,357	11,681	14,038	0.02	-

PHILIPS INDIA LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	36,629	12,351	48,980	0.09	30,798	11,831	42,629	0.07	-0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	781,203	1,239,896	2,021,099	3.51	809,223	1,217,682	2,026,905	3.52	0.01
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	82,050	-	82,050	0.14	82,050	-	82,050	0.14	-
c) Others (specify) - Trust	17,720	-	17,720	0.03	17,797	-	17,797	0.03	-
Foreign National	21	-	21	0.00	21	-	21	0.00	-
NRI (REP)	15,328	11,884	27,212	0.05	14,166	11,884	26,050	0.05	-
NRI (NON-REP)	15,504	376	15,880	0.03	16,913	597	17,510	0.03	-
SUB TOTAL (B)(2):	948,455	1,264,507	2,212,962	3.85	970,968	1,241,994	2,212,962	3.85	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	950,812	1,276,188	2,227,000	3.87	973,325	1,253,675	2,227,000	3.87	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13,979,566	43,537,676	57,517,242	100.00	973,325	56,543,917	57,517,242	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Koninklijke Philips N.V.	55,290,182	96.13	-	55,290,182	96.13	-	-
2	Philips Radio B.V.	60	0.00	-	60	0.00	-	-
	Total	55,290,242	96.13	-	55,290,242	96.13	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	55,290,242	96.13		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There was no change in Promoters' Shareholding between 01.04.2016 to 31.03.2017			
	At the end of the year	55,290,242	96.13		

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - as on 31st March 2017 :

Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
PAYAL BHANSHALI				
At the beginning of the year	54,700	0.10	54,700	0.10
Bought during the year	-	-	0	0.10
Sold during the year	-	-	0	0.10
At the end of the year	54,700	0.10	54,700	0.10
VALLABH ROOPCHAND BHANSHALI				
At the beginning of the year	27,350	0.05	27,350	0.05
Bought during the year	0	-	0	0.00
Sold during the year	0	-	0	0.00
At the end of the year	27,350	0.05	27,350	0.05
PUNIT KUMAR				
At the beginning of the year	12,000	0.02	12,000	0.02
Bought during the year	4,000	-	4,000	0.01
Sold during the year	0	-	0	0.00
At the end of the year	16,000	0.03	16,000	0.03
AJAY KUMAR				
At the beginning of the year	10,836	0.02	10,836	0.02
Bought during the year	3,208	-	3,208	0.01
Sold during the year	0	-	0	0.00
At the end of the year	14,044	0.02	14,044	0.02
SURESH GUPTA				
At the beginning of the year	13,600	0.02	13,600	0.02
Bought during the year	0	0.00	0	0.00
Sold during the year	0	-	0	0.00
At the end of the year	13,600	0.02	13,600	0.02
YOGESH RASIKLAL DOSHI				
At the beginning of the year	4,249	0.01	4,249	0.01
Bought during the year	6,537	-	6,537	0.01
Sold during the year		-		0.00
At the end of the year	10,786	0.02	10,786	0.02

PHILIPS INDIA LIMITED

Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
AMISH NARENDRA SHAH				
At the beginning of the year	10276	0.02	10276	0.02
Bought during the year	-	-	0	0.00
Sold during the year	-	-	0	0.00
At the end of the year	10276	0.02	10276	0.02
HINA KIRTI DOSHI				
At the beginning of the year	10000	0.02	10000	0.02
Bought during the year	-	-	0	0.00
Sold during the year	-	-	0	0.00
At the end of the year	10000	0.02	10000	0.02
HITESH SHANTILAL MEHTA				
At the beginning of the year	10000	0.02	10000	0.02
Bought during the year	0	0.00	0	0.00
Sold during the year	0	-	0	0.00
At the end of the year	10000	0.02	10000	0.02
SUSHILA NAYYAR				
At the beginning of the year	9300	0.02	9300	0.02
Bought during the year	0	-	0	0.00
Sold during the year	0	-	0	0.00
At the end of the year	9300	0.02	9300	0.02

*The shares of the Company are traded on a frequent basis and hence the datewise increase / decrease in shareholding is not indicated.

Change in shareholding of Top 10 Shareholders excluding the promoters at the beginning of the year and at the end of the year is indicated in the table above.

iv) Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	For each of the Directors and KMP				
	At the beginning of the year				
1	V. Raja	6	-	6	-
	Date wise Increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer/ bonus/ sweat equity etc.)	There was no change in shareholding of the KMPs between 01.04.2016 to 31.03.2017			
	At the end of the year				
2	V. Raja	6	-	6	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amounts in ₹ Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	261		-	261
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	261		-	261
Change in Indebtedness during the financial year				
Additions	585		-	585
Reduction	(160)		-	(160)
Net Change	425		-	425
Indebtedness at the end of the financial year				
i) Principal Amount	686	0	-	686
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	686	0	-	686

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and / or Manager:

(Amounts in ₹ Million)

Sl. No	Particulars of Remuneration	Name of the MD/WT/Manager			Total Amount
		V. Raja	Rajiv Mathur	Hariharan Madhavan	
I	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	44.90	15.64	25.69	86.23
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.18	0.20	0.93	2.30
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock option	12.59	-	3.48	16.06
3	Sweat Equity		-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	58.67	15.84	30.10	104.60
	Ceiling as per the Act	₹ 500.9 Million			

PHILIPS INDIA LIMITED

B. Remuneration to other directors:

(Amounts in ₹ Million)

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	S. M Datta	Vivek Gambhir	Geetu Gidwani Verma	Vikram Mukund Limaye	
	(a) Fee for attending Board, Committee meetings	0.36	0.38	0.22	0.18	1.14
	(b) Commission	1.00	0.80	0.80	0.80	3.40
	(c) Others, please specify					
	Total (1)	1.36	1.18	1.02	0.98	4.54
2	Other Non Executive Directors	-	-	-	-	-
	(a) Fee for attending Board, Committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.36	1.18	1.02	0.98	4.54
	Total Managerial Remuneration	4.54				
	Overall Ceiling as per the Act	₹ 50.09 Million				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	V. Raja	Rajiv Mathur	Hariharan Madhavan	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Information disclosed in point A above.				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total					

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences by the Company during the year ended March 31, 2017.

For and on behalf of the Board

Place: New Delhi
Date: July 18, 2017

S .M. DATTA
Chairman
(DIN: 00032812)

Annexure II

ANNUAL REPORT ON CSR ACTIVITIES

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

The Board of Directors approved CSR Policy of your Company, pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules notified thereunder.

The CSR Policy of your Company is accessible on its website by following the link http://www.philips.co.in/b-dam/corporate/about-philips-n/investor-relations/india/CSR_policy-signed.pdf

In terms of the mandate of the CSR Committee and being a Healthcare Company, the focus of CSR program of your Company, in the last few years, has been on healthy living and providing access to quality healthcare facilities to the underprivileged, who do not have access to the same. The state of health of women and children in India is dismal, especially in urban slums and rural areas. Through its CSR initiatives your Company pledges its support to the Health and welfare of Women and Children in India.

During the year, the focus of your Company's CSR programs was on improving maternal and child health services and livelihood opportunities across different states of the country through 7 running projects, the details of which are mentioned in the report.

Through its community centers and mobile vans your Company has worked towards better reproductive, maternal, newborn, child and adolescent health. Your Company is now working closely with NGOs like Dasra, Mamta and Smile Foundation and adopting a strategic and holistic approach to ensure positive outcomes for its social investment programs. Under this umbrella, surgeries of underprivileged children affected by CHD (Congenital Heart Disease) was also taken up by Aishwarya Trust.

Further, the women centric skill centers operated by the Company in partnership with the NGOs, target prospective candidates in the age group of 18-25 who have dropped out of school, junior college and sometimes even graduates, without the requisite skills needed for employment, as well as assist in employment.

During the year, your Company won the Certificate of "Best CSR Practice in Healthcare" for HIM Campaign @ ABP News Healthcare Leadership Awards. Your Company's efforts in improving maternal and child health through its CSR Programs were appreciated by Smt. Anupriya Patel, Honorable Minister of State for Health and Family welfare at BISICON 2016. Environment preservation through tree plantation and rural livelihood program was undertaken through Sankalptaru Foundation.

2. The Composition of the CSR Committee:

The composition of the CSR Committee of the Board is as below:

1.	Mr.Vivek Gambhir, Non-Executive Director	Chairman
2.	Mr.V Raja, Managing Director	Member
3.	Mr. Rajiv Mathur, Director	Member
4.	Mr. Hariharan Madhavan, Director	Member

3. Average net profit of the Company for last three financial years: ₹ **4,938 Million**
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ **98.76 Million**
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year: ₹ **98.76 Million**
 - (b) Amount unspent, if any: **Your Company contributed the entire CSR Corpus of ₹ 98.76 Million on the CSR Projects. An amount of ₹ 74.68 Million was spent towards CSR activities. Further, for an amount of ₹ 24.08 Million, pertaining to CSR activities carried out during the year, the payment for which could not be released before the end of the year, a provision was created in the books of accounts of your Company.**
 - (c) Manner in which the amount was spent during the financial year is detailed below:

PHILIPS INDIA LIMITED

S. No.	CSR project or activity identified Program	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Program with Impact Foundation India (Dasra) for Mother and Child Care - Maternal and Newborn Health and Child Health and Nutrition, with support provided by NGOs Sneha, based at Mumbai and Mamta, having centres nation-wide.	Healthcare and Medical facilities	The Project was implemented through centres operated by Mamta at Delhi and Sneha at Mumbai.	₹ 20.4 Million for period April 1, 2016 to March 31, 2017	₹ 20.4 Million was spent on the activities forming part of the Project. This included an amount of ₹ 18.4 Million towards direct expenses on the activities forming part of the Project and ₹ 2 Million towards Project Development Fee and overheads. In addition, an amount of ₹ 1.26 Million, being part of the overheads incurred on the CSR Projects of your Company, has been apportioned towards this Project.	₹ 21.66 Million	The amount has been spent in partnership with the NGO, Impact Foundation, who carried out the activities towards the Project through NGOs Mamta and Sneha.
2	Program for accessible healthcare with Smile Foundation- Mobile vans at Chennai, Bangalore, Kolkata and Pune. In addition to the above, the Company operated Employability Program with Smile Foundation for underprivileged Young Women, skill development of underprivileged young women through centres operated by Smile Foundation	Healthcare and Medical facilities and promotion of Education	The project is operating at Chennai, Bangalore, Kolkata and Pune.	₹ 17.52 Million for period April 1, 2016 to March 31, 2017	₹ 11.67 Million was spent directly on the activities forming part of the Project. In addition, an amount of ₹ 0.72 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 12.39 Million	The amount has been spent in partnership with the NGO, Smile Foundation, who has carried out the activities forming part of the Project.

S. No.	CSR project or activity identified Program	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Program with Aishwarya Foundation – carrying out operations for children below the poverty line, suffering from Congenial Heart Disease (CHD)	Health and Medical Facilities	The project was operational in the city of Chennai and surrounding areas	₹ 2.0 Million for period April 1, 2016 to March 31, 2017	₹ 2.0 Million was spent directly on the activities forming part of the Project. In addition, an amount of ₹ 0.12 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 2.12 Million	The expenses on the surgeries for children suffering from CHD were incurred in partnership with Aishwarya Trust, NGO.
4	Program with Mamta- Community centres for Women to promote health seeking behaviour; adopting a holistic approach to care through Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCHA) cycle with a mental health component. Centres at Pune (Maharashtra), Blore (Karnataka), Sahibgunj (Jharkhand) and Khagaria (Bihar)	Healthcare and Medical facilities	The Project was operational in the following locations: Pune, Bangalore, Sahibgunj (Jharkhand) and Khagaria (Bihar)	₹ 16.77 Million for period April 1, 2016 to March 31, 2017	₹ 9.78 Million was spent directly on the activities forming part of the Project. In addition, an amount of ₹ 0.60 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 10.38 Million	The expenses on the activities forming part of the CSR Project were incurred in partnership with the NGO, Mamta.
5	HIM Campaign for raising awareness with respect to Breast Cancer	Healthcare and Medical facilities	This campaign, part of overall CSR programme of the Company has carried out an awareness campaign through media. Material produced by the Company was circulated in print media, television broadcasts and through social media channels including YouTube. Nukkad Natak or Street plays and checkup camps screenings with the Asha Jyoti van and leveraging our community centres and mobile vans were part of this campaign	₹ 25.10 Million for period April 1, 2016 to March 31, 2017	An amount of 23.13 Million was spent on the activities forming part of the project. In addition, an amount of ₹ 1.42 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 24.55 Million	The expenses on this campaign have been spent directly by the Company.

PHILIPS INDIA LIMITED

S. No.	CSR project or activity identified Program	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
6	Campaign in partnership with Sankalp Taru Foundation for Tree plantation and livelihood creation	Environment preservation	Philips, in partnership with Sankalp Taru Foundation implemented a drive towards a Greener India that breathes Cleaner Air. As part of the initiative, trees were planted and will be maintained on an ongoing basis in various cities and rural areas across India while also supporting rural livelihood, empowering women and promoting bio-diversity. Employees of the Company were also encouraged to participate and turned up in good numbers at both Delhi and Bangalore	₹ 4.2 Million for period April 1, 2016 to March 31, 2017	The expenses of 1.3 Million were incurred on the activities forming part of the project. In addition, an amount of ₹ 0.08 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 1.38 Million	The expenses were incurred by the Company in partnership with Sankalp Taru Foundation.
7	Campaign for eradication of avoidable blindness in partnership with Dr. Shroff's Charity Eye Hospital	Healthcare and Medical facilities	The programmes were undertaken in the following cities, through the branches of Dr. Shroff's Charity Eye Hospital: Gurgaon, Delhi, various districts of UP and Rajasthan	₹ 2.2 Million for period April 1, 2016 to March 31, 2017	2.06 Million was spent directly on the activities forming part of the Project. In addition, an amount of ₹ 0.13 Million, being part of the overheads incurred on the CSR Projects of your Company has been apportioned towards this Project.	₹ 2.19 Million	The payments were made to Dr. Shroff's Charity Eye Hospital, who carried out the activities on behalf of the Company.
In addition to the expenses of ₹ 74.68 Million, as detailed above, a provision of ₹ 24.08 Million was created during the year, towards activities undertaken during the year as part of the CSR programs of the Company – with Impact Foundation (₹ 22.78 Million) and Smile Foundation (₹ 1.3 Million), the payment for which could not be made during the year.							

*Give details of implementing agency: The details are listed above.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company was required to spend an amount of ₹ 98.76 Million towards CSR activities, in terms of the provisions of Section 135 of the Companies Act, 2013. During the year, the Company spent an amount of ₹ 74.68 Million on the CSR Projects and related activities, as detailed above. As mentioned above, in addition to the same, a provision was created in the books of accounts, for the balance amount of ₹ 24.08 Million, to cover the activities that were carried out by Impact Foundation and Smile Foundation during the year, but for which the payment to the NGOs concerned could not be made. Therefore, no amount remained unspent during the year.

7. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Vivek Gambhir
Non- Executive Director
Chairman, CSR Committee
(DIN: 06527810)

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

Date : July 18, 2017
Place : New Delhi

Annexure - III

Information in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March 2017.

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2016-17:

1. Steps taken or impact on conservation of energy

- a) Installation of energy efficient Variable Refrigerant Volume (VRV) system for maintaining controlled environment at the shop floor.
- b) Insulation of shop floor building to reduce heat loss on the VRV system.
- c) Motion / Occupancy sensors installed at office and conference rooms.
- d) Identification of lighting circuits with adequate visuals to ensure focused lighting utilization.
- e) Various initiatives were made by Company to maintain Unity Power Factor.

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

For the last few years your Company, at its Healthcare Innovation Campus (HIC), Pune, has been using the solar powered lights to light up the streets. This has helped your Company to conserve resources and make its contribution to the environment.

3. The Capital Investment on energy conservation on equipment

The Company has invested ₹ 23.5 Million during this year on Capex for energy saving equipment.

B. RESEARCH & DEVELOPMENT (R & D)

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

2. Benefits derived as a result of above efforts:

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

- i) Heart Safe City is a subscriber based workflow solution enabled with the help of a central command center that ties up Automated External Defibrillator (AED) availability, CPR/AED volunteer network for delivering the first aid, interfaces with local ambulance service and collaborates with regional hospital network to respond to cardiac emergency.
- ii) Philips Sonicare Flex Care Platinum through an app helps patients with real-time feedback and personalized coaching to build new, healthy brushing habits. This connected solution also provides post-brushing analysis of users' coverage, pressure and scrubbing results, helping them improve their brushing technique over time.

3. Future plan of action

- i) Continue to engage in design & development of new generation Cath Labs, mobile surgery and diagnostic X-ray equipment segment.

4. Expenditure incurred on R&D

During the year, your Company has incurred an expenditure of ₹ 49 Million on activities related to research and development.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

During the year, total inflows (on cash basis) in foreign exchange was ₹ 1132.72 Million and total outflows (on cash basis) in foreign exchange was ₹ 15129.49 Million.

Annexure - IV

Form No.AOC-2

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

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

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, 2017, 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, 2017 (₹ Millions)
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Purchase of goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	2,861
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	2,378
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	1,993

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, 2017 (₹ Millions)
Philips Healthcare Informatics, Inc. Fellow Subsidiary Company	Sale of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,916
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	1,727
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	1,707
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	1,586

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

For and on behalf of the Board

S. M. Datta
Chairman
(DIN: 00032812)

Place: New Delhi
Date: July 18, 2017

Annexure - V

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,

The Members,

Philips India Limited

{CIN: U31902WB1930PLC006663}

3rd Floor, Tower A, DLF IT Park,

08 Block AF Major Arterial Road,

New Town (Rajarhat) Kolkata,

West Bengal - 700156

SECRETARIAL AUDIT REPORT

I have conducted the Secretarial Audit of the compliances for the financial year ended March 31st, 2017 of applicable statutory provisions and the adherence to good corporate practices by Philips India Limited (hereinafter called as 'the Company').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

Management's Responsibility for Secretarial Compliances

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

Auditor's Responsibility

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

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

Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner, subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- The Companies Act, 1956 / the Companies Act, 2013 and Rules made under that Act ("the Act");
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not applicable to the Company for the year under review;**
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not applicable to the Company for the year under review;**

PHILIPS INDIA LIMITED

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client; **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company during the Audit Period;**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company during the Audit Period.**
- The Secretarial Standards issued by the Institute of Company Secretaries of India;
- The Memorandum and Articles of Association of the Company;
- The Negotiable Instrument Act, 1881;
- The Central Sales Tax Act, 1956 & Local Sales Tax Acts;
- The Customs Act, 1962;
- The Industries (Development & Regulation) Act, 1951;
- The Water (Prevention and Control of Pollution) Act, 1974;
- The Air (Prevention and Control of Pollution) Act, 1981;
- The Environment (Protection) Act, 1986;
- The Employees State Insurance Act, 1948;
- The Entry Tax Act, 1976;
- The Professional Tax Act;
- The Legal Metrology Act, 2009;
- The Shops and Establishment Act, 1953;
- The Factories Act, 1948 / Applicable Rules;
- The Industrial Disputes Act, 1947;
- The Minimum Wages Act, 1948 / Applicable Rules;
- The Contract Labour (Regulation & Abolition) Act, 1970 / Applicable Rules;
- The Industrial Employment (Standing Orders) Act, 1946 / Applicable Rules;
- The Payment of Wages Act, 1936 / Applicable Rules;
- The Payment of Bonus Act, 1965 / Applicable Rules;
- The Payment of Gratuity Act, 1972 / Applicable Rules;
- The Equal Remuneration Act, 1976 / Applicable Rules;
- The Employees' Provident Fund & Miscellaneous Provisions Act, 1952 / Applicable Rules;
- The Maternity Benefit Act, 1961 / Applicable Rules;
- The National & Festival Holidays Act / Applicable Rules;
- The Labour Welfare Fund Act / Applicable Rules;
- The Indian Contract Act, 1872;
- The Competition Act, 2002;
- The Central Excise Act 1944;
- The Electronic Waste Act 2003;
- And other applicable Acts and rules

Based on my examination and verification of records produced to me and according to the information and explanations given to us by the Company, in my opinion, the Company has complied with the provisions of the Companies Act, 1956 as well as Companies Act, 2013, wherever applicable (the Act) and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

- (a) Maintenance of statutory registers and documents and making necessary entries therein;
- (b) Contracts, Registered Office and publication of the Name of the Company;
- (c) Filing of the requisite forms and returns with the Registrar of Companies and Central Government within the time prescribed or within the extended time with additional fee as prescribed under the Act and rules made thereunder;
- (d) Service of Documents by the Company on its Members, Auditors;
- (e) Convening and holding of the meetings of Directors and Committees of the Directors;
- (f) Convening and holding of the 86th Annual General Meeting of the Company on September 29, 2016;
- (g) Minutes of the proceedings of General Meeting, Board Meetings and Board Committees were properly recorded in loose leaf form, which are being bound in a book form at regular intervals;
- (h) Disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by the Directors;
- (i) Appointment, re-appointment and retirement of Directors including the Managing Director and Executive Directors and payment of remuneration to them.
- (j) Appointment and Remuneration of Auditors;
- (k) Board's Report for the financial year under review;
- (l) Reconstitution of the Statutory Committees, if required;
- (m) Declaration and Payment of Dividend;
- (n) Borrowings and Registration, Modification and Satisfaction of Charges, wherever applicable;
- (o) There are adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines;
- (p) Deposit of both the Employees and Employers contribution relating to Provident Fund;
- (q) Form of Balance Sheet, Statement of Profit and Loss and disclosures to be made therein as per the Schedule III to the Act issued by the Ministry of Corporate Affairs (MCA);
- (r) Appointment of Internal Auditor as per the provisions of Section 138 of the Companies Act, 2013;
- (s) Appointment of Key Managerial Personnel as per Section 203 the Act;

I further report that:

- (1) Based on examination of the records and documents of the Company, we observed that :
 - a. The Company, during the course of its internal reconciliation observed that in some transactions, credits had been wrongly transferred from a Customer to the account of a Channel Partner. This transaction was understood to have been mistakenly carried out.
 - b. The matter has been taken up with the Channel Partner concerned, who has acknowledged a liability of ₹ 2.93 crores after all adjustments.
 - c. The management has informed us that the matter was under investigation and the Company has already initiated recovery proceedings against the Channel Partner for the aforesaid amount.
- (2) The Board of Directors of the Company is 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.
- (3) Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- (4) Majority decisions are carried as there was no dissent raised by any member of the Board. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board.
- (5) The Company has obtained all the necessary approvals under the various provisions of the Act.
- (6) There was no prosecution initiated and no fines or penalties were imposed during the year under review as per the Act and other applicable laws, Rules, Regulations and Guidelines framed under these Acts on the Company, its Directors and Officers.

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

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

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

1. The Company has incorporated a new 100% subsidiary for healthcare business with name "Philips Home Care Services India Private Limited".
2. The Company has appointed KPMG for forensic audit of Sharepro and has appointed Karvy Computershare Private Limited as its new RTA.
3. The Company has made an additional investment of an amount of ₹ 5 crores in Healthmap Diagnostics Pvt. Ltd.
4. An additional investment of an amount of ₹ 269.80 crores was made by the Company in Preethi Kitchen Appliances Pvt. Ltd.
5. Shifting of registered office of the Company within the local Municipal limits of Kolkata.

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

Place: New Delhi
Date: July 18, 2017

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

ANNEXURE - A

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I have followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: New Delhi
Date : July 18, 2017

Independent Auditor's Report

To the Members of **Philips India Limited**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Philips India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by 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, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
 - (g) 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, 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 Ind AS financial statements – Refer Note 30 and 16 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and had no cash dealings during this period (refer note 45)

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated July 25, 2016 and August 18, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta

Partner

Membership Number: 83906

Place of Signature: Gurgaon

Date: July 18, 2017

Annexure I referred to in paragraph I under “Report on Other Legal and Regulatory Requirements” section of our report of even date

Re: Philips India Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Healthcare Products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Custom Act, 1962	Custom duty Including interest and Penalty where Applicable	108.58	2015-16	Appellate authority upto Commissioner (Appeals)
Central Excise Act, 1944	Excise duty including interest and Penalty where applicable	10.70	2009-2010 to 2013-14	Appellate authority upto Commissioner (Appeals)
		13.20	Above 7 year	Appellate authority upto Commissioner (Appeals)
		16.00	Above 7 year	Tribunal
		15.70	Above 7 year	High Court
Service tax, Finance Act, 1994	Service tax including interest and Penalty where applicable	16.16	2014-15	Appellate authority upto Commissioner (Appeals)
		161.48	2004-2005 to 2013-14	Tribunal
Central Sales Tax Act, 1956 and Individual State Sales Tax Act	Sales Tax including Interest and penalty where applicable	1,115.32	1986-87 to 2016-17	Appellate authority upto Commissioner (Appeals)
		276.57	1986-87 to 2014-2015	Tribunal

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
		6.53	1998-1999 to 2006-2007	High Court
Income Tax Act , 1961	Income tax disallowances and transfer pricing additions Including interest and Penalty where applicable	1,828.35	A.Y.2013-14	Appellate authority upto Commissioner (Appeals)
		3,363.14	A.Y.2011-12 & 2012-13	Tribunal
		34.80	A.Y.2003-04	High Court
		902.78	A.Y.2006-2007 to 2010-11	Tribunal
		196.79	A.Y.2002-03 to 2004-05	Appellate authority upto Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowings towards the Government or debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) We report that during the year under audit, the management has noticed an instance of fraud on the Company by an employee involving funds collected in an earlier year from a Channel Partner being deposited in his personal account amounting to Rs.29.3 million instead of depositing the same in the company's bank account. The Company has taken all necessary steps including taking legal action against the Channel Partner and the said employee who has now left the Company and has fully provided for the same in these financial statements
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E /E300005

per Manoj Kumar Gupta

Partner

Membership Number: 83906

Place of Signature: Gurgaon

Date: July 18, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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 over financial reporting of Philips India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Manoj Kumar Gupta

Partner

Membership Number: 83906

Place of Signature: Gurgaon

Date: July 18, 2017

PHILIPS INDIA LIMITED

Balance Sheet as at 31 March 2017

	NOTES	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	Amounts in ₹ Mln
ASSETS					
Non-current assets					
Property, Plant and Equipment	2	2,403	1,984	1,900	
Capital work-in-progress	2	106	78	36	
Investment Property	3	17	17	17	
Intangible assets	4	-	-	-	
Investment in subsidiaries and associates	5	7,605	4,797	1,000	
Financial Assets	6				
a. Trade Receivables		1,088	1,688	2,064	
b. Other Financial Assets		206	181	217	
Deferred tax assets (net)	7	572	510	809	
Advance Income tax (net of provision)		2,142	1,742	1,742	
Other non current assets	8	901	812	1,151	
		15,040	11,809		8,936
Current assets					
Inventories	9	4,554	4,542	3,777	
Financial Assets	10				
a. Trade receivables		4,982	6,823	5,331	
b. Cash and cash equivalents		5,161	5,406	2,534	
c. Other Financial Assets		914	822	2808	
Other current assets	11	1,308	1,363	860	
		16,919	18,956		15,310
Assets classified as discontinued operations	39	-	-		10,029
TOTAL ASSETS		31,959	30,765	34,275	
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	12	575	575	575	
Other Equity	13	19,450	17,606	16,695	
Equity attributable to equity shareholders		20,025	18,181	17,270	
LIABILITIES					
Non-current liabilities					
Financial Liabilities	14				
Borrowings		405	155	186	
Other non-current liabilities	15	752	685	542	
Provisions	16	651	591	471	
		1,808	1,431		1,199
Current liabilities					
Financial Liabilities	17				
a. Borrowings		-	-	287	
b. Trade Payables		5,061	5,406	4,866	
c. Other financial liabilities		1,110	865	981	
Other current liabilities	18	2,871	3,291	2,291	
Provision for taxation (Net of Advances)		442	891	442	
Provisions	16	642	700	889	
		10,126	11,153		9,756
Liabilities classified as discontinued operations	39	-	-		6,050
TOTAL EQUITY AND LIABILITIES		31,959	30,765	34,275	
Basis of preparation, measurement and significant accounting policies	1				

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Statement of Profit and Loss for the year ended 31 March 2017

Amounts in ₹ Mln

CONTINUING OPERATIONS	NOTES	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Revenue from operations	19	36,989	35,479
Other income	20	419	552
Total Income		37,408	36,031
Expenses			
Cost of raw materials consumed	21	2,175	1,542
Purchases of stock-in-trade	22	13,969	15,674
Changes in inventories of work-in-progress, finished goods and stock-in-trade	23	(18)	(609)
Excise duty on sale of goods		86	63
Employee benefits expense	24	9,989	9,151
Finance costs	25	113	112
Depreciation and amortization expense	26	507	469
Other expenses	27	7,335	6,573
Total expenses		34,156	32,975
Profit before tax from continuing operations		3,252	3,056
Tax expense			
Current tax	7	(1,244)	(1,194)
Deferred tax - release / (charge)	7	56	7
Profit after tax from continuing operations		2,064	1,869
Discontinuing Operations			
Profit before tax from discontinuing operations	39	-	3,208
Tax expense			
Current Tax		-	(1,244)
Deferred tax - release / (charge)		-	133
Profit after tax from discontinuing operations		-	2,097
Profit for the year (A)		2,064	3,966
Other comprehensive income			
Re-measurement gains / (losses) on defined benefit plans		(18)	12
Income tax effect on defined benefit plans		6	(4)
Other comprehensive income for the year (B)		(12)	8
Total comprehensive income for the year (A+B)		2,052	3,974
Earnings per equity share (for continuing operations)	40		
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)		35.88	32.50
Earnings per equity share (for discontinuing operations)	40		
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)		-	36.45
Basis of preparation, measurement and significant accounting policies	I		

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Statement of Changes in Equity for the year ended 31 March 2017

Amounts in ₹ Mln

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
As at 1 April 2015	57,517,242	575
Changes in equity share capital during the year	-	-
As at 31 March 2016	57,517,242	575
Changes in equity share capital during the year	-	-
As at 31 March 2017	57,517,242	575

B. OTHER EQUITY

For the year ended 31 March 2017

Particulars	Securities Premium*	Capital redemption reserve*	Reserves and Surplus Capital reserve*	Capital Subsidy*	General reserve*	Retained earnings*	Items of OCI Remeasure-ment*	Total
As at 1 April 2015 (A)	1,153	228	169	9	2,789	12,347	-	16,695
Profit for the year	-	-	-	-	-	3,966	-	3,966
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	8	8
Total Comprehensive Income for the year (B)	-	-	-	-	-	3,966	8	3,974
Transfer as per Scheme of Arrangement for Demerger	(1,153)	(228)	(169)	-	(1,296)	-	-	(2,846)
Others	-	-	-	(9)	-	-	-	(9)
Reductions during the year	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	424	(424)	-	-
Dividend (Note 38)	-	-	-	-	-	(173)	-	(173)
Dividend distribution tax (Note 38)	-	-	-	-	-	(35)	-	(35)
Total (C)	-	-	-	-	424	(632)	-	(208)
As at 31 March 2016 (A+B+C)	-	-	-	-	1,917	15,681	8	17,606
As at 1 April 2016 (D)	-	-	-	-	1,917	15,681	8	17,606
Profit for the year	-	-	-	-	-	2,064	-	2,064
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(12)	(12)
Total Comprehensive Income for the year (E)	-	-	-	-	-	2,064	(12)	2,052
Reductions during the year	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	398	(398)	-	-
Dividend (Note 38)	-	-	-	-	-	(173)	-	(173)
Dividend distribution tax (Note 38)	-	-	-	-	-	(35)	-	(35)
Total (F)	-	-	-	-	398	(606)	-	(208)
As at 31 March 2017 (D+E+F)	-	-	-	-	2,315	17,139	(4)	19,450

* Refer Note 13

Refer accompanying notes forming part of the Standalone Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Cash Flow Statement for the year ended 31 March 2017

Amounts in ₹ Mln

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit before tax (continuing operations)	3,252	3,056
Profit before tax (discontinuing operations)	-	3,208
Exceptional items	-	225
Net profit before tax and exceptional items	3,252	6,489
Adjusted for		
(Profit) / loss on disposal of fixed assets	(12)	-
Write off and other adjustment of fixed assets	23	-
Depreciation and amortization	507	775
Unrealized foreign exchange (gain) and loss (net)	(32)	(8)
Provision for doubtful trade receivables and loans and advances	113	197
Liabilities no longer required written back	(26)	(31)
Interest on advances, current accounts and deposits	(598)	(749)
Finance costs	113	54
Operating profit before working capital changes	3,340	6,727
Changes in:		
Trade receivables and other loans & advances	2,220	(2,306)
Inventories	(12)	(542)
Trade payables and other liabilities	(426)	2,179
	1,782	(669)
Cash generated from operations	5,122	6,058
Income tax paid (net of refunds)	(2,117)	(1,994)
Exceptional items (VRS Payment)	-	(260)
Net Cash Flow from Operating activities-continuing operations	3,005	(226)
Net Cash Flow from operating activities-discontinued operations	-	4,030
Net cash generated from operating and discontinuing activities	3,005	3,804
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(986)	(991)
Proceeds from sale of Property, Plant and Equipment	249	52
Investment in associate	(50)	(63)
Investment in subsidiaries	(2,758)	(3,734)
Interest received	557	780
Net Cash flow from Investing Activities-continuing operations	(2,988)	(3,760)
Net Cash flow from Investing Activities-discontinued operations	-	(196)
Net cash used in investing and discontinuing activities	(2,988)	(3,956)
Cash flow from financing activities		
Finance costs	(55)	(78)
Proceeds / (repayments) of short term borrowings	-	(287)
Dividend paid (including tax thereon)	(207)	(207)
Cash flow from Financing Activities-continuing operations	(262)	(565)
Net Cash flow from Financing Activities-discontinued operations	-	(7)
Net cash used in financing and discontinuing activities	(262)	(572)
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(245)	(724)

Cash Flow Statement for the year ended 31 March 2017 (Contd.)

	Year ended 31 March 2017	Year ended 31 March 2016
Amounts in ₹ Mln		
Cash and cash equivalents - Opening Balance		
Cash and cash equivalents [refer note 10 (b)]	1,316	1,435
Inter corporate deposits	-	2,425
Unpaid dividend	11	10
Deposits with Banks	4,079	2,260
TOTAL	5,406	*6,130
Cash and cash equivalents - Closing Balance		
Cash and cash equivalents [refer note 10 (b)]	445	1,316
Unpaid dividend	12	11
Deposits with Banks	4,704	4,079
TOTAL	5,161	5,406
Cash and Cash Equivalent from continuing operations	(245)	(4,551)
Cash and Cash Equivalent from discontinued operations	-	3,827
Cash and Cash Equivalent from continuing and discontinued operations	(245)	(724)

* Includes discontinuing operations (refer Note 39)

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

As per our report of even date attached	For and on behalf of the Board	
For S.R. Batliboi & Co LLP	Chairman	S.M.DATTA (DIN: 00032812)
Chartered Accountants		V. RAJA (DIN: 00669376)
Firm registration number: 301003E/E300005	Managing Director	HARIHARAN MADHAVAN (DIN: 07217072)
	Director & CFO	RAJIV MATHUR (DIN: 06931798)
Manoj Kumar Gupta	Director & Company Secretary	GEETU GIDWANIVERMA (DIN: 00696047)
Partner		
Membership No.: 83906	Non-Executive Director	
Place: New Delhi	Place: New Delhi	
Date: July 18, 2017	Date: July 18, 2017	

Notes to the Financial Statements for the year ended 31 March 2017

CORPORATE INFORMATION

Philips India Limited (the 'Company') is a public limited company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business segments comprise of (a) Personal Health, (b) Health Systems and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra and Software Development center in Bangalore. The company sells its products primarily in India through independent distributors and modern trade. The Financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on July 18 2017.

I SIGNIFICANT ACCOUNTING POLICIES

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

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 43.

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 periods presented in these financial statements.

(b) Current / Non Current classification

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

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. 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;
- vi. 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.

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

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.

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 32
- Measurement and likelihood of occurrence of provisions and contingencies – Note 16
- Recognition of deferred tax assets – Note 7

I.3 Recent Accounting Developments

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Notes to the Financial Statements for the year ended 31 March 2017

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company. The Company will adopt these amendments, if applicable from their applicable date.

1.4 a) Property, plant and equipment:

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on cost basis less depreciation and accumulated impairment losses, if any. The company has elected to regard the values of Property, plant and equipment as deemed cost at the date of transition to Ind AS i.e. 1 April 2015.

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised 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.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised 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 equipments given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease on their estimated useful life, whichever is shorter.

Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

b) Investment Property

The company has elected to regard the value of Investment Property as deemed cost at the date of transition to Ind AS i.e. 1 April 2015.

c) Capital work in progress and Capital advances:

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

1.5 Intangible assets:

The Company has applied principles of Ind AS 38 Intangible Assets retrospectively from date of acquisition and considered the same as deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Notes to the Financial Statements for the year ended 31 March 2017

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

Computer Software	-	3 years
Non Compete Fees	-	3 years

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

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

1.6 Investments in Subsidiaries and Associates:

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.

1.7 Inventories:

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

1.8 Cash and Cash equivalents:

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

1.9 Financial Instruments:

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

i) Financial Assets

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

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

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

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

Notes to the Financial Statements for the year ended 31 March 2017

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

- a) **Business Model Test** : The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash flow characteristics test** : The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

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

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

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

Debt instruments at FVTPL

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

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised 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 recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (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;
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) 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.

Notes to the Financial Statements for the year ended 31 March 2017

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 derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

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 derecognised 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 recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

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

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

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

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

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

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

ii) Financial Liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

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

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

Notes to the Financial Statements for the year ended 31 March 2017

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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

Offsetting of financial instruments:

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

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

1.10 Provisions & Contingencies

Provisions

A provision is recognised 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 recognised 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

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

1.11 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 recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty, and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties.

Notes to the Financial Statements for the year ended 31 March 2017

a) Sale of goods

Revenue from the sale of goods is recognised 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 recognised 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.

b) Rendering of Services

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

Revenue from the sale of goods/ equipments is recognised when the significant risks and rewards of ownership of the goods have passed to the customers/ completion of installation

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

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis.

Revenue from assets given on operating leases is recognised 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.

d) Interest Income

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

1.12 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 recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Defined Contribution Plans

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

Defined Benefit Plans

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

Termination benefits are recognised as and when incurred.

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

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

Notes to the Financial Statements for the year ended 31 March 2017

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.

1.13 Impairment of Non-Financial Assets

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

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

1.14 Income taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

1.15 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

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

Notes to the Financial Statements for the year ended 31 March 2017

1.16 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 recognised 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised 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 recognised as income or expense for the period.

1.17 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.

1.18 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.

For and on behalf of the Board
Chairman

S.M.DATTA
(DIN: 00032812)

Managing Director

V. RAJA
(DIN: 00669376)

Director & CFO

HARIHARAN MADHAVAN
(DIN: 07217072)

Director & Company Secretary

RAJIV MATHUR
(DIN: 06931798)

Non-Executive Director

GEETU GIDWANI VERMA
(DIN: 00696047)

Place: New Delhi
Date: July 18, 2017

Place: New Delhi
Date: July 18, 2017

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

2 Property, Plant and Equipment

Particulars	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipment (Owned)	Plant and Equipment (given on operating lease)	Office Equipment	Furniture	Vehicles (Owned)	Vehicles (taken on finance lease)	Plant and Machinery (taken on finance lease)	Total
Gross carrying value (Deemed cost)											
As at 1 April 2015	147	169	132	699	113	149	209	5	277	-	1,900
Additions	-	8	162	392	-	21	48	-	140	-	771
Disposals	-	-	(5)	-	-	(3)	(1)	-	(35)	-	(44)
Transfer as per Scheme of Arrangement for Demerger*	-	-	(49)	(48)	-	(22)	(31)	-	(22)	-	(172)
As at 31 March 2016	147	177	240	1,043	113	145	225	5	360	-	2,455
Additions	-	96	96	122	18	231	47	-	233	353	1,196
Disposals	-	(2)	-	(125)	(46)	(49)	-	-	(49)	-	(271)
As at 31 March 2017	147	271	336	1,040	85	327	272	5	544	353	3,380
Depreciation											
As at 1 April 2015		6	43	222	16	34	37	-	112	-	470
Depreciation											
Disposals											
Transfer as per Scheme of Arrangement for Demerger											
As at 31 March 2016	-	6	43	222	16	34	37	-	112	-	470
Depreciation		8	50	193	15	52	32		119	38	507
Disposals											
As at 31 March 2017	-	14	93	415	31	86	69	-	231	38	977
Net book value											
As at 1 April 2015	147	169	132	699	113	149	209	5	277	-	1,900
As at 31 March 2016	147	171	197	821	97	111	188	5	248	-	1,984
As at 31 March 2017	147	257	243	625	54	241	203	5	313	315	2,403

* Asset Transfer as per Scheme of Arrangement for Demerger is net of gross assets ₹ 417 and accumulated depreciation ₹ 245. Accordingly the WDV ₹ 172 has been reduced from the opening deemed cost.

The Company has elected to measure all its Property, Plant and Equipment at the previous GAAP carrying amount i.e. 31 March 2015 as its deemed cost (Gross carrying value) on the date of transition to Ind AS i.e. 1 April, 2015.

Net book value	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Work in Progress	106	78	36

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

3 Investment Property

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deemed cost			
At the beginning of the year	17	17	17
End of the year	17	17	17
Depreciation			
End of the year	-	-	-
Net Block	17	17	17

- The "Investment Property" consists of Freehold and Leasehold Land held by the Company and located in the states of Maharashtra, Gujarat and Goa. The fair value hierarchy disclosures for Investment properties have been provided in note 35.
- The Company has obtained independent valuation for its investment property as at March 31, 2017 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis.

4 Intangible assets

Particulars	Goodwill	Brands	Software	Non Compete Fees	Total
Deemed Cost					
As at 1 April 2015	165	230	22	150	567
Additions	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-
Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-
As at 31 March 2016	165	230	22	150	567
Additions	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-
As at 31 March 2017	165	230	22	150	567
Amortization and impairment					
As at 1 April 2015	165	230	22	150	567
Amortization for the year	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-
Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-
As at 31 March 2016	165	230	22	150	567
Amortization for the year	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-
As at 31 March 2017	165	230	22	150	567
Net book value					
As at 1 April 2015	-	-	-	-	-
As at 31 March 2016	-	-	-	-	-
As at 31 March 2017	-	-	-	-	-

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

5 Investment in subsidiaries and associates

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unquoted Investments			
Investment in equity instruments			
49,263,413 (31 March 2016 - 49,263,413; 1 April 2015 - 14,294,860) equity shares of ₹ 10/- each fully paid up in Preethi Kitchen Appliances Private Limited - a subsidiary	3,780	3,780	1,000
6,050,000 (31 March 2016 - Nil; 1 April 2015 - Nil) equity shares of ₹ 10/- each fully paid up in Philips Home Care Services India Private Limited - wholly owned subsidiary	61	-	-
11,300,000 (31 March 2016 - 6,300,000; 1 April 2015 - Nil) equity shares of ₹ 10/- each fully paid up in Healthmap Diagnostics Private Limited - an associate	113	63	-
Investment in preference instruments			
45,924,527 (31 March 2016 - 11,987,421; 1 April 2015 - Nil) 8% Compulsorily Convertible preference shares of ₹ 10/- each fully paid up in Preethi Kitchen Appliances Private Limited - a subsidiary	3,651	954	-
	7,605	4,797	1,000
Non-Current	7,605	4,797	1,000

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

Particulars			
Trade receivables	1,088	1,688	2,064
Total	1,088	1,688	2,064

Break up for security details and more than six months overdue

Particulars			
Secured, considered good {(refer note 10(a))}	1,055	1,688	2,064
Unsecured, considered good	33	-	-
Doubtful	18	22	18
Other Debts	-	-	-
	1,106	1,710	2,082
Provision for bad and doubtful debts			
Doubtful	(18)	(22)	(18)
	1,088	1,688	2,064

6(b) Non-current financial assets - others

Loans (Unsecured considered good unless otherwise stated)

Particulars			
Security Deposits			
- Considered good	201	175	211
Bank Deposits (due to mature after 12 months from reporting date)	5	6	6
	206	181	217

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

7 Deferred Tax Assets (Net)

A. Components of Income Tax Expense

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

	Year ended 31 March 2017	Year ended 31 March 2016
Current Tax		
- Continuing operations	1,244	1,194
- Discontinued Operations	-	1,244
Total (a)	1,244	2,438
Deferred tax charge / (release)		
Relating to origination and reversal of temporary differences (continuing operations)	56	7
Relating to origination and reversal of temporary differences (discontinued operations)	-	133
Total (b)	56	140

(ii) Tax on Other Comprehensive Income

	Year ended 31 March 2017	Year ended 31 March 2016
Deferred tax		
- (Gain) / Loss on measurement of net defined benefit plans	6	(4)
Total	6	(4)

B. Reconciliation of Tax expense and the accounting profit for the year is as under:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit/ (Loss) before tax from continuing operations	3,252	3,056
Profit/ (Loss) before tax from discontinued operations	-	3,208
Income tax calculated @	34.608%	34.608%
Computed tax expense	1,125	2,169
Differences due to:		
- Expenses not deductible for tax purposes	49	8
- Others	15	121
Income tax charged to Statement of Profit and Loss at effective tax rate of 36.53% (Previous year - 36.69%)	1,189	2,298
Income tax expense reported in statement of profit and loss	1,189	1,187
Income tax expense attributable to discontinuing operations	-	1,111

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

Particulars	Balance Sheet			Recognized in Statement of profit and loss	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	For year ended 31 Mar 2017	For year ended Mar 2016
- Provision for employee benefits	243	215	310	28	(95)
- Doubtful trade receivables and advances	112	106	115	6	(9)
- Difference between book and tax depreciation	359	319	203	40	116
- Other timing differences	228	232	530	(4)	(298)
- Assets given on finance lease	(370)	(362)	(349)	(8)	(13)
Deferred tax expense/(income)	-	-	-	-	-
Transfer as a part of demerger	-	-	-	-	434
Net deferred tax assets/(liabilities)	572	510	809	62	135

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

7 Deferred Tax Assets (Net) (Contd.)

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

Particulars

	As at 31 March 2017	As at 31 March 2016
Opening balance as of 1 April	510	809
Tax income/(expense) during the period recognized in profit and loss	56	139
Tax income/(expense) during the period recognized in OCI	6	(4)
Discontinuing operations	-	(434)
Closing balance as at 31 March	572	510

8 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance Rentals	38	36	68
Capital Advances	4	11	42
CENVAT credit receivable	370	334	606
VAT credit receivable	80	80	83
Deposits against legal cases	345	287	284
Special additional duty receivables and drawback claims	56	56	56
Balances with customs and port trust	8	8	12
Considered doubtful			
Deposits against legal cases	-	-	4
Claims receivables	54	54	54
Less: Provision for doubtful other loans and advances			
Deposits against legal cases	-	-	(4)
Claims receivables	(54)	(54)	(54)
	901	812	1,151

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

Particulars

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials (includes goods-in-transit ₹ 79 (31 March 2016 ₹ 15, 1 April 2015 ₹ 312))	585	434	554
Work in Progress	1,016	950	540
Finished Goods (includes goods-in-transit ₹ 207 (31 March 2016 ₹ 106, 1 April 2015 ₹ Nil))	214	112	27
Stock-in-Trade (goods purchased for resale) (includes goods-in-transit ₹ 165 (31 March 2016 ₹ 413, 1 April 2015 ₹ 284))	2,729	3,026	2,656
Stores and Spares	10	20	-
	4,554	4,542	3,777

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

10 (a) Current assets - Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	4,415	5,252	3,711
Receivables from an associate (Note 31)	6	9	-
Receivables from related parties (Note 31)	561	1,562	1,620
Total	4,982	6,823	5,331
Break up for security details			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good **	273	459	410
Unsecured, considered good	4,709	6,364	4,921
Doubtful	166	168	107
	5,148	6,991	5,438
Provision for bad and doubtful debts			
Unsecured, considered good	-	-	-
Doubtful	(166)	(168)	(107)
	4,982	6,823	5,331

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

** Additional disclosure relating to finance lease receivables:

Secured trade receivables includes finance lease receivables amounting to ₹ 672 (31 March 2016 - ₹ 698, 1 April 2015 - ₹ 716) 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 ₹ 907 (31 March 2016 - ₹ 941, 1 April 2015 ₹ 929) which includes unearned interest of ₹ 235 (31 March 2016 ₹ 243, 1 April 2015 ₹ 213). The maturity profile of finance lease obligation is as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Minimum lease payments			
Receivable within 1 year	214	231	238
Receivable between 1-5 years	599	638	634
Receivable after 5 years	94	72	57
Total	907	941	929
Present value			
Receivable within 1 year	136	152	164
Receivable between 1-5 years	450	480	499
Receivable after 5 years	86	66	53
Total	672	698	716
Unearned interest	235	243	213

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

10 (b) Cash and cash equivalents

Particulars

Balances with banks:

– On current accounts

– Deposits with original maturity of less than three months

Cheques/ drafts on hand

Cash on hand

Other Bank Balances

Unpaid dividend accounts

As at 31
March 2017

As at 31
March 2016

As at 1
April 2015

345

1,082

132

4,704

4,079

2,261

100

234

131

-

-

-

5,149

5,395

2,524

12

11

10

5,161

5,406

2,534

10 (c) Current Financial assets - Others

Particulars

Dues from fellow subsidiary companies (Note 31)

Inter-corporate deposits to wholly owned subsidiary (Note 31)

Security Deposits

- Considered good

- Considered doubtful

Less: Provision for doubtful deposits

Interest accrued on deposits with banks

As at 31
March 2017

As at 31
March 2016

As at 1
April 2015

577

544

98

-

-

2,425

306

244

261

83

60

38

(83)

(60)

(38)

31

34

24

914

822

2,808

11 Other current assets

(Unsecured, considered good unless otherwise stated)

Particulars

Unbilled revenue

Interest accrued on Inter-corporate deposits

Advance Rentals

Advance to suppliers

Advance to related party

CENVAT credit receivable

VAT credit receivable

Special additional duty receivables and drawback claims

Balances with customs and port trust

Prepaid expenses

Claims receivables

Advances to employees

Considered doubtful

Advance to suppliers

Less: Provision for doubtful other loans and advances

Advance to suppliers

As at 31
March 2017

As at 31
March 2016

As at 1
April 2015

153

238

142

-

-

14

18

6

-

159

206

253

86

21

-

465

558

86

11

8

23

170

67

72

7

-

60

179

150

166

42

89

34

18

20

10

6

4

21

(6)

(4)

(21)

1,308

1,363

860

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

12 Equity Share Capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised						
Equity shares of ₹ 10 each	92,000,000	920	92,000,000	920	92,000,000	920
Non-convertible cumulative preference shares of ₹ 10 each	20,000,000	200	20,000,000	200	20,000,000	200
Total	112,000,000	1,120	112,000,000	1,120	112,000,000	1,120
Issued, subscribed and paid-up	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each	57,517,242	575	57,517,242	575	57,517,242	575
Total	57,517,242	575	57,517,242	575	57,517,242	575

(i) Reconciliation of the number of equity shares outstanding

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning and at the end of the reporting period	57,517,242	575	57,517,242	575	57,517,242	575

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

The Company has only one class of equity shares having a par value of ₹ 10/- per share (March 31, 2016 : ₹ 10/- per share) (April 1, 2015: ₹ 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.

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Koninklijke Philips N.V (KPNV)	55,290,182	553	55,290,182	553	55,290,182	553

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Koninklijke Philips N.V (KPNV)	55,290,182	96.13	55,290,182	96.13	55,290,182	96.13

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

13 Other Equity

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Reserve			
As at the beginning of the year	-	169	169
Less: Transfer as per Scheme of Arrangement for Demerger	-	169	-
As at the end of the year	-	-	169
Capital Redemption Reserve			
As at the beginning of the year	-	228	228
Less: Transfer as per Scheme of Arrangement for Demerger	-	228	-
As at the end of the year	-	-	228
Securities premium account			
As at the beginning of the year	-	1,153	1,153
Less: Transfer as per Scheme of Arrangement for Demerger	-	1,153	-
As at the end of the year	-	-	1,153
General reserve			
As at the beginning of the year	1,917	2,789	2,789
Less: Transfer as per Scheme of Arrangement for Demerger	-	1,215	-
Add: Transfer from Statement of Profit and Loss	398	424	-
Less: Demerged Company's share of demerger expenses	-	81	-
As at the end of the year	2,315	1,917	2,789
Other reserves			
Capital subsidy	-	-	9
Retained Earnings			
As at the beginning of the year	15,689	12,347	8,111
Add: Profit for the year	2,052	3,974	4,235
Less: Reductions during the year			
Dividend	173	173	-
Dividend distribution tax	35	35	-
Transfer to General reserve	398	424	-
Unwinding of discount	-	-	1
	17,135	15,689	12,347
Total	19,450	17,606	16,695

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 41.

A. Summary of Other Equity

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Reserve	-	-	169
Capital Redemption Reserve	-	-	228
Securities premium account	-	-	1,153
General Reserve	2,315	1,917	2,789
Other Reserves	-	-	9
Retained Earnings	17,135	15,689	12,347
Total other Equity	19,450	17,606	16,695

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

13 Other Equity (Contd.)

B. Description of nature and purpose of each reserve

Securities Premium account

Security premium account is created when shares were issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares. However, these reserves were transferred as a part of scheme of demerger.

Capital Redemption reserve

Capital Redemption reserve was created for buy back of shares. The company may issue fully paid-up bonus shares to its members out of Capital Redemption reserve. However, these reserves were transferred as a part of scheme of demerger.

Capital Reserve

Capital Reserve was created as a result of amalgamation of various legal entities in earlier years. The same has been transferred as a part of scheme of demerger.

General Reserve and Retained Earnings

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

Other Reserves

Other reserves pertain to capital subsidy.

14 Non-current financial liabilities - Borrowings

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Long Term maturities of finance lease obligations (secured)	405	155	186
The finance lease obligations are secured by underlying assets (leased vehicles and IT devices) [refer note 2]. The legal title of the vehicles and IT devices vests with the lessors and the lease term varies between 3-5 years. The total minimum lease liability for assets obtained on finance lease is ₹ 814 (Previous year - ₹ 318) which includes interest of ₹ 128 (Previous year - ₹ 57). The maturity profile of finance lease obligations is as follows:			

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Minimum Lease payments	Present value	Minimum Lease payments	Present value	Minimum Lease payments	Present value
Payable within 1 year	330	280	138	106	140	108
Payable between 1-5 years	484	405	180	155	218	186
Total minimum lease payments	814	685	318	261	358	294
Less: Interest	129	-	57	-	64	-
Present value of minimum lease payments	685	685	261	261	294	294

15 Other non-current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income received in advance	537	409	451
Employee related payables	209	270	84
Security deposits	6	6	7
	752	685	542

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

16 Provisions

	Long-term			Short-term		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits						
Gratuity (refer note 28)	415	353	247	23	8	17
Compensated absences (refer note 28)	236	238	211	29	21	21
Post-employment medical benefits	-	-	-	18	19	23
Retention and performance pay (refer note 16.1)	-	-	13	-	91	95
Others						
Warranty (refer note 16.1)	-	-	-	242	228	206
Legal and regulatory (refer note 16.1)	-	-	-	330	333	491
Miscellaneous risks (refer note 16.1)	-	-	-	-	-	36
	651	591	471	642	700	889

Additional disclosure relating to provisions:

16.1 Movement in provisions:

	Class of provisions				
	Warranty	Legal and regulatory	Personnel related	Miscellaneous risks	Total
Opening balance	228	333	91	-	652
	(206)	(491)	(108)	(36)	(841)
	(173)	(524)	(129)	(34)	(860)
Add: Accruals	428	23	169	-	620
	(461)	(29)	(172)	-	(662)
	(427)	(23)	(152)	(2)	(604)
Less: Utilisation	413	-	260	-	673
	(439)		(178)	-	(617)
	(394)	-	(173)	-	(567)
Less: Write back	-	26	-	-	26
	-	(18)	-	(12)	(30)
	-	(56)	-	-	(56)
Less: Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-
	-	(169)	(11)	(24)	(204)
	-	-	-	-	-
Closing balance	243	330	-	-	573
	(228)	(333)	(91)	-	(652)
	(206)	(491)	(108)	(36)	(841)

Figures given in (brackets) relate to previous years as applicable.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

16.2 Nature of provisions:

(a) Warranty

The Company provides for the estimated liability on warranty given on sale of its products based on past performance of such products. The provision represents the expected cost of warranty and free of charge services and it is expected that the expenditure will be incurred over the warranty period which usually ranges from 12 months to 24 months.

(b) Legal and regulatory

The Company has made provision for taxes and duties relating to cases that are pending assessments before Adjudicating Authorities where possible outflow of resources may arise in future which would depend on the ultimate outcome on conclusion of the cases.

(c) Personnel related

The Company has made provisions in respect of amounts payable to certain employees based on their retention and performance, which are payable over a three year and one year period respectively.

(d) Miscellaneous risks

The Company has created provisions following the accounting concept of conservatism towards possible outflow of resources in respect of other claims against the Company.

17 Current Financial Liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Borrowings			
Loans repayable on demand			
From banks			
Bank overdraft (unsecured)	-	-	287
	-	-	287
(b) Trade Payables			
Dues to Micro, Small and Medium Enterprises (refer note 42)	69	39	91
Dues to others	3,546	3,217	2,742
Dues to related parties	1,446	2,150	2,033
	5,061	5,406	4,866
Trade payables are non-interest bearing and are normally settled on sixty day terms.			
(c) Other financial liabilities			
Current maturities of finance lease obligations (refer note 14)	280	106	108
Interest accrued but not paid	12	-	-
Unpaid dividend	12	11	10
Bank overdraft	8	63	37
Other payables:			
Payables for purchase of fixed assets (other than micro and small enterprises)	35	58	51
Employee related payables	753	617	767
Security deposits	10	10	8
	1,110	865	981

18 Other current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income received in advance	847	714	609
Other payables:			
Advances received from customers	1,366	1,737	1,191
Statutory dues	658	840	491
	2,871	3,291	2,291

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

19 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products (Including excise duty)	21,512	22,189
Sale of services	15,211	12,978
Other operating revenues	266	312
Revenue from operations (net)	36,989	35,479
Breakup of other operating revenues		
Liabilities no longer required written back	26	31
Finance income - leases	198	261
Miscellaneous	42	20
	266	312

20 Other income

Interest income (other than on investments)	352	488
Surplus on disposal of fixed assets	12	-
Interest income on defined benefit plan	20	27
Interest income on Security Deposits	24	16
Other non-operating income	11	21
	419	552

21 Cost of raw materials consumed *

Inventory of raw materials at the beginning of the year	419	222
Add: Purchases	2,262	1,739
Less: Inventory of raw materials at the end of the year	506	419
Cost of raw materials consumed	2,175	1,542

* represents Medical equipment components

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

13,969 15,674

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

Stock at the beginning of the year		
Finished goods	6	
Work-in-Progress	950	540
Stock-in-trade (goods purchased for resale)	2,613	2,420
Total	3,569	2,960
Stock at the end of the year		
Finished goods	7	6
Work-in-Progress	1,016	950
Stock-in-trade (goods purchased for resale)	2,564	2,613
	3,587	3,569
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(18)	(609)

24 Employee benefits expense

Salaries, wages and bonus	8,998	8,155
Contribution to provident and other funds	306	290
Defined benefit plan expense	95	179
Expense on Employee Stock Option Schemes	85	71
Staff welfare expenses	505	456
	9,989	9,151

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

	Year ended 31 March 2017	Year ended 31 March 2016
25 Finance costs		
Interest on Finance Lease	57	42
Net interest on the net defined benefit liability	44	64
Other interest expense	11	5
Total interest expense	112	111
Unwinding of discount and effect of changes in discount rate on provisions	1	1
Total Finance costs	113	112
26 Depreciation and amortization expense		
Depreciation of tangible fixed assets (refer note 2)	507	469
	507	469
27 Other expenses		
Power and fuel	118	141
Packing, freight and transport	686	331
Rent	710	548
Repairs to buildings	121	231
Insurance	91	88
Rates and taxes	22	48
Travelling and conveyance	1,049	984
Legal and professional	456	305
Publicity	974	1,787
IT and Communication	1,072	605
Provision for doubtful trade receivables and loans and advances	113	138
Warranty	428	455
Net loss on foreign currency transaction and translation	293	57
Miscellaneous	1,202	855
	7,335	6,573

(a) Legal and professional includes payments to auditors as given below:

As Auditor - statutory audit fees ₹ 3.2 (Previous year - ₹ 9.9), tax audit fees ₹ 1.5 (Previous year - ₹ 2); In other capacity - taxation matters ₹ 0.3 (Previous year - ₹ 0.3), certification ₹ 0.2 (Previous year - ₹ 1.1) and reimbursement of expenses ₹ 0.5 (Previous year - ₹ 1).

(b) Miscellaneous include - (i) undepreciated value of fixed assets written off / provided for - ₹ 23 (Previous year - ₹ Nil), (ii) handling charges - ₹ 64 (Previous year - ₹ 200), (iii) royalty - ₹ 169 (Previous year - ₹ 187), (iv) commission - ₹ 166 (Previous year - ₹ 123), (v) donation - ₹ NIL (Previous year - ₹ Nil and (vi) Corporate Social Responsibility expenditure - Gross amount required to be spent ₹ 99 (Previous year - ₹ 68), amount spent towards various schemes as prescribed under Section 135 of the Companies Act, 2013 ₹ 75 (Previous year - ₹ 33).

Details of CSR Expenditure:

	Year Ended 31 March 2017	Year Ended 31 March 2016
a) Gross amount required to be spent by the group during the year	99	68
b) Amount spent during the year ending on 31st March, 2017:		
i) For Purposes mentioned below:		
- In Cash	75	33
- Yet to be paid in Cash	24	35
ii) On purposes other than (i) above		
- In Cash		
- Yet to be paid in Cash		

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

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

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)

Particulars

	Gratuity	
	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	115	128
Past service cost	-	78
Interest cost on benefit obligation	44	64
Expected return on plan assets	(20)	(27)
Curtailment Cost	-	-
Settlement cost	-	-
Net actuarial (gain)/ loss recognised in the year	18	(12)
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	157	231

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

Particulars	Gratuity						Compensated absences			Provident Fund		
	Year ended 31 March 2017		Year ended 31 March 2016		Year ended 31 March 2015		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded						
A. Present value of obligations as at beginning of the year	494	111	504	311	377	263	260	367	304	3,397	3,473	2,649
(1) Current service cost	97	18	80	48	62	41	92	116	100	448	241	227
(2) Interest cost	36	8	40	24	32	23	19	24	25	323	11	269
(3) Benefits settled	(39)	(19)	(41)	(37)	(50)	(20)	(75)	(106)	(73)	(411)	(335)	(312)
(4) Settlements	-	-	-	-	-	-	-	-	-	-	-	-
(5) Actuarial (gain) / loss	(23)	38	(36)	150	83	9	(28)	31	15	-	-	-
(6) Actuarial (gain) / loss due to Interest rate guarantee	-	-	-	-	-	-	-	-	-	562	244	90
(7) Employees' contribution	-	-	-	-	-	-	-	-	-	636	349	311
(8) Acquisition/Business Combination/Divestiture	-	(3)	(130)	(385)	-	(5)	(2)	(173)	(4)	-	(781)	-
(9) Change in reserves	-	-	-	-	-	-	-	-	-	-	-	-
(10) Transfer in	-	-	-	-	-	-	-	-	-	190	195	239
(11) Past service cost	-	-	78	-	-	-	-	-	-	-	-	-
Present value of obligations as at end of the year	565	153	495	111	504	311	266	259	367	5,145	3,397	3,473

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

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

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

Change in the fair value of plan assets are as follows:

Particulars	Gratuity						Compensated absences			Provident Fund		
	Year ended 31 March 2017		Year ended 31 March 2016		Year ended 31 March 2015		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded						
B. Change in Plan Assets												
Plan assets as at beginning of the year	245	-	288	-	256	-	-	-	-	3,473	3,564	2,671
(1) Expected return on plan assets	20	-	27	-	24	-	-	-	-	365	11	271
(2) Contributions	58	-	59	-	62	-	-	-	-	-	-	-
(3) Benefits settled	(39)	-	(41)	-	(50)	-	-	-	-	-	-	-
(4) Employer and Employee contribution	-	-	-	-	-	-	-	-	-	1,084	590	537
(5) Transfer in	-	-	-	-	-	-	-	-	-	190	195	239
(6) Benefit payments	-	-	-	-	-	-	-	-	-	(411)	(335)	(312)
(7) Asset gain / (loss)	(3)	-	(4)	-	(4)	-	-	-	-	637	273	158
(8) Settlements	-	-	-	-	-	-	-	-	-	-	-	-
(9) Acquisition/Business Combination/Divestiture	-	-	(84)	-	-	-	-	-	-	-	(827)	-
Plan assets as at end of the year	281	-	245	-	288	-	-	-	-	5,338	3,471	3,564
Surplus	-	-	-	-	-	-	-	-	-	192	74	91

The above surplus of ₹ 192 (Previous year - ₹ 74) has not been recognised in the financial statements in accordance with Ind AS 19 Employee Benefits, since the surplus is not available to the Company either in form of refunds or as reduction of future contributions.

C. Actual return on plan assets	17	-	22	-	20	-	-	-	-	-	-	-
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	(566)	(154)	(494)	(111)	(504)	(311)	(265)	(260)	(367)	-	-	-
(2) Fair value of Plan assets	281	-	245	-	288	-	-	-	-	-	-	-
Liability recognised in Balance Sheet	(285)	(154)	(249)	(111)	(216)	(311)	(265)	(260)	(367)	-	-	-
E. Components of Employer Expense:												
(1) Current service cost	97	18	80	48	62	41	92	116	100	-	-	-
(2) Interest cost	36	8	40	24	32	23	19	24	24	-	-	-
(3) Expected return on plan assets (estimated)	(20)	-	(27)	-	(24)	-	-	-	-	-	-	-
(4) Curtailments	-	-	-	-	-	-	-	-	-	-	-	-
(5) Past service cost	0	-	78	-	-	-	-	-	-	-	-	-
(4) Actuarial (gain) / loss	(20)	38	(161)	150	87	9	(28)	31	15	-	-	-
Total expense recognised in Statement of Profit and Loss and OCI	93	64	10	222	157	73	83	171	139	-	-	-

The gratuity and compensated absences expenses have been recognised in "Employee benefits expenses" under note 24 to the Financial Statements.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

F. Experience

Adjustments

Description	Gratuity (Funded)				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	566	495	504	377	329
Plan Assets	282	245	288	256	203
Surplus/(Deficit)	(284)	(250)	(216)	(121)	(126)
Experience adjustments on Plan assets/ liabilities (gain) / loss	(75)	(47)	306	65	80

Description	Gratuity (Unfunded)				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	154	111	311	263	264
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(154)	(111)	(311)	(263)	(264)
Experience adjustments on Plan assets/ liabilities (gain) / loss	54	148	(22)	(44)	13

Description	Provident Fund				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	5,145	3,397	3,473	2,649	2,149
Plan Assets	5,337	3,471	3,564	2,671	2,176
Surplus/(Deficit)	192	74	91	22	27
Experience adjustments on Plan assets/ liabilities (gain) / loss	(637)	(273)	(158)	69	(13)

G. Assumptions	Gratuity - Funded		Compensated absences	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Financial Assumptions				
Discount factor	7.10%	7.55%	7.10%	7.55%
Estimated rate of return on plan assets	9.00%	9.00%		
Salary Increase	Management, PMS - 10%, PIC - 12% DMC factory - 12%,	Management, PMS and PIC - 11%, DMC factory - 12%,		
Demographic Assumptions				
Mortality	IALM (2006-08)	IALM (2006-08)		
Attrition rate	Management - 14%, PMS - 12%, PIC - 9.60% DMC Factory - 5%	Management, PMS and PIC - 10%, DMC factory - 5%,		
Retirement age	Management and PIC - 60 years, Others - 58 years	Management and PIC - 60 years, Others - 58 years		

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

G. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	As at 31 March 2017	As at 31 March 2016
Discount rate		
a. Discount rate - 100 basis points	787	663
b. Discount rate + 100 basis points	661	557
Salary increase rate		
a. Rate - 100 basis points	663	558
b. Rate + 100 basis points	784	660

H. Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)	58	42
Between 2 and 5 years	241	212
Between 6 and 10 years	301	263
Total expected payments	600	517

29 Employees' Share-based Payments (As per Ind AS 102 Share based Payment):

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with Ind AS 102 Share based payment, in respect of the grants made on 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 installments 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.

Since 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."

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

29 Employees' Share-based Payments (As per Ind AS 102 Share based Payment): (Contd.)

(c) 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 2016	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31 March 2017	Exercisable
April 18, 2006	26.28	4,356		(5,463)	1,107		-	-
April 16, 2007	30.96	7,083			27		7,110	7,110
April 14, 2008	23.11	3,402			153		3,555	3,555
July 14, 2008	20.67	1,800					1,800	1,800
April 14, 2009	12.63	2,250					2,250	2,250
April 19, 2010	24.90	4,744		(32)	3,932	(2,432)	6,212	6,212
July 19, 2010	24.01	1,080					1,080	1,080
April 18, 2011	20.90	9,114			5,700	(4,164)	10,650	10,650
July 18, 2011	17.20	2,850			1,350	(1,350)	2,850	2,850
October 17, 2011	14.52	1,350					1,350	1,350
January 30, 2012	15.24	5,000			10,000		15,000	15,000
April 23, 2012	14.82	23,034			2,550		25,584	25,584
		66,063	-	(5,495)	24,819	(7,946)	77,441	77,441
Previous Year		104,394		(13,773)	5,636	30,194	66,063	66,063

(d) Number and weighted average grant-date fair value of Stock Options (USD)

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31 March 2017	Exercisable
April 14, 2008	36.63	306	-		-	-	306	306
April 14, 2009	33.51	480	-	-	-	-	480	480
		786	-	-	-	-	786	786
Previous Year		1,290		(504)			786	786

(e) Number and weighted average grant date fair value of Restricted Shares (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euro)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2017
October 24, 2014	20.43	708			(708)		-
February 2, 2015	23.89	4,027			(4,027)		-
May 5, 2015	25.32	1,168			(1,168)		-
July 31, 2015	24.59	8,391			(5,594)		2,797
February 1, 2016	24.00	18,586			(6,195)		12,391
April 29, 2016	24.00	-			20,396		20,396
October 28, 2016		-			364		364
		32,880	-	-	3,068	-	35,948
Previous Year		13,660	28,145	(2,751)	(1,422)	(4,752)	32,880

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.

(f) 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.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

29 Employees' Share-based Payments (As per Ind AS 102 Share based Payment): (Contd.)

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

Grant Date	Weighted average grant date fair value (in Euro)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2017
May 3, 2013	23.45	30,837		(30,837)	-		-
October 25, 2013	30.38				-	-	-
April 28, 2014	22.92	49,439		(6,187)	-	-	43,252
July 25, 2014	22.80	1,806		(1,806)	-	-	-
October 24, 2014	20.43	708		(708)	-	-	-
May 5, 2015	25.19	61,265		(16,584)	-		44,681
February 1, 2016	24.33	1,549		-	-		1,549
April 29, 2016	24.00		40,775				40,775
		145,604	40,775	(56,122)	-	-	130,257
Previous Year		128,896	73,323	(42,776)	(13,839)		145,604

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

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions:

1.	Risk free interest rate	-0.45%
2.	Expected dividend yield	3.40%
3.	Expected share price volatility	26%

(i) 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%. A total of 17,545 (Previous year - 19,110) shares were bought by employees during the year at an average price of EUR 25.48 (Previous year - EUR 24).

- (j) Expense recognised on account of "Employee Share-Based Payment" is ₹ 85 (Previous year - ₹ 71) and carrying liability as at 31 March 2017 is ₹ 414 (Previous year - ₹ 392).

30 Commitments and contingencies

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ 113 (Previous year - ₹ 11).

b. Contingent liabilities

- (i) In respect of disputed excise demands - ₹ 19 (Previous year - ₹ 19), income tax demands - ₹ 7,400 (Previous year - ₹ 6,268), service tax demands - ₹ 82 (Previous year - ₹ 82), VAT- ₹ 1,125 (Previous year - ₹ 1,125) and custom duty ₹ 62 (Previous year - ₹ Nil).

The Contingent Liability on account of income tax cases relating to erstwhile lighting business of Philips India Limited (PIL) is estimated at ₹ 3,197 (Previous year - ₹ 2,757) out of common estimated income tax liability of lighting business and other businesses of Philips India Limited.

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 Income Tax cases upto the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years

- (ii) Claims not acknowledged as debts by the Company - Nil (Previous year - ₹ 48).
 (iii) In respect of suppliers' / customers' demands and certain tenancy / customs / sales tax / service tax disputes for which the liability is not ascertainable.

The Company does not expect any reimbursements in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash outflows, if any, in respect of (i), (ii), and (iii) above pending resolution of the legal proceedings.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

(a) Names of companies where control exists:

Holding and ultimate holding company	: Koninklijke Philips N.V (KPNV)
Subsidiary Companies	: Preethi Kitchen Appliances Private Limited Philips Home Care Services India Private Ltd
Associate Company	: HealthMap Diagnostics Private Limited

(b) Other related parties with whom transactions have taken place during the year:

(i) Fellow Subsidiary Companies : As per list given below

Fellow Subsidiary Companies:

Argus Imaging B.V.
Burton Medical Products Corporation
Dameca A/S
Lifeline Systems Company
Lumileds India Private Limited
Philips (China) Investment Company, Ltd.
Philips Aktiebolag
Philips Austria GmbH
Philips BioCell A/S
Philips Consumer Lifestyle B.V.
Philips Digital Mammography Sweden AB
Philips Egypt (Limited Liability Company)
Philips Electronics Australia Limited
Philips Electronics Bangladesh Private Limited
Philips Electronics Hong Kong Limited
Philips Electronics Middle East & Africa B.V.
Philips Electronics NA Corporation
Philips Electronics Nederland B.V.
Philips Electronics North America Corporation
Philips Electronics Singapore Pte Ltd
Philips Electronics UK Limited
Philips Export B.V.
Philips GmbH
Philips Healthcare (Suzhou) Co., Ltd.
Philips Healthcare Informatics, Inc.
Philips Innovative Applications
Philips International B.V.

Fellow Subsidiary Companies:

Philips Lanka Solutions (Private) Limited
Philips Lighting B.V.
Philips Lighting India Limited
Philips Medical Systems Nederland B.V.
Philips Medical Systems (Cleveland), Inc.
Philips Medical Systems DMC GmbH
Philips Medical Systems Indústria e Comércio Ltda.
Philips Medical Systems Ltda.
Philips Medical Systems Nederland B.V.
Philips Medical Systems Technologies Ltd.
Philips Medizin Systeme Böblingen GmbH
Philips Nederland B.V.
Philips Oral Healthcare, Inc.
Philips Oy
Philips Polska Sp.z.o.o.
Philips South Africa (Proprietary) Limited
Philips Technologie GmbH
Philips Ultrasound, Inc.
PT. Philips Indonesia
Respironics California, Inc.
Respironics, Inc.
Saeco International Group S.p.A.
Shenzhen Goldway Industrial Inc.
VISICU, Inc.
Volcano Corporation
Volcano Europe, B.V.B.A.
Witt Biomedical Corporation

(ii) Employee Trusts

Philips India Ltd Management Staff Provident Fund Trust

(iii) Key Management Personnel

(1) Executive Directors:

- (i) Mr.V. Raja
- (ii) Mr.Hariharan Madhavan

(2) Non-Executive Directors:

- (i) Mr.S.M.Datta
- (ii) Mr.Vikram Mukund Limaye
- (iii) Mr.Vivek Gambhir
- (iv) Ms.Geetu Gidwani Verma

(3) Company Secretary:

Mr.Rajiv Mathur

Notes to the Financial Statements for the year ended 31 March 2017

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

(c) Nature of transactions

	Year ended 31 March 2017						Year ended 31 March 2016					
	Ultimate Holding Company	Subsidiary Companies	Fellow Subsidiary Companies	Associate Company	Key Managerial Personnel	Employee Trusts	Ultimate Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Associate Company	Key Managerial Personnel	Employee Trusts
PURCHASES												
Goods	-	367	8,481	-	-	-	-	387	12,182	-	-	-
Fixed assets	-	-	58	-	-	-	-	-	59	-	-	-
Services	107	31	882	-	-	-	91	24	1,238	-	-	-
Reimbursements	-	-	177	-	-	-	-	-	100	-	-	-
Others	22	-	-	-	-	-	84	-	-	-	-	-
SALES												
Goods	-	-	2,436	175	-	-	-	3	2,443	398	-	-
Fixed assets	-	-	2	-	-	-	-	-	-	-	-	-
Services	1,994	62	9,532	7	-	-	1,243	67	8,661	-	-	-
Reimbursements	-	-	298	-	-	-	-	1	601	-	-	-
DEPUTATION OF PERSONNEL												
Charge	-	-	-	-	-	-	-	-	-	-	-	-
Recovery	-	-	4	-	-	-	-	-	5	-	-	-
MANAGERIAL REMUNERATION												
Mr. A. Krishnakumar	-	-	-	-	-	-	-	-	-	-	27	-
Mr. Hariharan Madhavan	-	-	-	-	30	-	-	-	-	-	12	-
Mr. V. Raja	-	-	-	-	59	-	-	-	-	-	13	-
Mr. Rajiv Mathur	-	-	-	-	16	-	-	-	-	-	16	-
Mr. S.M. Datta	-	-	-	-	2	-	-	-	-	-	1	-
Mr. Vikram Mukund Limaye	-	-	-	-	1	-	-	-	-	-	1	-
Mr. Vivek Gambir	-	-	-	-	1	-	-	-	-	-	1	-
Mrs. Geetu Gidwani Verma	-	-	-	-	1	-	-	-	-	-	0	-
FINANCE												
Dividend Paid	166	-	-	-	-	-	166	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	227	-	-	-	-
Interest Expense	-	-	2	-	-	-	-	-	-	-	-	-
Inter corporate deposits given	-	-	-	-	-	-	-	1,670	134	-	-	-
Inter corporate deposits repaid	-	-	-	-	-	-	-	4,095	134	-	-	-
Others - Purchase of Investment	-	2,758	-	50	-	-	-	3,797	-	-	-	-
Contributions to Employees' Benefit Plans												
	-	-	-	-	-	551	-	-	-	-	-	620
OUTSTANDING												
Payable	4	58	1,336	-	-	48	27	36	2,033	-	-	54
Payable *	-	-	-	-	-	-	(9)	(34)	(1,945)	-	-	(46)
Receivable	133	17	1,074	6	-	-	99	-	2,008	9	-	-
Receivable *	-	-	-	-	-	-	(42)	(2,469)	(1,632)	-	-	-

* Figures in brackets indicate that of April 2015

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		Year ended 31 March 2017	Year ended 31 March 2016
(i) Fellow subsidiary Companies:			
Philips Medical Systems Nederland B.V.	Purchase of goods	2,861	2,540
Philips Consumer Lifestyle B.V.	Purchase of goods	1,586	3,409
Philips Electronics Singapore Pte Ltd	Purchase of goods	1,707	1,361
Philips Electronics Singapore Pte Ltd	Purchase of fixed assets	33	28
Philips Medical Systems Nederland B.V.	Purchase of fixed assets	8	10
Philips Medical Systems DMC GmbH	Purchase of fixed assets	13	-
PT. Philips Indonesia	Purchase of fixed assets	-	10
Philips Electronics Nederland B.V.	Purchase of services	576	881
Philips Consumer Lifestyle B.V.	Reimbursements paid	-	15
Philips Electronics Nederland B.V.	Reimbursements paid	-	55
Philips Electronics Bangladesh Private Limited	Reimbursements paid	82	-
Philips Lighting India Limited	Reimbursements paid	55	-
Philips Medical Systems Nederland B.V.	Sale of goods	1,993	994
Philips Lighting India Limited	Sale of Fixed Assets	2	-
Philips Electronics Nederland B.V.	Sale of services	2,378	1,801
Philips Electronics North America Corporation	Sale of services	-	1,217
Philips Medical Systems Nederland B.V.	Sale of services	1,727	2,050
Philips Healthcare Informatics, Inc.	Sale of services	1,916	-
Philips Medical Systems Nederland B.V.	Reimbursements received	131	-
Philips Electronics Bangladesh Private Limited	Reimbursements received	61	-
Philips Lighting India Limited	Reimbursements received	33	544
Philips South Africa (Proprietary) Limited	Deputation recovery	1	-
Philips Medical Systems Nederland B.V.	Deputation recovery	1	-
Philips Polska Sp.z.o.o.	Deputation recovery	1	1
Philips Belgium	Deputation recovery	-	2
Philips Lighting India Limited	Inter Corporate Deposit taken	-	134
Philips Lighting India Limited	Inter Corporate Deposit given	-	134
Philips Electronics Singapore Pte Ltd	Payable	204	-
Philips Medical Systems Nederland B.V.	Payable	488	642
Philips Consumer Lifestyle B.V.	Payable	-	533
Philips Medizin Systeme Böblingen GmbH	Payable	151	-
Philips Electronics Bangladesh Private Limited	Receivable	87	-
Philips Consumer Lifestyle B.V.	Receivable	562	-
Philips Medical Systems Nederland B.V.	Receivable	84	528
Philips Ultrasound, Inc.	Receivable	57	-
VISICU, Inc.	Receivable	64	-
Philips Lighting India Limited	Receivable	-	544
Philips Electronics Nederland B.V.	Receivable	-	316
(ii) Employee Trusts:			
Philips India Ltd Management Staff Provident Fund Trust	Contributions	551	620
Philips India Ltd Management Staff Provident Fund Trust	Payable	48	54

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

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, interest free and will be settled in cash.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

Compensation of key management personnel of the company

Details	Year ended 31 March 2017	Year ended 31 March 2016
Short-term employee benefits	106	64
Post-employment benefits*	4	7
Total compensation paid to key management personnel	110	71

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised 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.

32 Significant accounting judgments, estimates and assumptions

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

(i) Judgments

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

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 28.

Notes to the Financial Statements for the year ended 31 March 2017

32 Significant accounting judgments, estimates and assumptions (Contd.)

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 and 35 for further disclosures.

(d) Warranty

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

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

(a) Forward contracts outstanding

Details	USD Currency						Euro Currency					
	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015		As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,691.28	41,500.00	2,683.33	40,500.00	2,397.83	38,500.00	-	-	-	-	-	-

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

Details	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015		As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	USD Exposure						Euro Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	460.31	7,098.00	1,318.67	19,902.89	1,780.34	28,585.48	766.24	11,058.06	164.52	2,182.15	404.12	6,047.17
Payables			-	-	113.98	1,830.05	211.04	3,045.64	105.78	1,403.03	336.50	5,035.28

Details	SGD Exposure						CNY Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Payables	1.15	24.87	3.08	62.56	3.83	84.47	(0.41)	(43.12)	1.76	171.72	-	-

Details	AUD Exposure						GBP Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	1.38	15.00
Payables	0.01	0.25	0.11	2.11	8.56	180.79	0.46	5.71	-	-	0.92	9.99

34 Financial Instruments -Financial assets and financial liabilities

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

As at 31 March 2017

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)		1,088	1,088	1,088
Other Financial Assets (Non-Current)		206	206	206
Trade receivables (Current)		4,982	4,982	4,982
Cash and cash equivalents		5,161	5,161	5,161
Other Financial Assets (Current)		914	914	914
Total		12,351	12,351	12,351

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

34 Financial Instruments -Financial assets and financial liabilities (Contd.)

As at 31 March 2016

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)	-	1,688	1,688	1,688
Other Financial Assets (Non-Current)	-	181	181	181
Trade receivables (Current)	-	6,823	6,823	6,823
Cash and cash equivalents	-	5,406	5,406	5,406
Other Financial Assets (Current)	-	822	822	822
Total	-	14,920	14,920	14,920

As at 1 April 2015

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)	-	2,064	2,064	2,064
Other Financial Assets (Non-Current)	-	217	217	217
Trade receivables (Current)	-	5,332	5,332	5,332
Cash and cash equivalents	-	2,534	2,534	2,534
Other Financial Assets (Current)	-	2,808	2,808	2,808
Total	-	12,955	12,955	12,955

As at 31 March 2017

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	405	405	405
Borrowings(Current)	-	-	-	-
Trade Payables(Current)	-	5,061	5,061	5,061
Other Financial Liabilities(Current)	-	1,110	1,110	1,110
Total	-	6,576	6,576	6,576

As at 31 March 2016

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	155	155	155
Borrowings(Current)	-	-	-	-
Trade Payables(Current)	-	5,406	5,406	5,406
Other Financial Liabilities(Current)	-	865	865	865
Total	-	6,426	6,426	6,426

As at 1 April 2015

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	186	186	186
Borrowings(Current)	-	287	287	287
Trade Payables(Current)	-	4,866	4,866	4,866
Other Financial Liabilities(Current)	-	981	981	981
Total	-	6,320	6,320	6,320

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

35 Fair value hierarchy

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

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

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

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

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	36	-	36	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	41	-	41	-

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	41	-	41	-

36 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.

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 2017. 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, 2017.

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).

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

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 ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
+ 5%	-2.20	-1.17	-2.03	-2.20	-1.17	-2.03
-5%	2.20	1.17	2.03	2.20	1.17	2.03
Change in Euro rate	Effect on profit before tax			Effect on profit after tax		
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
+ 5%	1.92	0.22	0.70	1.92	0.22	0.70
-5%	-1.92	-0.22	-0.70	-1.92	-0.22	-0.70

(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 Group'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, 2017.

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-parties limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at 31st March, 2017, 2016 and 1st April, 2015 is the carrying value of each class of financial assets as illustrated in note 9.

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2017 and 31st March, 2016. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

Maturity profile of financial liabilities

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

	Carrying Amount	Undiscounted Amount Payable within 1 year	More than 1 years	Total
As at 31 March 2017				
Borrowings(Non-Current)	405	-	405	405
Borrowings(Current)	-	-	-	-
Trade Payables(Current)	5,061	5,061	-	5,061
Other Financial Liabilities(Current)	1,110	1,110	-	1,110
As at 31 March 2016				
Borrowings(Non-Current)	155	-	155	155
Borrowings(Current)	-	-	-	-
Trade Payables(Current)	5,406	5,406	-	5,406
Other Financial Liabilities(Current)	865	865	-	865
As at 1 April 2015				
Borrowings(Non-Current)	186	-	186	186
Borrowings(Current)	287	287	-	287
Trade Payables(Current)	4,866	4,866	-	4,866
Other Financial Liabilities(Current)	981	981	-	981

37 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March, 2017, 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

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Earning Before Interest And Tax	2,771	2,376	2,243
Capital Employed	20,710	18,442	17,564
Return on Capital Employed (ROCE)	13%	13%	13%

38 Dividend paid and proposed

Dividend declared and paid during the year

Dividend paid for the Year ended March 31, 2016 ₹ 3.00 per share (March 31, 2015 ₹ 3.00 per share)

Dividend distribution tax paid thereon

Proposed Dividend on equity share

Dividend for the Year ended March 31, 2017 ₹ 3.00 per share (March 31, 2016 ₹ 3.00 per share)

Dividend distribution tax thereon

	For the year ended 31 March 2017	For the year ended 31 March 2016
Dividend declared and paid during the year		
Dividend paid for the Year ended March 31, 2016 ₹ 3.00 per share (March 31, 2015 ₹ 3.00 per share)	173	173
Dividend distribution tax paid thereon	35	35
	208	208
Proposed Dividend on equity share		
Dividend for the Year ended March 31, 2017 ₹ 3.00 per share (March 31, 2016 ₹ 3.00 per share)	173	173
Dividend distribution tax thereon	35	35
	208	208

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

39 Discontinuing Operations - Demerger:

As part of global restructuring exercise announced by ultimate holding company Koninklijke Philips N.V (KPNV) in September 2014, the proposal for demerger of Lighting business (Demerged Undertaking) was approved by Board of Directors of the Company on 27th April 2015 and by shareholders in the Court Convened meeting of the shareholders held on 06 July 2015 in Kolkata, India.

In pursuance of the restructuring mentioned above, a Scheme of Arrangement for Demerger ("Scheme") under Section 391 to 394 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, amongst "Philips India Limited" (Demerged Company) and "Philips Lighting India Limited" (Resulting Company) and their respective shareholders was approved by the Hon'ble High Court of Calcutta vide order dated 07 January 2016, received by the Company on 29 January 2016, which was filed with the Registrar of Companies and was approved by them on 24 February 2016. In accordance with the Scheme, the assets and liabilities pertaining to Lighting business were transferred to and vested with Philips Lighting India Limited with effect from the appointed date i.e. 01 February 2016 and shareholders of the Company were allotted 1 fully paid equity share of Philips Lighting India Limited for each fully paid equity share held by them in the Company.

Consequent to the demerger;

- a) The assets and liabilities of the Demerged Company were reduced at their book value.
- b) The difference between the Book Value of assets and Book Value of liabilities of the Demerged Undertaking stands adjusted against the following, in the order specified below:
 - i. Capital reserve account
 - ii. Capital redemption reserve account
 - iii. Securities premium account
 - iv. General reserve account
- c) Share capital of the Resulting Company stands credited with the aggregate face value new equity shares - 57,517,242 of ₹ 10/- each - , being the equity shares issued by it to the members of the Demerged Company.

Lighting business primarily involves local purchase, import, systems solutions and sales of the following PHILIPS brand products in India:

- (i) Lighting and Allied products - light source, special lighting, lighting electronics, switches, professional lighting, consumer luminaires and anything related to providing lighting products etc.
- (ii) Lighting Systems Solutions - Softwares and services, designing and developing applications (Mobile, Enterprise PC and Cloud), embedded software for lighting systems and solutions, creating user interface designs for application software, providing support for product and system level testing of software and lighting systems etc., and
- (iii) new product introduction in manufacturing sites, technical consultancy and training to market teams for deployment of lighting systems and developing proof of concept for lighting systems that includes hardware design and development.

* Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as "profit or loss after tax" from discontinued operations in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

Break-up of aggregate amounts in respect of revenue and expenses along with pre-tax profit or loss of Lighting operations are as follows:

Particulars	Discontinuing Operations	
	Year ended 31 March 2017	Period ended 31 Jan 2016
Revenue from operations (net)	-	27,556
Cost of raw materials consumed	-	1,983
Purchase of stock-in-trade	-	14,880
Changes in inventories of work-in-progress, finished goods and stock-in-trade	-	211
Employee benefit expense	-	2,038
Finance cost	-	7
Depreciation	-	307
Other expenses	-	4,697
Exceptional Items*	-	225
Operating expenses	-	24,348
Profit / (loss) before tax	-	3,208
Current tax	-	(1,244)
Deferred tax	-	133
Profit / (loss) after tax	-	2,097

* Relates to restructuring costs - (1) Employee voluntary separation ₹ 114 and (2) additional depreciation ₹ 111 provided for writing down certain plant and equipment no longer in active use.

The carrying amounts of the assets and liabilities of Lighting operations transferred to the Resulting Company are as follows:

Particulars	As at 31 March 2017	As at 31 January 2016	As at 1 April 2015
Total assets	-	9,396	10,029
Total liabilities	-	6,632	6,050
Net assets	-	2,764	3,979

The net cash flows attributable to the Lighting operations is as follows:

	Year ended 31 March 2017	Period ended 31 Jan 2016
Net cash inflow / (outflow) from operating activities	-	4,030
Net cash inflow / (outflow) from investing activities	-	(196)
Net cash inflow / (outflow) from financing activities	-	(7)
Net cash inflow / (outflow)	-	3,827

The major class of assets and liabilities of the discontinued operations are as under:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS:			
Non-current assets			
Property, plant and equipment	-	-	1,917
Capital work-in-progress	-	-	67
Financial assets	-	-	423
Current assets			
Inventories	-	-	2,727
Financial assets			
Trade receivables	-	-	3,348
Cash and cash equivalents	-	-	1,171
Current financial assets	-	-	376
Assets classified as discontinued operations	-	-	10,029

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

LIABILITIES:

Non-current liabilities

Long term borrowings	-	-	32
Other long term liabilities			56
Long term provisions			370

Current liabilities

Short term borrowings	-	-	23
Trade payables			4,264
Other current liabilities	-	-	718
Short term provisions	-	-	587

Liabilities associated with discontinued operations	-	-	6,050
--	---	---	-------

40 Earnings per share (EPS)

Calculation of earnings per share

	Year ended 31 March 2017	Year ended 31 March 2016
Number of shares at the beginning of the year	57,517,242	57,517,242
Total number of equity shares outstanding at the end of the year	57,517,242	57,517,242
Weighted average number of equity shares outstanding during the year	57,517,242	57,517,242
Profit after tax attributable to equity share holders	2,064	3,966
-Continuing operations	2,064	1,869
-Discontinued operations	-	2,097
Basic and diluted earnings per share (in ₹)	35.88	32.50

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

41 Components of other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Re-measurement (gains) / losses on defined benefit plans	12	(8)

42 Additional disclosure as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

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 below.

	As at 31 March 2017	As at 31 March 2016
a) Principal amount remaining unpaid to any supplier as at the end of the year	69	39
b) Interest due on the above amount	1	-
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.	-	-

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the year.	-	-
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.	-	-

43 Disclosure relating to assets given on operating lease:

The company has entered into operating lease arrangements for medical equipments.

	As at 31 March 2017	As at 31 March 2016
a) Total of future minimum lease payments receivable under non-cancellable operating lease	6	19
Receivable within 1 year	3	7
Receivable between 1-5 years	3	12
Receivable after 5 years	-	-
b) Total contingent rent recognised as income in the Statement of Profit and Loss for the year	8	20

44 Disclosures as required by Indian Accounting standard (Ind As 101) First time adoption of Indian Accounting Standards

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

Deemed cost

- Freehold land and buildings (properties), other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of cost less accumulated depreciation. The company has adopted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date i.e. 01 April, 2015.
- Since there is no change in the functional currency, the company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Investments in subsidiaries and associates

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary and associate. The company has measured the investment made in its subsidiary and associate at deemed cost (previous GAAP carrying amount).

Recognition of financial assets and financial liabilities

IND AS 109 requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. In accordance with IND AS 109 “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

IND AS 101 requires a first time adopter to apply the above requirement retrospectively i.e. from the date of initial recognition of the financial asset/ liability. However, a first time adopter may find it impractical to apply the effective interest method in IND AS 109 retrospectively. If this is the case, the fair value of financial asset or liability at the date of transition to IND AS is the new gross carrying amount of that financial asset or the new amortized cost of that financial liability. As it is impractical to apply the effective interest method in IND AS 109 retrospectively, the fair value of security deposits at the date of transition to IND AS i.e. March 31, 2015 is the new amortized cost of that financial asset.

(a) Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	NOTES	Previous GAAP	IND As Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,900	-	1,900
Capital work-in-progress		36	-	36
Investment Property		17	-	17
Intangible assets		-	-	-
Investment in an associate and a joint venture		1,000	-	1,000
Financial Assets				
Investments		-	-	-
Trade Receivables		2,064		2,064
Other Financial Assets	(a)	338	(121)	217
Deferred tax assets (net)		809	-	809
Advance income tax (net of provision)		1,742		1,742
Other non current assets	(a)	1,083	69	1,151
		8,988	(52)	8,936
Current assets				
Inventories		3,777	-	3,777
Financial Assets				
Trade receivables		5,331		5,331
Cash and cash equivalents		2,534	-	2,534
Other Financial Assets	(a)	2,755	52	2,808
Other current assets		860	-	860
		15,258	52	15,310
Assets classified as discontinued operations				
		10,029		10,029
		34,275		34,275

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

EQUITY

Shareholders' funds

Equity	575	-	575
Other Equity	16,486	209	16,695
Equity attributable to equity holders	17,061	209	17,270

LIABILITIES

Non-current liabilities

Financial Liabilities

Borrowings	186	-	186
Other non current liabilities	542	-	542
Provisions	472	(1)	471
	1,200	(1)	1,199

Current liabilities

Financial Liabilities

Borrowings	287	-	287
Trade Payables	4,866	-	4,866
Other financial liabilities	981	-	981
Other current liabilities	2,291	-	2,291
Provision for taxation (net of advances)	442	-	442
Provisions	1,097	(208)	889
	9,964	(208)	9,756
Liabilities associated classified as discontinued operations	6,050	-	6,050
	34,275	-	34,275

(b) Reconciliation of equity as at 31 March 2016

	NOTES	Local GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		1,984	-	1,984
Capital work-in-progress		78	-	78
Investment Property		17	-	17
Intangible assets		-	-	-
Investment in an associate and a joint venture		4,797	-	4,797
Financial Assets		-	-	-
Investments		-	-	-
Trade Receivables		1,688	-	1,688
Other Financial Assets	(a)	287	(106)	181
Deferred tax assets (net)		510	-	510
Advance income tax (net of provision)	(a)	1,742	-	1,742
Other non current assets		776	37	812
		11,878	(69)	11,809
Current assets				
Inventories		4,542	-	4,542
Financial Assets		-	-	-
Trade receivables		6,823	-	6,823
Cash and cash equivalents		5,406	-	5,406
Other Financial Assets	(a)	758	64	822
Other current assets	(a)	1,357	5	1,363
		18,887	69	18,956
Total Assets		30,765		30,765

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

EQUITY

Shareholders' funds

Equity		575	-	575
Other Equity	(b)&(c)	17,398	208	17,606
Equity attributable to equity holders		17,973	208	18,181

LIABILITIES

Non-current liabilities

Financial Liabilities

Borrowings		155	-	155
Other non current liabilities		685	-	685
Provisions		591	-	591
		1,431	-	1,431

Current liabilities

Financial Liabilities

Borrowings		-	-	-
Trade Payables		5,406	-	5,406
Other financial liabilities		865	-	865
Other current liabilities		3,291	-	3,291
Provision for taxation (net of advances)		891	-	891
Provisions	(b)	908	(208)	700
		11,361	(208)	11,153
Total Liabilities		30,765		30,765

(c) Reconciliation of total comprehensive income for the year ended 31 March 2016

	NOTES	Local GAAP	Adjustments	IND AS
Continuing Operations				
Income				
Revenue from operations		35,579	-	35,479
Other income	(a)	536	16	552
Total revenue		36,015	16	36,031
Expenses				
Cost of raw materials consumed		1,542	-	1,542
Purchases of stock-in-trade		15,674	-	15,674
Changes in inventories of work-in-progress, finished goods and stock-in-trade		(609)	-	(609)
Excise duty on sale of goods		63	-	63
Employee benefits expense	(c)	9,163	(12)	9,151
Depreciation and amortisation expense		469	-	469
Finance costs	(c)	112	-	112
Other expenses		6,556	17	6,573
Total expenses		32,970	5	32,975
Profit before exceptional items and tax from continuing operations		3,045	11	3,056
Exceptional items		-	-	-
Profit / (loss) before tax		3,045	11	3,056
Profit / (loss) from continuing operations		3,045	11	3,056
Tax expense				
Current tax		(1,194)	-	(1,194)
Deferred tax - release / (charge)	(d)	3	5	6
Profit / (loss) after tax from continuing operations		1,854	16	1,869
Discontinuing Operations				

Notes to the Financial Statements for the year ended 31 March 2017

	Amounts in ₹ Mln		
Profit / (loss) from discontinuing operations	3,208	-	3,208
Tax expense			
Current tax	(1,244)	-	(1,244)
Deferred tax - release / (charge)	(d) 133	-	133
Profit / (loss) after tax from discontinuing operations	2,097	-	2,097
Profit / (loss) for the year	3,951	16	3,966
Other comprehensive income			
Re-measurement gains / (losses) on defined benefit plans and Income tax effect on defined benefit plans	(h)		
	-	8	8
Total comprehensive income for the period	3,951	24	3,974
(Profit/ loss + other comprehensive income)			
Profit for the year			
Attributable to:			
Equity holders of the parent	3,951	16	3,966
Non-controlling interests			
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent	3,951	24	3,974
Non-controlling interests			
Earnings per equity share (for continuing operations)			
Basic and diluted earnings per share			32.41
Earnings per equity share (for discontinuing operations)			
Basic and diluted earnings per share			

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and Statement of profit or loss for the year ended 31 March 2016

a) Security Deposits

Under Indian GAAP, the security deposits are valued at cost less any provision for security deposits. IND AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Security Deposit is a Financial Asset as the lease agreement gives a contractual right to the company to receive cash. Security Deposit satisfies the contractual cash flow characteristic test as described in (a) above and it also satisfies the business model test as there is intention of hold to collect contractual cash flows. Thus the security deposits have to be valued at amortized cost. Accordingly, advance rentals amounting to INR 42 million (31 March 2015: 68 million) have been reduced from the security deposits as on 01 April, 2015. Advance Rental divided by term has been recognized as an expense in the books. Rent which will be amortized in the next one year FY 16-17 amounting to INR 6 million (31 March 2015: Nil) has been recognized as prepaid rent short term in books. Residual amounting to INR 36 million (31 March 2015: 68 million) has been classified as prepaid rent long term in opening balance sheet as on 01 April, 2015. Advance Rental expense and security deposit income amounting to INR 17 million and INR 16 million have been recognised in statement of profit and loss for the year ending March 31, 2016.

b) Provisions

Under Indian GAAP, the company has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost. This led to a decrease in provision on the date of transition by ₹ 2 and which was adjusted against retained earnings.

“Under Indian GAAP, proposed dividends including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

Notes to the Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 208 for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of ₹ 208 recognized under Indian GAAP was reduced from other payables and with a corresponding impact in the retained earnings."

c) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 12 and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

d) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income ₹ 8 (net of tax))

e) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

45 Disclosure on specified Bank Notes

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

46 The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

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

48 Figures relating to April 1, 2015 (date of transition) has been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)

V. RAJA
(DIN: 00669376)

HARIHARAN MADHAVAN
(DIN: 07217072)

RAJIV MATHUR
(DIN: 06931798)

GEETU GIDWANI VERMA
(DIN: 00696047)

TEN YEAR REVIEW

Amounts in ₹ Mln

PARTICULARS	2007	2008	2009	2010	2011-12 (15 M)	2012-13	2013-14	2014-15	2015-16	2016-17
Income and Dividends										
Sales	28,906	31,356	32,656	37,249	55,793	53,674	58,387	63,755	62,819	36,723
Operating profit	2,456	1,900	1,688	1,451	1,813	1,752	3,096	5,600	6,503	3,252
As percentage of sales	8.5	6.1	5.2	3.9	3.2	3.3	5.3	8.8	10.4	8.9
Profit before tax	2,894	2,106	1,850	1,433	1,854	1,858	3,170	6,275	6,278	3,252
As percentage of sales	10.0	6.7	5.7	3.8	3.3	3.5	5.4	9.8	10.0	8.9
Profit after tax	1,903	1,351	1,175	889	1,338	1,228	2,099	4,235	3,975	2,064
As percentage of sales	6.6	4.3	3.6	2.4	2.4	2.3	3.6	6.6	6.3	5.6
As percentage of net worth	20.2	15.3	14.6	10.1	13.4	11.1	16.1	24.8	22.1	10.3
Earnings per share (₹)	27.08	19.71	18.97	15.46	23.26	21.35	36.49	73.63	69.11	35.88
Dividend per equity share (₹)	2.0	2.0	2.0	2.0	2.5	2.0	2.0	3.0	3.0	3.0
Assets and Liabilities										
Property, Plant & Equipments	2,694	2,825	3,463	3,524	3,972	4,280	4,295	3,937	2,079	2,526
Investments	16	442	5	-	1,000	1,000	1,000	1,000	4,797	7,605
Deferred tax assets - net	240	296	352	363	462	437	496	809	510	572
Inventories	2,255	2,849	3,608	4,131	5,362	5,637	6,293	6,504	4,542	4,554
Debtors, loans & advances and cash & bank balances	11,297	10,072	10,258	11,580	14,069	15,142	17,725	22,025	18,837	16,702
Current liabilities & provisions	6,951	7,493	9,485	10,690	12,585	14,737	15,277	16,578	12,531	11,249
Net current assets	6,601	5,428	4,381	5,021	6,846	6,042	8,741	11,951	10,848	10,007
Net Investment	9,551	8,991	8,201	8,908	12,280	11,759	14,532	17,697	18,234	20,710
Represented by										
Equity share capital	703	634	575	575	575	575	575	575	575	575
Other reserves	8,709	8,197	7,476	8,231	9,402	10,495	12,459	16,486	17,398	19,450
Shareholders' interest (net worth)	9,412	8,831	8,051	8,806	9,977	11,070	13,034	17,061	17,973	20,025
Borrowings	139	160	150	102	2,303	689	1,498	636	261	685
Total	9,551	8,991	8,201	8,908	12,280	11,759	14,532	17,697	18,234	20,710
General										
Exports (F.O.B)	330	418	482	1,033	1,839	1,933	2,541	3,068	3,002	2,467
Salaries, bonus & staff welfare (excluding V.R.S)	2,635	3,019	3,311	4,075	7,174	7,427	8,314	10,169	11,214	9,989
Debt : Equity Ratio	1:99	2:98	2:98	1:99	19:81	6:94	10:90	4:96	1:99	3:97
Number of employees at year end	3,135	3,317	3,775	4,762	5,658	5,617	5,830	5,507	3,283	3,727

Independent Auditor's Report

To the Members of **Philips India Limited**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Philips India Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associate, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the 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 consolidated state of affairs of the Group, its associate as at March 31, 2017, their consolidated profit including other comprehensive

income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit on separate financial statements and the other financial information of associate, as noted in the 'other matter' paragraph 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and associate company none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and associate company refer to our separate report in "Annexure I" to this report;
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 17 and 31 to the consolidated Ind AS financial statements;
 - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate incorporated in India during the year ended March 31, 2017.
 - iv. The Holding Company, subsidiaries, its associate incorporated in India, have provided requisite disclosures in Note 51 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associate and as produced to us by the Management of the Holding Company.

Other Matter

- (a) The consolidated Ind AS financial statements also include the Group's share of net loss of INR 55 million for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of Healthmap Diagnostic Private Limited associate whose financial statements, other financial information have not been

audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements, other unaudited financial information. In our opinion and according to the information and explanation given to us by the Management, these financial statements other financial information are not material to the group.

- (b) The comparative financial information of the Group including its Associate for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated July 25, 2016 and August 18, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the Management.

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

Per Manoj Kumar Gupta
Partner
Membership Number: 83906
Place of Signature: Gurgaon
Date: July 18, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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")

In conjunction with our audit of the consolidated financial statements of Philips India Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Philips India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary companies and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 except in respect of Healthmap Diagnostic Private Limited an associate whose financial statements for year ended March 31, 2017 have not been yet been audited, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Manoj Kumar Gupta

Partner

Membership Number:83906

Place of Signature: Gurgaon

Date: July 18, 2017

Consolidated Balance Sheet as at 31 March 2017

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	2,939	2,467	2,436
Capital work-in-progress	3	121	109	36
Investment Property	4	76	76	76
Goodwill	5	1,191	1,191	1,191
Intangible assets	5	1,221	1,832	2,443
Investment in subsidiaries and associates	6	31	36	-
Financial Assets	7			
a. Trade Receivables		1,088	1,688	2,066
b. Other Financial Assets		233	204	237
Deferred tax assets (net)	8	572	510	809
Advance income tax (net of provision)		2,148	1,751	1,749
Other non current assets	9	973	882	1,230
		10,593	10,746	12,273
Current assets				
Inventories	10	5,153	5,089	4,407
Financial Assets	11			
a. Trade receivables		5,079	6,916	5,352
b. Cash and cash equivalents		5,737	6,383	2,557
c. Other Financial Assets		915	822	383
Other current assets	12	1,379	1,435	889
		18,263	20,645	13,588
Assets classified as discontinued operations	41	-	-	10,029
TOTAL ASSETS		28,856	31,391	35,890
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital				
Equity attributable to equity holders of the parent	13	575	575	575
Non-controlling Interest	14	15,232	14,678	16,961
		-	2,619	-
Total equity		15,807	17,872	17,536
LIABILITIES				
Non-current liabilities				
Financial Liabilities	15			
Borrowings		414	158	681
Other non-current liabilities	16	751	685	542
Provisions	17	754	653	532
		1,919	1,496	1,755
Current liabilities				
Financial Liabilities	18			
a. Borrowings		191	154	402
b. Trade Payables		5,725	5,940	5,287
c. Other financial liabilities		1,164	947	1,156
Other current liabilities	19	2,951	3,375	2,358
Provision for taxation (net of advances)		442	891	442
Provisions	17	657	716	904
		11,130	12,023	10,549
Liabilities classified as discontinued operations	41	-	-	6,050
TOTAL EQUITY AND LIABILITIES		28,856	31,391	35,890
Basis of preparation, measurement and significant accounting policies	2			

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

Amounts in ₹ Mn

CONTINUING OPERATIONS	NOTES	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Revenue from operations	20	41,941	39,735
Other income	21	898	729
Total Income		42,839	40,464
Expenses			
Cost of raw materials consumed	22	4,693	3,816
Purchases of stock-in-trade	23	14,371	15,874
Changes in inventories of work-in-progress, finished goods and stock-in-trade	24	(57)	(523)
Excise duty on sale of goods		701	595
Employee benefits expense	25	10,546	9,594
Finance costs	26	124	658
Depreciation and amortization expense	27	1,193	1,145
Other expenses	28	8,134	7,299
Total expenses		39,705	38,458
Less : Share in Profit/(Loss) of Associate		(55)	(27)
Profit before tax from continuing operations		3,079	1,979
Tax expense			
Current tax	8	(1,244)	(1,194)
Deferred tax - release / (charge)	8	56	7
Profit after tax from continuing operations		1,891	792
Discontinuing Operations			
Profit before tax from discontinuing operations	41	-	3,208
Tax expense			
Current tax		-	(1,244)
Deferred tax - release / (charge)		-	133
Profit after tax from discontinuing operations	41	-	2,097
Profit for the year		1,891	2,889
Attributable to:			
Equity holders of the parent		1,909	2,891
Non-controlling Interest		(18)	(2)
Total comprehensive income for the year		1,877	2,908
Equity holders of the parent		1,895	2,910
Non-controlling Interest		(18)	(2)
Other comprehensive income			
Re-measurement gains / (losses) on defined benefit plans		(20)	23
Income tax effect on defined benefit plans		6	(4)
Other comprehensive income for the year		(14)	19
Total comprehensive income for the year		1,877	2,908
Earnings per equity share (for continuing operations)	42		
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)		32.89	13.77
Earnings per equity share (for discontinuing operations)	42		
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)		-	36.45
Basis of preparation, measurement and significant accounting policies	2		

Refer accompanying notes forming part of the Consolidated Financial Statements

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

Amounts in ₹ Mln

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
As at 1 April 2015	57,517,242	575
Changes in equity share capital during the year	-	-
As at 31 March 2016	57,517,242	575
Changes in equity share capital during the year	-	-
As at 31 March 2017	57,517,242	575

B. OTHER EQUITY

For the year ended 31 March 2017
Particulars

	Equity attributable to equity holders of the parent						Items of OCI	Total	Non-Controlling interests	Total Equity
	Securities Premium*	Capital redemption reserve*	Capital reserve*	Capital Subsidy*	General reserve*	Equity Component of Compulsory Convertible Debentures*	Retained earnings*	Remeasurement*		
As at 1 April 2015 (A)	1,153	228	169	9	2,789	3,353	9,260	16,961		16,961
Profit for the year	-	-	-	-	-	-	2,914	2,914		2,914
Non- controlling interest's share in loss of 2015-16									2	2
Share in Profit/(Loss) of Associate							(27)	(27)		(27)
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	19	19		19
Total Comprehensive Income for the year (B)							2,887	19	2	2,908
Transfer to minority Interest							2,783		(2,783)	-
Reversal of Equity Component of Compulsorily Convertible Debentures						(3,353)	(2,047)	(5,400)	5,400	-
Transfer as per Scheme of Arrangement for Demerger	(1,153)	(228)	(169)		(1,296)	-	-	(2,846)		(2,846)
Others	-	-	-	(9)	-		-	(9)		(9)
Reductions during the year										
Transfer to General Reserve					424		(424)			-
Dividend (Note 40)	-	-	-	-	-		(173)	(173)		(173)
Dividend distribution tax (Note 40)	-	-	-	-	-		(35)	(35)		(35)
Present Value of CCD							491	491		491
Total (C)	(1,153)	(228)	(169)	(9)	(872)	(3,353)	595	(5,189)	2,617	(2,572)
As at 31 March 2016 (A+B+C)	-	-	-	-	1,917	-	12,742	19	14,678	17,297
As at 1 April 2016 (D)	-	-	-	-	1,917		12,742	19	14,678	17,297
Profit for the year	-	-	-	-	-		1,964	1,964		1,964
Non- controlling interest's share in loss of 2016-17									(18)	(18)
Share in Profit/(Loss) of Associate							(55)	(55)		(55)
Remeasurement benefit of defined benefit plans	-	-	-	-	-			(14)		(14)
Total Comprehensive Income for the year (E)	-	-	-	-	-		1,909	(14)	(18)	1,877
Transfer to / (from) minority Interest							(2,799)	(2,799)		-
Buyback/Capital reduction									(3,734)	(3,734)
Gain on Capital reduction / Buy back							1,666	1,666	(1,666)	-
Reductions										-
Transfer to General Reserve					398		(398)			-
Dividend (Note 40)	-	-	-	-	-		(173)	(173)		(173)
Dividend distribution tax (Note 40)	-	-	-	-	-		(35)	(35)		(35)
Total (F)					398		(1,739)	(1,341)	(2,601)	(3,942)
As at 31 March 2017 (D+E+F)	-	-	-	-	2,315		12,912	5	15,232	15,232

Refer accompanying notes forming part of the Consolidated Financial Statements

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

For and on behalf of the Board
Chairman

S.M.DATTA
(DIN: 00032812)

Managing Director

V. RAJA
(DIN: 00669376)

Director & CFO

HARIHARAN MADHAVAN
(DIN: 07217072)

Director & Company Secretary

RAJIV MATHUR
(DIN: 06931798)

Non-Executive Director

GEETU GIDWANI VERMA
(DIN: 00696047)

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

Place: New Delhi
Date: July 18, 2017

Cash Flow Statement for the year ended 31 March 2017

Amounts in ₹ Mn

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit before tax (continuing operations)	3,133	2,006
Profit before tax (discontinuing operations)	-	3,208
Exceptional items	-	(225)
Net profit before tax and exceptional items	3,133	5,439
Adjusted for		
(Profit) / loss on disposal of fixed assets	(8)	19
Write off and other adjustment of fixed assets	23	-
Depreciation and amortization	1,191	1,451
Unrealized foreign exchange (gain) and loss (net)	(33)	(7)
Provision for doubtful trade receivables and loans and advances	114	197
Liabilities no longer required written back	(35)	(69)
Interest on advances, current accounts and deposits	(644)	(754)
Finance costs	124	826
Operating profit before working capital changes	3,865	7,102
Changes in:		
Trade receivables and other loans & advances	2,172	(2,355)
Inventories	(62)	(458)
Trade payables and other liabilities	(231)	2,331
	1,879	(482)
Cash generated from operations	5,744	6,620
Income tax paid (net of refunds)	(2,114)	(1,996)
Exceptional items (VRS Payment)	-	(260)
Net Cash Flow from Operating activities	3,630	334
Net Cash Flow from Discontinued activities	-	4,030
Net cash generated from operating and discontinuing activities	3,630	4,364
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(1,126)	(1,049)
Proceeds from sale of Property, Plant and Equipment	252	58
Investment in associate	(50)	(63)
Interest received	602	785
Net Cash flow from Investing Activities	(322)	(73)
Net Cash flow from Discontinued Activities	-	(196)
Net cash used in investing and discontinuing activities	(322)	(269)
Cash flow from financing activities		
Finance costs	(66)	(985)
Repayment of shares on Buy Back and Capital reduction	(3,733)	-
Proceeds / (repayments) of short term borrowings	52	(239)
Dividend paid (including tax thereon)	(207)	(207)
Cash flow from Financing Activities	(3,954)	(1,424)
Net Cash flow from Discontinued Activities	-	(7)
Net cash used in financing and discontinuing activities	(3,954)	(1,431)
Increase / (Decrease) in cash and cash equivalents (A+B+C)	(646)	2,664

Cash Flow Statement for the year ended 31 March 2017

	Year ended 31 March 2017	Amounts in ₹ Mln Year ended 31 March 2016
Cash and cash equivalents - Opening Balance		
Cash and cash equivalents (refer note 11(b))	2,293	1,458
Unpaid dividend	11	10
Deposits with Banks	4,079	2,250
TOTAL	6,383	*3,718
Cash and cash equivalents - Closing Balance		
Cash and cash equivalents (refer note 11(b))	1,021	2,293
Unpaid dividend	12	11
Deposits with Banks	4,704	4,079
TOTAL	5,737	6,383
Cash and Cash Equivalents from continuing operations	(646)	(1,163)
Cash and Cash Equivalents from discontinued operations	-	3,827
Cash and Cash Equivalents from continuing and discontinued operations	(646)	2,664

* Includes discontinuing operations (refer Note 41)

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.

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

I CORPORATE INFORMATION

Philips India Limited (the 'Company') is a public limited company domiciled in India with its registered office at 3rd Floor, Tower A, DLF IT Park, 08 Block AF, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156, West Bengal, India. The Company's business segments comprise of (a) Personal Health, (b) Health Systems and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra and Software Development center in Bangalore. The company sells its products primarily in India through independent distributors and modern trade. The Financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on July 18 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of consolidated financial statements

"These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31st March, 2016, the Group had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, financial performance and cash flows is given under separate note. These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra company balances and intra company transactions and resulting unrealised profits are eliminated in full. Unrealised profits or losses resulting from intra company transactions are also eliminated unless cost cannot be recovered."

"Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Group's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group."

Investment in an entity in which the Group has significant influence but not a controlling interest, is reported according to the equity method i.e. the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

(b) Current / Non Current classification

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

- i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. 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;
- vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

2.1 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- Measurement of defined benefit obligations – Note 33
- Measurement and likelihood of occurrence of provisions and contingencies – Note 17
- Recognition of deferred tax assets – Note 8

2.2 RECENT ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective:

“The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.”

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Group.

Amendment to Ind AS 102:

“The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the ‘fair values’, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Group. The Group will adopt these amendments, if applicable from their applicability date.”

2.3 A) PROPERTY, PLANT AND EQUIPMENT:

“Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet depreciation and accumulated impairment losses, if any. The Group has elected to regard the values of Property, plant and equipment as deemed cost at the date of transition to Ind AS i.e. 1 April 2015. Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic

benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised 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 equipments given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease or their estimated useful life, whichever is shorter.

Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

b) Investment Property

The Group has elected to regard the values of Investment Property as deemed cost at the date of transition to Ind AS i.e. 1 April 2015.

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.

2.4 INTANGIBLE ASSETS:

The Group has applied principles of Ind AS 38 Intangible Assets retrospectively from date of acquisition and considered the same as deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

Computer Software	-	3 years
Non Compete Fees	-	3 years

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

“Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. For PKAPL, the period of amortization for Brands and distribution network is 8 years which represents the economic useful life of Brands and distribution network. Goodwill that arises on the acquisition of a business is presented as an intangible asset. Goodwill arising on acquisition of a business is measured at cost.”

2.5 INVESTMENTS IN ASSOCIATE:

“Investments in associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss. Upon first-time adoption of Ind AS, the Group has elected to measure its investments in associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2015.”

2.6 INVENTORIES:

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

2.7 CASH AND CASH EQUIVALENTS:

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

2.8 FINANCIAL INSTRUMENTS:

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

i) Financial Assets

“The Group classifies its financial assets in the following measurement categories:

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

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

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

“Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

- a) Business Model Test :The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) Cash flow characteristics test:The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.”

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

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

- a) **Business Model Test** :The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test**: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.”

“Debt instruments at FVTPL

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

“Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.”

“Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e, removed from the Group’s statement of financial position) when: - the rights to receive cash flows from the asset have expired, or - the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement and either; (a) the Group has transferred the rights to receive cash flows from the financial assets or (b) the Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.”

“Impairment of financial assets

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

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

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

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

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.”

ii) Financial Liabilities

“Initial recognition and measurement

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

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

“Trade Payables

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

“Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. the Group has not designated any financial liability as at fair value through profit and loss.”

“Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.”

“Derecognition

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

“Offsetting of financial instruments

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

“Reclassification of financial assets The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group’s senior management determines change in the business model as a result of external or internal changes which are significant to the Group’s operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.”

2.9 PROVISIONS & CONTINGENCIES

“Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.”

“Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.”

2.10 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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty, and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties.

a) Sale of goods

Revenue from the sale of goods is recognised 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 recognised 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.

b) Rendering of Services

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties. Revenue from the sale of goods/ equipments is recognised when the

significant risks and rewards of ownership of the goods have passed to the customers/ completion of installation. Income from annual maintenance service contracts is recognised on a straight-line basis over the period of contracts and income from other service contracts is recognised on completion of the service rendered. Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis. Revenue from assets given on operating leases is recognised 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. d) Interest Income Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest."

2.11 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 recognised in respect of employee service upto 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. Group's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Defined Benefit Plans

"Liability for defined benefit plan is provided on the basis of actuarial valuation carried out by an independent Actuary at year end using the Projected Unit Credit Method. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Termination benefits are recognised as and when incurred. The Group covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Liability with respect to the Gratuity plan, determined on basis of actuarial valuation as described above, and any differential between the fund amount as per the trust and the liabilities as per actuarial valuation is recognised as an asset or liability. Annual contributions are made to the employee's gratuity fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss."

Post-Retirement Medical benefit plan

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

2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

2.13 INCOME TAXES

"Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in 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 recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date."

2.14 LEASES

"Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee."

2.15 FOREIGN CURRENCIES

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

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

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined."

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised 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 recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised 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 recognised as income or expense for the period."

2.16 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.

2.17 OPERATING SEGMENTS

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

2.18 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.

2.19 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 recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

For and on behalf of the Board

Chairman	S.M.DATTA (DIN: 00032812)
Managing Director	V. RAJA (DIN: 00669376)
Director & CFO	HARIHARAN MADHAVAN (DIN: 07217072)
Director & Group Secretary	RAJIV MATHUR (DIN: 06931798)
Place: New Delhi Date: July 18, 2017	Non-Executive Director GEETU GIDWANIVERMA (DIN: 00696047)

Notes to Consolidated Financial Statements for the year ended 31 March 2017

3 Property, Plant and Equipment

Property, Plant and Equipment											Amounts in ₹ Min	
Particulars	Leasehold Land	Buildings	Freehold Land	Leasehold Improvements	Plant and Equipment (Owned)	Plant and Equipment (given on operating lease)	Office Equipment	Furniture	Vehicles (Owned)	Vehicles (taken on finance lease)	Plant and Machinery (taken on finance lease)	Total
Gross carrying value (Deemed cost)												
As at 1 April 2015	147	427	79	132	876	113	148	216	14	284	-	2,436
Additions	-	10	-	162	422	-	21	50	-	142	-	807
Disposals	-	(1)	-	(4)	(22)	-	(4)	(3)	-	(36)	-	(70)
Transfer as per Scheme of Arrangement for Demerger*	-	-	-	(49)	(48)	-	(22)	(31)	-	(22)	-	(172)
As at 31 March 2016	147	436	79	241	1,228	113	143	232	14	368	-	3,001
Additions	-	96	-	96	243	18	231	47	-	245	353	1,329
Disposals	-	(2)	-	-	(128)	(46)	(49)	-	(1)	(49)	-	(275)
As at 31 March 2017	147	530	79	337	1,343	85	325	279	13	564	353	4,055
Depreciation and impairment												
As at 1 April 2015	-	15	-	43	271	16	34	38	4	113	-	534
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	-	15	-	43	271	16	34	38	4	113	-	534
Depreciation	-	18	-	50	248	15	57	33	2	121	38	582
Disposals	-	-	-	-	-	-	-	0	-	-	-	-
As at 31 March 2017	-	33	-	93	519	31	91	71	6	234	38	1,116
Net book value												
As at 1 April 2015	147	427	79	132	876	113	148	216	14	284	-	2,436
As at 31 March 2016	147	421	79	198	955	97	109	194	10	255	-	2,467
As at 31 March 2017	147	497	79	244	824	54	234	208	7	330	315	2,939

* Asset Transfer as per Scheme of Arrangement for Demerger is net of Gross assets ₹ 417 and accumulated depreciation ₹ 245. Accordingly the wdy of ₹ 172 has been reduced from the opening deemed cost. The Company has elected to measure all its Property, Plant and Equipment at the previous GAAP carrying amount i.e. 31 March 2015 as its deemed cost (Gross carrying value) on the date of transition to Ind AS i.e. 1 April, 2015.

Net book value	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Work in Progress	121	109	36

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

4 Investment Property

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deemed Cost			
At the beginning of the year	76	76	76
End of the year	76	76	76
Depreciation			
End of the year	-	-	-
Net Block	76	76	76

- The "Investment Property" consists of Freehold and Leasehold Land held by the Company and located in the states of Maharashtra, Gujarat, Goa and Tamilnadu. The Fair Value Hierarchy disclosures for Investment properties have been provided in note 37.
- The Company has obtained independent valuation for its investment property as at March 31, 2017 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis.

5 Intangible assets

Particulars	Goodwill	Brands	Distribution Network	Software	Non Compete Fees	Total
Deemed Cost						
As at 1 April 2015	1,191	1,498	945	-	-	3,634
Additions	-	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-	-
Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-	-
As at 31 March 2016	1,191	1,498	945	-	-	3,634
Additions	-	-	-	-	-	-
Disposals and adjustments	-	-	-	-	-	-
As at 31 March 2017	1,191	1,498	945	-	-	3,634
						-
Amortization and impairment						
As at 1 April 2015	-	-	-	-	-	-
Amortization for the year	-	375	236	-	-	611
Disposals and adjustments	-	-	-	-	-	-
Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-	-
As at 31 March 2016	-	375	236	-	-	611
Amortization for the year	-	375	236	-	-	611
Disposals and adjustments	-	-	-	-	-	-
As at 31 March 2017	-	750	472	-	-	1,222
Net book value						
As at 1 April 2015	1,191	1,498	945	-	-	3,634
As at 31 March 2016	1,191	1,123	709	-	-	3,023
As at 31 March 2017	1,191	748	473	-	-	2,412

Based on expected cash flows, no impairment provision has been made during the current year and previous year

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

6 Investment in subsidiaries and associates

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unquoted Investments			
Investment in equity instruments			
11,300,000 (31 March 2016 - 6,300,000; 1 April 2015 - Nil) equity shares of ₹ 10/- each fully paid up in Healthmap Diagnostics Private Limited - an associate			
^includes share of post - investment loss of ₹ 55 (previous year ₹ 27).	31^	36^	-
	31	36	-
Non-Current	31	36	-

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

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	1,088	1,688	2,066
Total	1,088	1,688	2,066

Break up for security details and more than six months overdue

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good**	1,055	1,688	2,066
Unsecured, considered good	33	-	-
Doubtful	18	22	18
Other Debts	-	-	-
	1,106	1,710	2,084
Provision for bad and doubtful debts			
Doubtful	(18)	(22)	(18)
	1,088	1,688	2,066

7(b) Non-current financial assets - others

Loans (Unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security Deposits			
- Considered good	228	198	231
Bank Deposits (due to mature after 12 months from reporting date)	5	6	6
	233	204	237

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

8 Deferred Tax Assets (Net)

A. Components of Income Tax Expense

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

Current Tax

- Continuing operations
- Discontinued Operations

Total (a)

Deferred tax charge / (release)

Relating to origination and reversal of temporary differences (continuing operations)

Relating to origination and reversal of temporary differences (discontinued operations)

Total (b)

Year ended 31 March 2017	Year ended 31 March 2016
1,244	1,194
-	1,244
1,244	2,438
56	7
-	133
56	140

(ii) Tax on Other Comprehensive Income

Deferred tax

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

Total

Year ended 31 March 2017	Year ended 31 March 2016
6	(4)
6	(4)

B. Reconciliation of Tax expense and the accounting profit for the year is as under:

Particulars

Profit/ (Loss) before tax from continuing operations

Profit/ (Loss) before tax from discontinued operations

Income tax calculated @

Computed tax expense

Differences due to:

- Expenses not deductible for tax purposes
- Others

Income tax charged to Statement of Profit and Loss at effective tax rate of 37.91%
(Previous year - 44.08%)

Income tax expense reported in statement of Profit and loss

Income tax expense attributable to discontinuing operations

Year ended 31 Mar 2017	Year ended 31 Mar 2016
3,079	1,979
-	3,208
34.608%	34.608%
1,124	2,169
49	8
15	121
1,188	2,298
1,188	1,187
-	1,111

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

Particulars

Balance Sheet

Recognized in Statement
of profit and loss

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	For year ended 31 Mar 2017	For year ended 31 Mar 2016
- Provision for employee benefits	243	215	310	28	(95)
- Doubtful trade receivables and advances	112	106	115	6	(9)
- Difference between book and tax depreciation	359	319	203	40	116
- Other timing differences	228	232	530	(4)	(298)
- Assets given on finance lease	(370)	(362)	(349)	(8)	(13)
Deferred tax expense/(income)					
Transfer as a part of demerger	-	-	-	-	434
Net deferred tax assets/(liabilities)	572	510	809	62	135

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

8 Deferred Tax Assets (Net) (Contd.)

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

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance as of 1 April	510	809
Tax income/(expense) during the period recognized in profit and loss	56	139
Tax income/(expense) during the period recognized in OCI	6	(4)
Discontinued operations	-	(434)
Closing balance as at 31 March	572	510

9 Other non-current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance Rentals	40	39	70
Capital Advances	29	33	46
CENVAT credit receivable	370	334	606
VAT credit receivable	125	125	156
Deposits against legal cases	345	287	284
Special additional duty receivables and drawback claims	56	56	56
Balances with customs and port trust	8	8	12
Considered doubtful			
Deposits against legal cases	-	-	4
Claims receivables	54	54	54
Less: Provision for doubtful other loans and advances			
Deposits against legal cases	-	-	(4)
Claims receivables	(54)	(54)	(54)
	973	882	1,230

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

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials (includes goods-in-transit ₹ 79 (31 March 2016 ₹ 15, 1 April 2015 ₹ 334))	807	643	760
Work in Progress	1,016	950	540
Finished Goods (includes goods-in-transit ₹ 207 (31 March 2016 ₹ 106, 1 April 2015 ₹ 45))	495	374	305
Stock-in-Trade (goods purchased for resale) (includes goods-in-transit ₹ 165 (31 March 2016 ₹ 414, 1 April 2015 ₹ 460))	2,825	3,102	2,802
Stores and Spares	10	20	-
	5,153	5,089	4,407

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

II (a) Current assets - Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	4,512	5,319	1,307
Receivables from an associate (Note 36)	6	9	-
Receivables from other related parties (Note 36)	561	1,588	4,045
Total	5,079	6,916	5,352
Break-up for security details			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good **	273	459	411
Unsecured, considered good	4,806	6,457	4,941
Doubtful	166	209	123
	5,245	7,125	5,475
Provision for bad and doubtful debts			
Unsecured, considered good			
Doubtful	(166)	(209)	(123)
	5,079	6,916	5,352

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

** Additional disclosure relating to finance lease receivables:

Secured trade receivables includes finance lease receivables amounting to ₹ 672 (31 March 2016 - ₹ 698, 1 April 2015 - ₹ 716) 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 ₹ 907 (31 March 2016 - ₹ 941, 1 April 2015 ₹ 929) which includes unearned interest of ₹ 235 (31 March 2016 ₹ 243, 1 April 2015 ₹ 213). The maturity profile of finance lease obligation is as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Minimum lease payments			
Receivable within 1 year	214	231	238
Receivable between 1-5 years	599	638	634
Receivable after 5 years	94	72	57
Total	907	941	929
Present value			
Receivable within 1 year	136	152	164
Receivable between 1-5 years	450	480	499
Receivable after 5 years	86	66	53
Total	672	698	716
Unearned interest	235	243	213

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

11 (b) Cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks:			
– On current accounts	407	1,086	137
– Deposits with original maturity of less than three months	5,213	4,079	2,261
Cheques/ drafts on hand	104	253	147
Cash on hand	1	1	2
	5,725	5,419	2,547
Other Bank Balances	-	953	-
Unpaid dividend accounts	12	11	10
	5,737	6,383	2,557

11 (c) Current financial assets - Others

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Dues from fellow subsidiary companies (Note 32)	577	544	98
Security Deposits			
- Considered good	306	244	261
- Considered doubtful	83	60	38
Less: Provision for doubtful deposits	(83)	(60)	(38)
Interest accrued on deposits with banks	32	34	24
	915	822	383

12 Other current assets (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unbilled revenue	153	238	142
Advance Rentals	18	6	-
Advance to suppliers	204	241	270
Advance to related party	86	21	-
CENVAT credit receivable	472	575	99
VAT credit receivable	12	8	23
Special additional duty receivables and drawback claims	170	67	72
Balances with customs and port trust	16	10	68
Prepaid expenses	181	152	168
Claims receivables	45	94	34
Advances to employees	22	23	13
Considered doubtful			
Advance to suppliers	6	4	22
Less: Provision for doubtful other loans and advances			
Advance to suppliers	(6)	(4)	(22)
	1,379	1,435	889

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

13 Equity Share Capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Authorised	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each	92,000,000	920	92,000,000	920	92,000,000	920
Non-convertible cumulative preference shares of ₹ 10 each	20,000,000	200	20,000,000	200	20,000,000	200
Total	112,000,000	1,120	112,000,000	1,120	112,000,000	1,120
Issued, subscribed and paid-up	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each	57,517,242	575	57,517,242	575	57,517,242	575
Total	57,517,242	575	57,517,242	575	57,517,242	575

(i) Reconciliation of the number of equity shares outstanding

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning and at the end of the reporting period	57,517,242	575	57,517,242	575	57,517,242	575

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

The Company has only one class of equity shares having a par value of ₹ 10/- per share (March 31, 2016: ₹ 10/- per share) (April 1, 2015: ₹ 10/- per share). Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Koninklijke Philips N.V. (KPNV)	55,290,182	553	55,290,182	553	55,290,182	553

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Koninklijke Philips N.V. (KPNV)	55,290,182	96.13	55,290,182	96.13	55,290,182	96.13

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

14 Other Equity

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Reserve			
As at the beginning of the year	-	169	169
Less: Transfer as per Scheme of Arrangement for Demerger	-	169	-
As at the end of the year	-	-	169
Capital Redemption Reserve			
As at the beginning of the year	-	228	228
Less: Transfer as per Scheme of Arrangement for Demerger	-	228	-
As at the end of the year	-	-	228
Securities premium account			
As at the beginning of the year	-	1,153	1,153
Less: Transfer as per Scheme of Arrangement for Demerger	-	1,153	-
As at the end of the year	-	-	1,153
General reserve			
As at the beginning of the year	1,917	2,789	2,789
Less: Transfer as per Scheme of Arrangement for Demerger	-	1,215	-
Add: Transfer from Statement of Profit and Loss	398	424	-
Less: Demerged Company's share of demerger expenses	-	81	-
As at the end of the year	2,315	1,917	2,789
Other reserves			
Capital subsidy	-	-	9
Equity Component of Compulsorily Convertible Debentures			
Reversal of Equity Component of Compulsorily Convertible Debentures	-	3,353	-
		-	3,353
Retained Earnings			
As at the beginning of the year	12,761	9,260	4,126
Add: Profit for the year	1,895	2,906	3,064
Transfer to / (from) non-controlling Interest	(2,799)	2,783	-
Add: Gain on Capital reduction / Buy back*	1,666	-	-
Less: Reduction during the year	-	-	-
Dividend	173	173	-
Dividend distribution tax	35	35	-
Transfer to General reserve	398	424	-
Goodwill prior year's amortisation reversal due to adoption of Ind AS	-	-	510
Present Value of CCD	-	491	1,556
Reversal of CCD	-	2,047	-
Unwinding of discount	-	-	4
	12,917	12,761	9,260
Total	15,232	14,678	16,961

* Represents difference between issue price ₹ 105.00 and buy back price ₹ 69.50 of 46,956,522 equity shares held by KPNV. The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 43.

A. Summary of Other Equity

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Reserve	-	-	169
Capital Redemption Reserve	-	-	228
Securities premium account	-	-	1,153
General Reserve	2,315	1,917	2,789
Other Reserves	-	-	9
Equity Component of compulsorily Convertible Debentures	-	-	3,353
Retained Earnings	12,917	12,761	9,260
Total Other Equity	15,232	14,678	16,961

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

14 Other Equity (Contd.)

B. Description of nature and purpose of each reserve

Securities Premium account

Security premium account is created when shares were issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares. However, these reserves were transferred as a part of scheme of Arrangement for demerger.

Capital Redemption reserve

Capital Redemption reserve was created for buy back of shares. The company may issue fully paid-up bonus shares to its members out of Capital Redemption reserve. However, these reserves were transferred as a part of scheme of Arrangement for demerger.

Capital Reserve

Capital Reserve was created as a result of amalgamation of various legal entities in earlier years. The same has been transferred as a part of scheme of Arrangement for demerger.

General Reserve and Retained Earnings

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

Other Reserves

Other reserves pertain to capital subsidy.

15 Non-current financial liabilities - Borrowings

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Long Term maturities of finance lease obligations (secured)	414	158	190
Compulsorily convertible debentures *	-	-	491
	414	158	681

The finance lease obligations are secured by underlying assets (leased vehicles and IT devices) [refer note 3]. The legal title of the vehicles and IT devices vests with the lessors and the lease term varies between 3-5 years, the total minimum lease liability for assets obtained on finance lease is ₹ 830 (Previous Year - ₹ 324) which includes interest of ₹ 131 (Previous Year - ₹ 58). The maturity profile of finance lease obligations is as follows:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Minimum Lease payments	Present value	Minimum Lease payments	Present value	Minimum Lease payments	Present value
Payable within 1 year	336	285	141	108	143	110
Payable between 1-5 years	494	414	183	158	221	190
Total minimum lease payments	830	699	324	266	364	300
Less: Interest	131	-	58	-	64	-
Present value of minimum lease payments	699	699	266	266	300	300

* 46,956,522 Compulsorily convertible debentures ('CCD') were allotted to Koninklijke Philips Electronics N.V. (the ultimate holding company), on April 07, 2011 carrying an interest rate of 10% per annum. The face value of these debentures was ₹ 115 aggregating to ₹ 5,400. The CCD's were convertible into equal number of equity shares at the end of 5 years from the date of issue with a face value of ₹ 10 and a premium of ₹ 105. The CCD's have been converted into Equity shares on March 31, 2016.

16 Other non-current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income received in advance	536	409	451
Employee related payables	209	270	84
Security deposits	6	6	7
	751	685	542

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

17 Provisions

	Long-term			Short-term		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits						
Gratuity (refer note 29)	439	366	264	28	13	23
Compensated absences (refer note 29)	255	252	225	34	23	23
Post-employment medical benefits	-	-	-	18	19	23
Retention and performance pay (refer note 17.1)	-	-	13	-	91	95
Others						
Warranty (refer note 17.1)	60	35	30	247	237	215
Legal and regulatory (refer note 17.1)	-	-	-	330	333	491
Miscellaneous risks (refer note 17.1)	-	-	-	-	-	36
	754	653	532	657	716	904

Additional disclosure relating to provisions:

17.1 Movement in provisions:

	Class of provisions				
	Warranty	Legal and regulatory	Personnel related	Miscellaneous risks	Total
Opening balance	271	333	91	-	695
	(245)	(491)	(108)	(36)	(880)
	(206)	(524)	(129)	(34)	(893)
Add: Accruals	478	23	169	-	670
	(496)	(29)	(172)		(697)
	(484)	(23)	(152)	(2)	(661)
Less: Utilisation	446	-	260	-	706
	(470)		(178)	-	(648)
	(445)	-	(173)	-	(618)
Less: Write back	-	26	-	-	26
	-	(18)	-	(12)	(30)
	-	(56)	-		(56)
Less: Transfer as per Scheme of Arrangement for Demerger	-	-	-	-	-
		(169)	(11)	(24)	(204)
	-	-	-	-	-
Closing balance	303	330	-	-	633
	(271)	(333)	(91)	-	(695)
	(245)	(491)	(108)	(36)	(880)

Figures given in (brackets) relate to previous years as applicable.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

17.2 Nature of provisions:

(a) Warranty

The Company provides for the estimated liability on warranty given on sale of its products based on past performance of such products. The provision represents the expected cost of warranty and free of charge services and it is expected that the expenditure will be incurred over the warranty period which usually ranges from 12 months to 24 months.

(b) Legal and regulatory

The Company has made provision for taxes and duties relating to cases that are pending assessments before Adjudicating Authorities where possible outflow of resources may arise in future which would depend on the ultimate outcome on conclusion of the cases.

(c) Personnel related

The Company has made provisions in respect of amounts payable to certain employees based on their retention and performance, which are payable over a three year and one year period respectively.

(d) Miscellaneous risks

The Company has created provisions following the accounting concept of conservatism towards possible outflow of resources in respect of other claims against the Company.

18 Current Financial Liabilities

Amounts in ₹ Mln

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Borrowings			
Loans repayable on demand			
From banks			
Bank overdraft (unsecured)	-	6	302
Other facilities from Bank of America (Unsecured)	191	148	100
	191	154	402
(b) Trade Payables			
Dues to Micro, Small and Medium Enterprises (refer note 45)	69	39	91
Dues to others	4,268	3,769	3,186
Dues to related parties	1,388	2,132	2,010
	5,725	5,940	5,287
(c) Other financial liabilities			
Current maturities of finance lease obligations (refer note 15)	285	108	110
Interest accrued but not paid	12	-	-
Unpaid dividend	12	11	10
Bank overdraft	8	63	37
Other payables:			
Interest accrued but not due	-	-	121
Payables for purchase of fixed assets (other than micro and small enterprises)	36	91	59
Employee related payables	798	655	806
Security deposits	13	19	13
	1,164	947	1,156

19 Other current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income received in advance	851	714	609
Other payables:			
Advances received from customers	1,379	1,744	1,209
Statutory dues	721	917	540
	2,951	3,375	2,358

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

20 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products (Including excise duty)	26,445	26,473
Sale of services	15,220	12,911
Other operating revenues	276	351
Revenue from operations (net)	41,941	39,735
Breakup of other operating revenues		
Liabilities no longer required written back	26	69
Finance income - leases	198	261
Miscellaneous	52	21
	276	351

21 Other income

Interest income (other than on investments)	391	261
Surplus on disposal of fixed assets	12	-
Interest income on defined benefit plan	20	27
Interest income on security deposits	24	16
Other non-operating income	28	30
Government grants	423	395
	898	729

22 Cost of raw materials consumed *

Inventory of raw materials at the beginning of the year	628	428
Add: Purchases	4,793	4,016
Less: Inventory of raw materials at the end of the year	728	628
Cost of raw materials consumed	4,693	3,816

* represents Medical equipment components

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

14,371 15,874

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

Stock at the beginning of the year		
Finished goods	268	279
Work-in-Progress	950	540
Stock-in-trade (goods purchased for resale)	2,692	2,568
Total	3,910	3,387
Stock at the end of the year		
Finished goods	288	268
Work-in-Progress	1,016	950
Stock-in-trade (goods purchased for resale)	2,663	2,692
	3,967	3,910
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(57)	(523)

25 Employee benefits expense

Salaries, wages and bonus	9,444	8,532
Contribution to provident and other funds	338	315
Defined benefit plan expense	124	179
Expense on Employee Stock Option Schemes	85	71
Staff welfare expenses	555	497
	10,546	9,594

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

	Year ended 31 March 2017	Year ended 31 March 2016
26 Finance costs		
Interest on Finance Lease	68	587
Net interest on the net defined benefit liability	48	64
Other interest expense	7	6
Total interest expense	123	657
Unwinding of discount and effect of changes in discount rate on provisions	1	1
Total finance costs	124	658
27 Depreciation and amortization expense		
Depreciation of tangible fixed assets (refer note 3)	582	534
Amortisation of intangible assets	611	611
	1,193	1,145
28 Other expenses		
Power and fuel	139	158
Packing, freight and transport	877	507
Rent	760	588
Repairs to buildings	128	249
Repairs to machinery	16	12
Insurance	102	94
Rates and taxes	28	74
Travelling and conveyance	1,109	1,038
Legal and professional	398	326
Publicity	1,211	2,021
IT and Communication	1,090	615
Provision for doubtful trade receivables and loans and advances	113	138
Warranty	478	490
Net loss on foreign currency transaction and translation	293	57
Miscellaneous	1,392	932
	8,134	7,299

(a) Legal and professional includes payments to auditors as given below:

As Auditor - statutory audit fees ₹ 5.0 (Previous year - ₹ 12.9), tax audit fees ₹ 1.5 (Previous year - ₹ 2); In other capacity - taxation matters ₹ 0.3 (Previous year - ₹ 0.3), certification ₹ 0.2 (Previous year - ₹ 1.1) and reimbursement of expenses ₹ 0.5 (Previous year - ₹ 1).

(b) Miscellaneous include - (i) undepreciated value of fixed assets written off / provided for - ₹ 23 (Previous year - ₹ Nil), (ii) handling charges - ₹ 64 (Previous year - ₹ 200), (iii) royalty - ₹ 169 (Previous year - ₹ 187), (iv) commission - ₹ 166 (Previous year - ₹ 123), (v) donation - ₹ NIL (Previous year - ₹ Nil) and (vi) Corporate Social Responsibility expenditure - Gross amount required to be spent ₹ 99 (Previous year - ₹ 68), amount spent towards various schemes as prescribed under Section 135 of the Companies Act, 2013 ₹ 75 (Previous year - ₹ 33).

Details of CSR Expenditure:

	Year ended 31 March 2017	Year ended 31 March 2016
a) Gross amount required to be spent by the group during the year	99	68
b) Amount spent during the year ending on 31 March, 2017:		
i) For Purposes mentioned below:		
- In Cash	75	33
- Yet to be paid in Cash	24	35
ii) On purposes other than (i) above		
- In Cash	-	-
- Yet to be paid in Cash	-	-

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

29 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 benefit. The level of benefits provided depends on the member's length of service and salary at the retirement age. The Company covers a part of the liability towards employees' gratuity by way of contributing to a registered trust. Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India in case of gratuity and investments under Philips India Limited Employees' Provident Fund Plan in case of Provident Fund. The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)

Particulars

	Gratuity	
	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	125	128
Past service cost	-	78
Interest cost on benefit obligation	48	64
Expected return on plan assets	(22)	(27)
Curtailement Cost	-	-
Settlement cost	-	-
Net actuarial (gain)/ loss recognised in the year	20	(12)
Expenses recognized in the statement of profit & loss and Other Comprehensive Income	171	231

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

Particulars	Gratuity						Compensated absences			Provident Fund		
	Year ended 31 March 2017		Year ended 31 March 2016		Year ended 31 March 2015		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded						
A. Present value of obligations as at beginning of the year	543	111	550	311	406	263	278	383	313	3,397	3,473	2,649
(1) Current service cost	106	18	90	48	68	41	99	124	104	448	241	227
(2) Interest cost	40	8	44	24	35	23	20	25	25	323	11	269
(3) Benefits settled	(42)	(19)	(44)	(37)	(52)	(20)	(81)	(108)	(75)	(411)	(335)	(312)
(4) Settlements	-	-	-	-	-	-	-	-	-	-	-	-
(5) Actuarial (gain) / loss	(20)	38	(48)	150	93	9	(26)	24	19	-	-	-
(6) Actuarial (gain) / loss due to Interest rate guarantee	-	-	-	-	-	-	-	-	-	562	244	90
(7) Employees' contribution	-	-	-	-	-	-	-	-	-	636	349	311
(8) Acquisition/Business Combination/Divestiture	-	(3)	(130)	(385)	-	(5)	(2)	(173)	(4)	-	(781)	-
(9) Change in reserves	-	-	-	-	-	-	-	-	-	-	-	-
(10) Transfer in	-	-	-	-	-	-	-	-	-	190	195	239
(11) Past service cost	-	-	78	-	-	-	-	-	-	-	-	-
Present value of obligations as at end of the year	627	153	540	111	550	311	288	275	382	5,145	3,397	3,473

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

Change in the fair value of plan assets are as follows:

Particulars	Gratuity						Compensated absences			Provident Fund		
	Year ended 31 March 2017		Year ended 31 March 2016		Year ended 31 March 2015		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded						
B. Change in Plan Assets												
Plan assets as at beginning of the year	273	-	312	-	273	-	-	-	-	3,473	3,564	2,671
(1) Expected return on plan assets	22	-	29	-	26	-	-	-	-	365	11	271
(2) Contributions	83	-	65	-	68	-	-	-	-	-	-	-
(3) Benefits settled	(62)	-	(44)	-	(52)	-	-	-	-	-	-	-
(4) Employer and Employee contribution	-	-	-	-	-	-	-	-	-	1,084	590	537
(5) Transfer in	-	-	-	-	-	-	-	-	-	190	195	239
(6) Benefit payments	-	-	-	-	-	-	-	-	-	(411)	(335)	(312)
(7) Asset gain / (loss)	(3)	-	(5)	-	(3)	-	-	-	-	637	273	158
(8) Settlements	-	-	-	-	-	-	-	-	-	-	-	-
(9) Acquisition/Business Combination/Divestiture	-	-	(84)	-	-	-	-	-	-	-	(827)	-
Plan assets as at end of the year	313	-	273	-	312	-	-	-	-	5,338	3,471	3,564
Surplus	-	-	-	-	-	-	-	-	-	192	74	91
The above surplus of ₹ 192 (Previous year - ₹ 74) has not been recognised in the financial statements in accordance with IND AS 19, Employee Benefits, since the surplus is not available to the Company either in form of refunds or as reduction of future contributions.												
C. Actual return on plan assets	19	-	24	-	23	-	-	-	-	-	-	-
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	(627)	(154)	(541)	(111)	(551)	(311)	(288)	(276)	(366)	(5,145)		
(2) Fair value of Plan assets	313	-	273	-	312	-	-	-	-	5,337		
Liability recognised in Balance Sheet	(314)	(154)	(268)	(111)	(239)	(311)	(288)	(276)	(366)	192		
E. Components of Employer Expense:												
(1) Current service cost	106	18	90	48	68	41	99	124	100			
(2) Interest cost	40	8	43	24	35	23	20	26	25			
(3) Expected return on plan assets (estimated)	(22)	-	(29)	-	(26)	-	-	-	-			
(4) Curtailments	-	-	-	-	-	-	-	-	-			
(5) Past service cost	-	-	78	-	-	-	-	-	-			
(4) Actuarial (gain) / loss	(17)	38	(173)	150	96	9	(26)	25	15			
Total expense recognised in Statement of Profit and Loss	107	64	10	222	173	73	93	175	140	-	-	-

The gratuity and compensated absences expenses have been recognised in "Employee benefits expenses" under note 24 to the Financial Statements.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

F. Experience Adjustments

Description	Gratuity (Funded)				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	682	541	550	406	368
Plan Assets	345	273	312	273	220
Surplus/(Deficit)	(231)	(268)	(238)	(133)	(148)
Experience adjustments on Plan assets/ liabilities (gain) / loss	(75)	(59)	316	78	89
Description	Gratuity (Unfunded)				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	154	111	311	263	264
Plan Assets			-	-	-
Surplus/(Deficit)	(154)	(111)	(311)	(263)	(264)
Experience adjustments on Plan assets/ liabilities (gain) / loss		148	(22)	(44)	13
Description	Provident Fund				
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Defined Benefit Obligations	5,145	3,413	3,489	2,649	2,149
Plan Assets	5,337	3,471	3,564	2,671	2,176
Surplus/(Deficit)	192	58	75	22	27
Experience adjustments on Plan assets/ liabilities (gain) / loss	(637)	(273)	(158)	69	(13)

G. Assumptions	Gratuity - Funded		Compensated absences	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Financial Assumptions				
Discount factor	PIL 7.1% , PKAPL 7.1% and Home Care 7.1%	PIL 7.55% and PKAPL 7.7%	7.10%	7.55%
Estimated rate of return on plan assets	9% and PKAPL 9%	PIL 9.0% and PKAPL 8.75%		
Salary Increase	Management, PMS - 10%, PIC - 12% DMC factory - 12%, PKAPL- 12% Home Care -10%	Management, PMS and PIC - 11%, DMC factory - 12%, PKAPL- 12%		

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

G.Assumptions	Gratuity - Funded		Compensated absences	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Demographic Assumptions				
Mortality	IALM (2006-08)	IALM (2006-08)		
Attrition rate	Management - 14%, PMS - 12%, PIC - 9.60% DMC Factory - 5% PKAPL CG- 12% PKAPL Staff-20% PKAPL Workers-8% Home Care - 10%	Management, PMS and PIC - 10%, DMC factory - 5%, PKAPL CG- 12% PKAPL Staff-20% PKAPL Workers-8%		
Retirement age	Management and PIC - 60 years, Others - 58 years PKAPL- 58 years Home Care- 60 years	Management and PIC - 60 years, Others - 58 years PKAPL- 58 years		

G. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined benefit obligation	As at 31 March 2017
Discount rate	
a. Discount rate - 100 basis points	853
b. Discount rate + 100 basis points	717
Salary increase rate	
a. Rate - 100 basis points	718
b. Rate + 100 basis points	850

H. Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)	63
Between 1 and 5 years	262
Between 5 and 10 years	325
Total expected payments	650

30 Employees' Share-based Payments (As per Ind AS 102 Share based Payment):

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPNV"). In conformity with Ind AS 102 'Share based Payment' 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 installments 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

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

30 Employees' Share-based Payments (As per Ind AS 102 Share based Payment): (Contd.)

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.

Since 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) 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 2016	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31 March 2017	Exercisable
April 18, 2006	26.28	4,356		(5,463)	1,107		-	-
April 16, 2007	30.96	7,083			27		7,110	7,110
April 14, 2008	23.11	3,402			153		3,555	3,555
July 14, 2008	20.67	1,800					1,800	1,800
April 14, 2009	12.63	2,250					2,250	2,250
April 19, 2010	24.90	4,744		(32)	3,932	(2,432)	6,212	6,212
July 19, 2010	24.01	1,080					1,080	1,080
April 18, 2011	20.90	9,114			5,700	(4,164)	10,650	10,650
July 18, 2011	17.20	2,850			1,350	(1,350)	2,850	2,850
October 17, 2011	14.52	1,350					1,350	1,350
January 30, 2012	15.24	5,000			10,000		15,000	15,000
April 23, 2012	14.82	23,034			2,550		25,584	25,584
		66,063	-	(5,495)	24,819	(7,946)	77,441	77,441
Previous Year		104,394		(13,773)	5,636	30,194	66,063	66,063

(d) Number and weighted average grant-date fair value of Stock Options (USD)

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31 March 2017	Exercisable
April 14, 2008	36.63	306	-		-	-	306	306
April 14, 2009	33.51	480	-	-	-	-	480	480
		786	-	-	-	-	786	786
Previous Year		1,290	-	(504)			786	786

(e) Number and weighted average grant date fair value of Restricted Shares (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euro)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2017
October 24, 2014	20.43	708			(708)		-
February 2, 2015	23.89	4,027			(4,027)		-
May 5, 2015	25.32	1,168			(1,168)		-
July 31, 2015	24.59	8,391			(5,594)		2,797
February 1, 2016	24.00	18,586			(6,195)		12,391
April 29, 2016	24.00				20,396		20,396
October 28, 2016					364		364
		32,880	-	-	3,068	-	35,948
Previous Year		13,660	28,145	(2,751)	(1,422)	(4,752)	32,880

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

30 Employees' Share-based Payments (As per Ind AS 102 Share based Payment): (Contd.)

(f) 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.

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

Grant Date	Weighted average grant date fair value (in Euro)	Outstanding as at 1 April 2016	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2017
May 3, 2013	23.45	30,837		(30,837)	-		-
October 25, 2013	30.38				-	-	-
April 28, 2014	22.92	49,439		(6,187)	-	-	43,252
July 25, 2014	22.80	1,806		(1,806)	-	-	-
October 24, 2014	20.43	708		(708)	-	-	-
May 5, 2015	25.19	61,265		(16,584)	-		44,681
February 1, 2016	24.33	1,549		-	-		1,549
April 29, 2016	24.00		40,775				40,775
		145,604	40,775	(56,122)	-	-	130,257
Previous Year		128,896	73,323	(42,776)	(13,839)		145,604

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

The fair value of the performance shares is measured based on Monte-Carlo simulation and the following weighted average assumptions:

1. Risk free interest rate	-0.45%
2. Expected dividend yield	3.40%
3. Expected share price volatility	26%

(i) 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%. A total of **17,545** (Previous year - 19,110) shares were bought by employees during the year at an average price of **EUR 25.48** (Previous year - EUR 24).

(j) Expense recognised on account of "Employee Share-Based Payment" is ₹ 85 (Previous year - ₹ 71) and carrying liability as at 31 March 2017 is ₹ 414 (Previous year - ₹ 392).

31 Commitments and contingencies

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ 152 (Previous year - ₹ 74).

b. Contingent liabilities

- (i) In respect of disputed excise demands - ₹ 19 (Previous year - ₹ 19), income tax demands - ₹ 7,400 (Previous year - ₹ 6,268), service tax demands - ₹ 82 (Previous year - ₹ 82), VAT- ₹ 1,125 (Previous year- ₹ 1,125) and Custom Duty- ₹ 62 (Previous Year- ₹ Nil)

The Contingent Liability on account of income tax cases relating to erstwhile lighting business of Philips India Limited (PIL) is estimated at ₹ 3,197 (Previous year - ₹ 2,757) out of common estimated income tax liability of lighting business and other businesses of Philips India Limited. 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 Income Tax cases upto the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

- (ii) Claims not acknowledged as debts by the Company - ₹ 1 (Previous year - ₹ 48).
 (iii) In respect of suppliers' / customers' demands and certain tenancy / customs / sales tax / service tax disputes for which the liability is not ascertainable.

The Company does not expect any reimbursements in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash outflows, if any, in respect of (i), (ii), and (iii) above pending resolution of the legal proceedings.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

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

(a) Names of companies where control exists:

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

(b) Other related parties with whom transactions have taken place during the year:

- (i) **Fellow Subsidiary Companies** : As per list given below
- | | |
|--|--|
| Argus Imaging B.V. | Philips Lanka Solutions (Private) Limited |
| Burton Medical Products Corporation | Philips Lighting B.V. |
| Dameca A/S | Philips Lighting India Limited |
| Lifeline Systems Company | Philips Electronics Malaysia Pte Limited |
| Lumileds India Private Limited | PHILIPS MEDICAL SYST NEDERLAND B.V. |
| Philips (China) Investment Company, Ltd. | Philips Medical Systems (Cleveland), Inc. |
| Philips Aktiebolag | Philips Medical Systems DMC GmbH |
| Philips Austria GmbH | Philips Medical Systems Indústria e Comércio Ltda. |
| Philips BioCell A/S | Philips Medical Systems Ltda. |
| Philips Consumer Lifestyle B.V. | Philips Medical Systems Nederland B.V. |
| Philips Consumer Life Style , Korea | Philips Medical Systems Technologies Ltd. |
| Philips Digital Mammography Sweden AB | Philips Medizin Systeme Böblingen GmbH |
| Philips Egypt (Limited Liability Company) | Philips Nederland B.V. |
| Philips Electronics Australia Limited | Philips Oral Healthcare, Inc. |
| Philips Electronics Bangladesh Private Limited | Philips Oy |
| Philips Electronics Hong Kong Limited | Philips Polska Sp.z.o.o. |
| Philips Electronics Middle East & Africa B.V. | Philips South Africa (Proprietary) Limited |
| Philips Electronics NA Corporation | Philips Technologie GmbH |
| Philips Electronics Nederland B.V. | Philips Ultrasound, Inc. |
| Philips Electronics North America Corporation | PT. Philips Indonesia |
| Philips Electronics Singapore Pte Ltd | Respironics California, Inc. |
| Philips Electronics UK Limited | Respironics, Inc. |
| Philips Export B.V. | Saeco International Group S.p.A. |
| Philips Do Brasil Ltda, Brazil | Shenzhen Goldway Industrial Inc. |
| Philips GmbH | VISICU, Inc. |
| Philips Healthcare (Suzhou) Co., Ltd. | Volcano Corporation |
| Philips Healthcare Informatics, Inc. | Volcano Europe, B.V.B.A. |
| Philips Innovative Applications | Witt Biomedical Corporation |
| Philips International B.V. | |
- (ii) **Employee Trusts**
Philips India Ltd Management Staff Provident Fund Trust
- (iii) **Key Management Personnel**
- (1) **Executive Directors:**
- Mr.Hariharan Madhavan - Philips India Limited
 - Mr.V.Raja - Philips India Limited
 - Mr. Rajiv Mathur - Philips India Limited and Preethi Kitchen Appliances Private Limited
 - Mr.Priyank Agarwal - Director, Philips Home Care Services India Private Limited w.e.f. 25 May 2016
 - Mr.Angarai Dorairajan Aditya Ratnam - Director, Philips Home Care Services India Private Limited w.e.f. 25 May 2016
 - Mr.Madapusi Raghavan Srinivas Prasad - Additional Director, Philips Home Care Services India Private Limited w.e.f. 06 Sept 2016
- (2) **Non-Executive Directors:**
- Mr.S.M.Datta - Non-Executive Independent Director, Philips India Limited
 - Mr.Vikram Mukund Limaye - Non-Executive Independent Director, Philips India Limited (Ceased to be a Director w.e.f June 11, 2017)
 - Mr.Vivek Gambhir - Non-Executive Independent Director, Philips India Limited
 - Ms.Geetu Gidwani Verma -Non-Executive Independent Director, Philips India Limited
 - Mr.A.D.A. Ratnam - Non-Executive Director, Preethi Kitchen Appliances Private Limited and Philips Home Care Services India Private Limited
 - Mr. Rajiv Mathur - Non-Executive Director, Preethi Kitchen Appliances Private Limited
- (3) **Company Secretary:**
- Mr.Rajiv Mathur - Philips India Limited
 - Mr. Nishant Nayan - Preethi Kitchen Appliances Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2017

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

(c) Nature of transactions

Amounts in ₹ Mln

	Year ended 31 March 2017					Year ended 31 March 2016				
	Ultimate Holding Company	Fellow Subsidiary Companies	Associate Company	Key Managerial Personnel	Employee Trusts	Ultimate Holding Company	Fellow Subsidiary Companies	Associate Company	Key Managerial Personnel	Employee Trusts
PURCHASES										
Goods	-	8,481	-	-	-	-	12,182	-	-	-
Fixed assets	-	59	-	-	-	-	59	-	-	-
Services	113	883	-	-	-	91	1,238	-	-	-
Reimbursements	-	177	-	-	-	-	100	-	-	-
Others	22	-	-	-	-	84	-	-	-	-
SALES										
Goods	-	2,575	175	-	-	-	2,596	398	-	-
Fixed assets	-	2	-	-	-	-	-	-	-	-
Services	1,994	9,532	7	-	-	1,252	8,662	-	-	-
Reimbursements	-	298	-	-	-	-	601	-	-	-
DEPUTATION OF PERSONNEL										
Charge	-	-	-	-	-	-	-	-	-	-
Recovery	-	4	-	-	-	-	5	-	-	-
MANAGERIAL REMUNERATION										
Mr.A.Krishnakumar	-	-	-	-	-	-	-	-	27	-
Mr.Harisharan Madhavan	-	-	-	30	-	-	-	-	12	-
Mr.V.Raja	-	-	-	59	-	-	-	-	13	-
Mr.Rajiv Mathur	-	-	-	16	-	-	-	-	16	-
Mr.S.M.Datta	-	-	-	2	-	-	-	-	1	-
Mr.Vikram Mukund Limaye	-	-	-	1	-	-	-	-	1	-
Mr.Vivek Gambir	-	-	-	1	-	-	-	-	1	-
Mr.Geetu Gidwani Verma	-	-	-	1	-	-	-	-	-	-
FINANCE										
Dividend Paid	166	-	-	-	-	166	-	-	-	-
Interest income	-	-	-	-	-	-	1	-	-	-
Interest Expense	-	2	-	-	-	-	-	-	-	-
Inter corporate deposits given	-	-	-	-	-	-	134	-	-	-
Inter corporate deposits repaid	-	-	-	-	-	-	134	-	-	-
Debiture interest expenses	-	-	-	-	-	-	-	-	-	-
Others - Purchase of Investment	-	-	50	-	-	540	-	63	-	-
Face value of equity shares on conversion of compulsorily convertible debentures	-	-	-	-	-	469	-	-	-	-
Securities premium on conversion of compulsorily convertible debentures	-	-	-	-	-	4,931	-	-	-	-
Compulsorily convertible debentures	-	-	-	-	-	-	-	-	-	-
Compulsorily convertible debentures	-	-	-	-	-	-	-	-	-	-
Debitures interest payable	-	-	-	-	-	-	-	-	-	-
Face value of equity shares on buy back and capital reduction	470	-	-	-	-	-	-	-	-	-
Securities premium on buy back and capital reduction	3,263	-	-	-	-	-	-	-	-	-
Contributions to Employees' Benefit Plans										
					551					620
OUTSTANDINGS										
Payable	4	1,336	-	-	48	46	2,033	-	-	54
Payable *	-	-	-	-	-	(20)	(1,945)	-	-	(46)
Receivable	133	1,074	6	-	-	99	2,033	9	-	-
Receivable *	-	-	-	-	-	(42)	(1,642)	-	-	-

* Figures in brackets indicate that of 1 April 2015

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

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

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		Year ended 31 March 2017*	Year ended 31 March 2016
(i) Fellow subsidiary Companies:			
Philips Medical Systems Nederland B.V.	Purchase of goods	2,861	2,540
Philips Consumer Lifestyle B.V.	Purchase of goods	2,148	3,409
Philips Electronics Singapore Pte Ltd	Purchase of goods	1,707	1,361
Philips Electronics Singapore Pte Ltd	Purchase of fixed assets	33	28
Philips Medical Systems Nederland B.V.	Purchase of fixed assets	8	10
Philips Medical Systems DMC GmbH	Purchase of fixed assets	13	-
PT. Philips Indonesia	Purchase of fixed assets	-	10
Philips Electronics Nederland B.V.	Purchase of services	576	881
Philips Consumer Lifestyle B.V.	Reimbursements paid	-	15
Philips Electronics Nederland B.V.	Reimbursements paid	-	55
Philips Electronics Bangladesh Private Limited	Reimbursements paid	82	-
Philips Lighting India Limited	Reimbursements paid	55	-
Philips Medical Systems Nederland B.V.	Sale of goods	1,993	994
Philips Electronics Hong Kong Limited	Sale of goods	-	248
Philips Lighting India Limited	Sale of Fixed Assets	2	-
Philips Electronics Nederland B.V.	Sale of services	2,378	1,801
Philips Electronics North America Corporation	Sale of services	-	1,217
Philips Medical Systems Nederland B.V.	Sale of services	1,727	2,050
Philips Healthcare Informatics, Inc.	Sale of services	1,916	-
Philips Medical Systems Nederland B.V.	Reimbursements received	131	-
Philips Electronics Bangladesh Private Limited	Reimbursements received	61	-
Philips Lighting India Limited	Reimbursements received	33	544
Philips South Africa (Proprietary) Limited	Deputation recovery	1	-
Philips Medical Systems Nederland B.V.	Deputation recovery	1	-
Philips Polska Sp.z.o.o.	Deputation recovery	1	1
Philips Belgium	Deputation recovery	-	2
Philips Lighting India Limited	Inter Corporate Deposit taken	-	134
Philips Lighting India Limited	Inter Corporate Deposit given	-	134
Philips Electronics Singapore Pte Ltd	Payable	204	-
Philips Medical Systems Nederland B.V.	Payable	488	642
Philips Consumer Lifestyle B.V.	Payable	-	533
Philips Medizin Systeme Böblingen GmbH	Payable	151	-
Philips Electronics Bangladesh Private Limited	Receivable	87	-
Philips Medical Systems Nederland B.V.	Receivable	84	528
Philips Ultrasound, Inc.	Receivable	57	-
VISICU, Inc.	Receivable	64	-
Philips Lighting India Limited	Receivable	-	544
Philips Electronics Nederland B.V.	Receivable	-	316
(ii) Employee Trusts:			
Philips India Ltd Management Staff Provident Fund Trust	Contributions	551	620
Philips India Ltd Management Staff Provident Fund Trust	Payable	48	54

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

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, interest free and will be settled in cash.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

Compensation of key management personnel of the company

Details	Year ended 31 March 2017	Year ended 31 March 2016
Short-term employee benefits	106	64
Post-employment benefits*	4	7
Total compensation paid to key management personnel	110	71

* Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised 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.

33 Significant accounting judgments, estimates and assumptions

The preparation of the company's consolidated 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 recognised in the consolidated financial statements:

(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 consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 29.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

33 Significant accounting judgments, estimates and assumptions (Contd.)

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46 and 47 for further disclosures.

(d) Warranty

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

34 Segment Information (As per Ind AS 109 Operating Segments)

Description	Year ended 31 March 2017	Year ended 31 March 2016	Description	31 March 2017	31 March 2016
(A) PRIMARY SEGMENT INFORMATION:			OTHER INFORMATION		
(1) SEGMENT REVENUE			(12) SEGMENT ASSETS		
a. Personal Health	13,697	15,304	a. Personal Health	7,971	9,383
b. Innovation services	9,166	8,098	b. Innovation services	2,112	2,473
c. Health Systems	18,153	16,138	c. Health Systems	9,521	9,976
TOTAL	41,016	39,540	d. Other unallocable	9,252	9,559
(2) INTER SEGMENT REVENUE			TOTAL	28,856	31,391
a. Personal Health	-	-	(13) SEGMENT LIABILITIES		
b. Innovation services	-	-	a. Personal Health	2,369	1,316
c. Health Systems	-	-	b. Innovation services	2,578	1,934
TOTAL	-	-	c. Health Systems	6,436	6,561
(3) OTHER UNALLOCABLE INCOME	925	195	d. Other unallocable	1,664	3,708
REVENUE FROM OPERATIONS (NET) (1+3)	41,941	39,735	TOTAL	13,047	13,519
(4) SEGMENT RESULT			(14) CAPITAL EXPENDITURE		
a. Personal Health	17	319	a. Personal Health	244	206
b. Innovation services	904	789	b. Innovation services	608	279
c. Health Systems	1,993	1,508	c. Health Systems	255	144
TOTAL	2,914	2,616	d. Other unallocable	233	243
(5) FINANCE COST	(124)	(658)	e. Discontinued Operations	-	124
(6) OTHER UNALLOCABLE EXPENDITURE NET OF INCOME	343	48	TOTAL	1,340	996
(7) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (4+5+6)	3,133	2,006			

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

34 Segment Information (As per Ind AS 109 Operating Segments) (Contd.)

Description	Year ended 31 March 2017	Year ended 31 March 2016	Description	31 March 2017	31 March 2016
(8) EXCEPTIONAL ITEMS			(15) DEPRECIATION AND AMORTISATION EXPENSE		
a.Personal Health	-	-	a.Personal Health	(731)	(896)
b.Innovation services	-	-	b.Innovation services	(204)	(172)
c.Health Systems	-	-	c.Health Systems	(112)	(103)
d.Other unallocable	-	-	d.Other unallocable	(146)	(143)
TOTAL	-	-	e.Discontinued Operations	-	(418)
			TOTAL	(1,193)	(1,732)
(9) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	3,133	2,006	(16) NON-CASH EXPENSES OTHER THAN DEPRECIATION AND AMORTISATION EXPENSE		
(9) PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS	-	3,208	a.Personal Health	(8)	(4)
TOTAL PROFIT	3,133	5,214	b.Innovation services	(9)	(35)
(10) (a) TAX EXPENSE - Continuing Operations			c.Health Systems	(86)	(93)
a.Current tax	(1,244)	(1,194)	d.Other unallocable	-	-
b.Deferred tax - release / (charge)	56	7	e.Discontinued Operations	-	(56)
TOTAL	(1,188)	(1,187)	TOTAL	(103)	(188)
(b) TAX EXPENSE - Dis-continuing Operations					
a.Current tax		(1,244)			
b.Deferred tax - release / (charge)		133			
TOTAL		(1,111)			
(11) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1,945	819			
(12) PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	2,097			
(B) SECONDARY SEGMENT INFORMATION:					
Description	Year ended 31 March 2017	Year ended 31 March 2016	Description	31 March 2017	31 March 2016
REVENUE			ASSETS		
a.Within India	27,441	28,463	a.Within India	25,569	29,820
b. Outside India	14,500	11,272	b. Outside India	3,287	1,571
TOTAL	41,941	39,735	TOTAL	28,856	31,391
Description	Year ended 31 March 2017	Year ended 31 March 2016			
CAPITAL EXPENDITURE					
a.Within India	1,340	996			
b. Outside India	-	-			
TOTAL	1,340	996			

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.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

33 Significant accounting judgments, estimates and assumptions (Contd.)

(C) OTHER DISCLOSURES:

Inter segment revenue / result:

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

Types of products and services in each business segment:

Business Segments	Type of products / services
a. Personal Health	Domestic Appliances, Health and Wellness products and Personal care products
b. Innovation services	Development of embedded software, Philips Design
c. Health Systems	Medical electronics equipments

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	Year ended 31 March 2017	Year ended 31 March 2016
Segment profit	2,914	2,616
Finance cost	(124)	(658)
Other unallocable expenditure net of unallocable income	343	48
Tax expense	(1,188)	(1,187)
Profit after tax from continuing operations	1,945	819
Profit after tax from discontinued operations	-	2,097
Profit for the year	1,945	2,916

Reconciliation of assets

Particulars	As at 31 March 2017	As at 31 March 2016
Segment operating assets	28,856	31,391
Total Assets	28,856	31,391

Reconciliation of liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Segment operating liabilities	13,047	13,519
Total liabilities	13,047	13,519

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

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

(a) Forward contracts outstanding

Details	USD Currency						Euro Currency					
	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,691.28	41,500.00	2,683.33	40,500.00	2,438.83	39,181.24	-	-	-	-	-	-

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

Details	As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015	
	USD Exposure						Euro Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	460.31	7,098.00	1,343.67	20,276.89	1,790.34	28,751.48	766.24	11,058.06	250.82	3,326.71	404.12	6,047.17
Payables	-	-	28.00	420.00	132.98	2,128.05	211.04	3,045.64	105.78	1,403.03	336.50	5,035.28

Details	SGD Exposure						CNY Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Payables	1.15	24.87	3.08	69.56	3.83	84.47	(0.41)	(43.12)	1.76	171.72	-	-

Details	AUD Exposure						GBP Exposure					
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-	-	-	1.38	15.00
Payables	0.01	0.25	0.11	2.11	8.56	180.79	0.46	5.71	-	-	0.92	9.99

Details	CHF Exposure											
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)						
Receivables	-	-	-	-	-	-						
Payables	-	-	-	2.00	-	-						

36 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:-

As at 31 March 2017

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)	-	1,088	1,088	1,088
Other Financial Assets (Non-Current)	-	233	233	233
Trade receivables (Current)	-	5,079	5,079	5,079
Cash and cash equivalents	-	5,737	5,737	5,737
Other Financial Assets (Current)	-	915	915	915
Total	-	13,052	13,052	13,052

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

36 Financial Instruments -Financial assets and financial liabilities (Contd.)

As at 31 March 2016

Amounts in ₹ Mln

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)	-	1,688	1,688	1,688
Other Financial Assets (Non-Current)	-	204	204	204
Trade receivables (Current)	-	6,916	6,916	6,916
Cash and cash equivalents	-	6,383	6,383	6,383
Other Financial Assets (Current)	-	822	822	822
Total	-	16,013	16,013	16,013

As at 1 April 2015

Financial Assets	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Trade Receivables (Non-Current)	-	2,066	2,066	2,066
Other Financial Assets (Non-Current)	-	237	237	237
Trade receivables (Current)	-	5,352	5,352	5,352
Cash and cash equivalents	-	2,557	2,557	2,557
Other Financial Assets (Current)	-	383	383	383
Total	-	10,595	10,595	10,595

As at 31 March 2017

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	414	414	414
Borrowings(Current)	-	191	191	191
Trade Payables(Current)	-	5,725	5,725	5,725
Other Financial Liabilities(Current)	-	1,164	1,164	1,164
Total	-	7,494	7,494	7,494

As at 31 March 2016

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	158	158	158
Borrowings(Current)	-	154	154	154
Trade Payables(Current)	-	5,940	5,940	5,940
Other Financial Liabilities(Current)	-	947	947	947
Total	-	7,199	7,199	7,199

As at 1 April 2015

Financial Liabilities	Fair value through Profit or loss	Amortised cost	Total Carrying value	Total Fair Value
Borrowings(Non-Current)	-	681	681	681
Borrowings(Current)	-	402	402	402
Trade Payables(Current)	-	5,287	5,287	5,287
Other Financial Liabilities(Current)	-	1,156	1,156	1,156
Total	-	7,526	7,526	7,526

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

37 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

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	138	-	138	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	143	-	143	-

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2015:

	Total	Level 1	Level 2	Level 3
Assets carried at cost for which fair value are disclosed				
Investment property	143	-	143	-

38 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

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 2017. 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, 2017.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

38 Financial risk management objectives and policies (Contd.)

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 ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
+ 5%	-2.20	-1.17	-2.03	-2.20	-1.17	-2.03
-5%	2.20	1.17	2.03	2.20	1.17	2.03
Change in Euro rate	Effect on profit before tax			Effect on profit after tax		
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
+ 5%	1.92	0.22	0.70	1.92	0.22	0.70
-5%	-1.92	-0.22	-0.70	-1.92	-0.22	-0.70

(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 Group'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, 2017.

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-parties limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at 31 March, 2016 and 1 April, 2015 is the carrying value of each class of financial assets as illustrated in note 9."

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March,

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

38 Financial risk management objectives and policies (Contd.)

2017 and 31st March, 2016. 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.

	Carrying Amount	Undiscounted Amount Payable within 1 year	More than 1 years	Total
As at 31 March 2017				
Borrowings(Non-Current)	414		414	414
Borrowings(Current)	191	191		191
Trade Payables(Current)	5,725	5,725		5,725
Other Financial Liabilities(Current)	1,164	1,164		1,164
As at 31 March 2016				
Borrowings(Non-Current)	158		158	158
Borrowings(Current)	154	154		154
Trade Payables(Current)	154	154		154
Other Financial Liabilities(Current)	5,940	5,940		5,940
As at 1 April 2015				
Borrowings(Non-Current)	681		681	681
Borrowings(Current)	402	402		402
Trade Payables(Current)	5,287	5,287		5,287
Other Financial Liabilities(Current)	1,156	1,156		1,156

39 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, 2017, 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

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Earning Before Interest And Tax	2,570	2,072	1,829
Capital Employed	16,508	15,255	18,327
Return on Capital Employed (ROCE)	16%	14%	10%

40 Dividend Paid And Proposed

Dividend declared and paid during the year

Dividend paid for the year ended March 31, 2016 ₹ 3/- per share (March 31, 2015 : ₹ 3/- per share)
Dividend Tax thereon

Proposed Dividend on equity shares:

Dividend for the year ended March 31, 2017 ₹ 3/- per share (March 31, 2016: ₹ 3/- per share)
Dividend Tax thereon

	For the year ended 31 March 2017	For the year ended 31 March 2016
	173	173
	35	35
	208	208
	173	173
	35	35
	208	208

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

41 Discontinuing Operations - Demerger:

As part of global restructuring exercise announced by ultimate holding company Koninklijke Philips N.V (KPNV) in September 2014, the proposal for demerger of Lighting business (Demerged Undertaking) was approved by Board of Directors of the Company on 27th April 2015 and by shareholders in the Court Convened meeting of the shareholders held on 06 July 2015 in Kolkata, India.

In pursuance of the restructuring mentioned above, a Scheme of Arrangement for Demerger ("Scheme") under Section 391 to 394 and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, amongst "Philips India Limited" (Demerged Company) and "Philips Lighting India Limited" (Resulting Company) and their respective shareholders was approved by the Hon'ble High Court of Calcutta vide order dated 07 January 2016, received by the Company on 29 January 2016, which was filed with the Registrar of Companies and was approved by them on 24 February 2016. In accordance with the Scheme, the assets and liabilities pertaining to Lighting business were transferred to and vested with Philips Lighting India Limited with effect from the appointed date i.e. 01 February 2016 and shareholders of the Company were allotted 1 fully paid equity share of Philips Lighting India Limited for each fully paid equity share held by them in the Company.

Consequent to the demerger;

- a) The assets and liabilities of the Demerged Company were reduced at their book value.
- b) The difference between the Book Value of assets and Book Value of liabilities of the Demerged Undertaking stands adjusted against the following, in the order specified below:
 - i. Capital reserve account
 - ii. Capital redemption reserve account
 - iii. Securities premium account
 - iv. General reserve account
- c) Share capital of the Resulting Company stands credited with the aggregate face value new equity shares - 57,517,242 of ₹10/- each - , being the equity shares issued by it to the members of the Demerged Company.

Lighting business primarily involves local purchase, import, systems solutions and sales of the following PHILIPS brand products in India:

- (i) Lighting and Allied products - light source, special lighting, lighting electronics, switches, professional lighting, consumer luminaires and anything related to providing lighting products etc.
- (ii) Lighting Systems Solutions - Softwares and services, designing and developing applications (Mobile, Enterprise PC and Cloud), embedded software for lighting systems and solutions, creating user interface designs for application software, providing support for product and system level testing of software and lighting systems etc., and
- (iii) new product introduction in manufacturing sites, technical consultancy and training to market teams for deployment of lighting systems and developing proof of concept for lighting systems that includes hardware design and development.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as "profit or loss after tax" from discontinued operations in the Statement of Profit and Loss.

Break-up of aggregate amounts in respect of revenue and expenses along Discontinuing Operations with pre-tax profit or loss of Lighting operations are as follows:

Particulars	Year ended 31 March 2017	Period ended 31 Jan 2016
Revenue from operations (net)	-	27,556
Cost of raw materials consumed	-	1,983
Purchase of stock-in-trade	-	14,880
Changes in inventories of work-in-progress, finished goods and stock-in-trade	-	211
Employee benefit expense	-	2,038
Finance cost	-	7
Depreciation	-	307
Other expenses	-	4,697
Exceptional items*	-	225
Operating expenses	-	24,348
Profit / (loss) before tax	-	3,208
Current tax	-	(1,244)
Deferred tax	-	133
Profit / (loss) after tax	-	2,097

* Relates to restructuring costs - (1) Employee voluntary separation ₹ 114 and (2) additional depreciation ₹ 111 provided for writing down certain plant and equipment no longer in active use.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

41 Discontinuing Operations - Demerger: (Contd.)

The carrying amounts of the assets and liabilities of Lighting operations transferred to the Resulting Company are as follows:

	As at 31 March 2017	As at 31 January 2016	As at 1 April 2015
Total assets	-	9,396	10,029
Total liabilities	-	6,632	6,050
Net assets	-	2,764	3,979

The net cash flows attributable to the Lighting operations is as follows:

	Year ended 31 March 2017	Period ended 31 Jan 2016
Net cash inflow / (outflow) from operating activities	-	4,030
Net cash inflow / (outflow) from investing activities	-	(196)
Net cash inflow / (outflow) from financing activities	-	(7)
Net cash inflow / (outflow)	-	3,827

The major class of assets and liabilities of the discontinued operations are as under:

Particulars	As at 31 March 2017	As at 31 January 2016	As at 1 April 2015
ASSETS:			
Non-current assets			
Property, plant and equipment	-	-	1,917
Capital work-in-progress	-	-	67
Financial assets	-	-	423
Current assets			
Inventories	-	-	2,727
Financial assets			
Trade receivables	-	-	3,348
Cash and cash equivalents	-	-	1,171
Current financial assets	-	-	376
Assets classified as discontinued operations	-	-	10,029
LIABILITIES:			
Non-current liabilities			
Long term borrowings	-	-	32
Other long term liabilities	-	-	56
Long term provisions	-	-	370
Current liabilities			
Short term borrowings	-	-	23
Trade payables	-	-	4,264
Other current liabilities	-	-	718
Short term provisions	-	-	587
Liabilities associated with discontinued operations	-	-	6,050

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

42 Earnings per share (EPS)

Calculation of earnings per share

	Year ended 31 March 2017	Year ended 31 March 2016
Number of shares at the beginning of the year	57,517,242	57,517,242
Total number of equity shares outstanding at the end of the year	57,517,242	57,517,242
Weighted average number of equity shares outstanding during the year	57,517,242	57,517,242
Profit after tax attributable to equity share holders	1,891	2,889
-Continuing operations	1,891	792
-Discontinued operations	-	2,097
Basic and diluted earnings per share (in ₹)	32.89	13.77

* 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.

43 Components of other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Re-measurement gains / (losses) on defined benefit plans	(14)	19

44 Investment in an Associate

"The group has 35% interest in Healthmap Diagnostics Private Limited which is engaged in the business of providing diagnostic, clinical and healthcare services which includes operating and managing in house healthcare facilities such as diagnostic, radiology and imaging centers. The company is formed pursuant to Shareholder's agreement dated April 06, 2015 between Manipal Health Enterprises Private Limited and Philips India Limited for development, operation and maintenance of radiology imaging diagnostic centers in selected medical college/ district hospitals under Public Private Partnership (PPP) basis. The Group's interest in Healthmap Diagnostics Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Healthmap Diagnostics Private Limited:"

Particulars	As at 31 March 2017	As at 31 March 2016
Current assets	78	64
Non-current assets	591	454
Current liabilities	(112)	(51)
Non-current liabilities	(468)	(365)
Equity	89	102
Proportion of the Group's ownership	35%	35%
Carrying amount of the investment	31	36

Particulars

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue	145	26
Cost of raw material and components consumed	24	4
Depreciation & amortization	87	28
Finance cost	55	18
Employee benefit	38	13
Other expense	97	40
Profit before tax	(156)	(77)
Income tax expense	1	1
Profit for the year	(156)	(77)
Total comprehensive income for the year	(156)	(77)
Group's share of profit for the year	(55)	(27)

Annual

Report 2016-17

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

45 Additional disclosure as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

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 below.

	As at 31 March 2017	As at 31 March 2016
a) Principal amount remaining unpaid to any supplier as at the end of the year	153	123
b) Interest due on the above amount	1	-
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.	-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the year.	-	-
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.	-	-

46 Disclosure relating to assets given on operating lease: The company has entered into operating lease arrangements for medical equipments.

	As at 31 March 2017	As at 31 March 2016
a) Total of future minimum lease payments receivable under non-cancellable operating lease	6	19
Receivable within 1 year	3	7
Receivable between 1-5 years	3	12
Receivable after 5 years	-	-
b) Total contingent rent recognised as income in the Statement of Profit and Loss for the year	8	20

47 Disclosures as required by Indian Accounting standard (IND AS 101) first time adoption of indian accounting standards

These are Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (The Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

Deemed cost

- Freehold land and buildings (properties), other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of cost less accumulated depreciation. The Group has adopted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date i.e. 01 April, 2015.
- Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Recognition of financial assets and financial liabilities

IND AS 109 requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. In accordance with IND AS 109 “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

IND AS 101 requires a first time adopter to apply the above requirement retrospectively i.e. from the date of initial recognition of the financial asset/ liability. However, a first time adopter may find it impractical to apply the effective interest method in IND AS 109 retrospectively. If this is the case, the fair value of financial asset or liability at the date of transition to IND AS is the new gross carrying amount of that financial asset or the new amortized cost of that financial liability.

As it is impractical to apply the effective interest method in IND AS 109 retrospectively, the fair value of security deposits at the date of transition to IND AS i.e. April 1, 2015 is the new amortized cost of that financial asset.

(a) Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

	NOTES	Local GAAP	IND As adjustments	IND As
ASSETS				
Non-current assets				
Property, Plant and Equipment		2,436		2,436
Capital work-in-progress		36	-	36
Investment Property		76		76
Goodwill	(f)	681	510	1,191
Other intangible assets		2,443	-	2,443
Investment in subsidiaries and associates				-
Financial Assets				
Investments		-	-	
Trade Receivables		2,066		2,066
Other Financial Assets	(a)	360	(123)	237
Deferred tax assets (net)		809	-	809
Advance income tax		1,749		1,749
Other non current assets	(a)	1,160	70	1,230
		11,816	457	12,273
Current assets				
Inventories		4,407	-	4,407
Financial Assets				
Trade receivables		5,352		5,352
Cash and cash equivalents		2,557	-	2,557
Other Financial Assets	(a)	330	53	383
Other current assets		889	-	889
		13,535	53	13,588
Assets classified as discontinued operations				
		10,029		10,029
		35,380	510	35,890

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

EQUITY

Shareholders' funds

Equity		575	-	575
Other Equity	(b),(c) & (g)	11,331	5,630	16,961
Equity attributable to equity holders		11,906	5,630	17,536

LIABILITIES

Non-current liabilities

Financial Liabilities				
Borrowings	(g)	5,590	(4,909)	681
Other non current liabilities		542	-	542
Provisions	(b)	535	(3)	532
		6,667	(4,912)	1,755

Current liabilities

Financial Liabilities				
Borrowings		402	-	402
Trade Payables		5,287	-	5,287
Other financial liabilities		1,156	-	1,156
Other current liabilities		2,358	-	2,358
Provision for taxation (net of advances)		442	-	442
Provisions	(b)	1,112	(208)	904
		10,757	(208)	10,549
Liabilities classified as discontinued operations		6,050	-	6,050
		35,380	510	35,890

(b) Reconciliation of equity as at 31 March 2016

	NOTES	Local GAAP	IND As adjustments	IND As
ASSETS				
Non-current assets				
Property, Plant and Equipment		2,467	-	2,467
Capital work-in-progress		109	-	109
Investment Property		76	-	76
Goodwill	(f)	511	680	1,191
Other Intangible assets		1,832	-	1,832
Investment in subsidiaries and associates		36	-	36
Financial Assets				
Trade Receivables		1,688	-	1,688
Other Financial Assets	(a)	313	(109)	204
Deferred tax assets (net)		510	-	510
Advance income tax		1,751	-	1,751
Other non current assets	(a)	843	39	882
		10,136	610	10,746
Current assets				
Inventories		5,089	-	5,089
Financial Assets				-
Trade receivables		6,916	-	6,916
Cash and cash equivalents		6,383	-	6,383
Other Financial Assets	(a)	758	64	822
Other current assets	(a)	1,429	6	1,435
		20,575	70	20,645
Total Assets		30,711	680	31,391

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

EQUITY

Shareholders' funds

Equity		575		-	575
Other Equity	(b) & (c) & (f)	16,408		889	17,297
Equity attributable to equity holders			16,983	889	17,872

LIABILITIES

Non-current liabilities

Financial Liabilities					
Borrowings		158		-	158
Other non current liabilities		685		-	685
Provisions		653		-	653
			1,496	-	1,496

Current liabilities

Financial Liabilities					
Borrowings		154		-	154
Trade Payables		5,940		-	5,940
Other financial liabilities		947		-	947
Other current liabilities		3,375			3,375
Provision for taxation (net of advances)		442			442
Provisions	(b)	1,374		(209)	1,165
			12,232	(209)	12,023
Total Liabilities			30,711	680	31,391

(c) Reconciliation of total comprehensive income for the year ended 31 March 2016

	NOTES	Local GAAP	IND As adjustments	IND As
Continuing Operations				
Income				
Revenue from operations		39,735		39,735
Other income	(a)	711	18	729
Total revenue		40,446	18	40,464
Expenses				
Cost of raw materials consumed		3,816	-	3,816
Purchases of stock-in-trade		15,874	-	15,874
Changes in inventories of work-in-progress, finished goods and stock-in-trade		(523)	-	(523)
Excise duty on sale of goods		595		595
Employee benefits expense	(c)	9,617	(23)	9,594
Finance costs		658		658
Depreciation and amortisation expense		1,315	(170)	1,145
Other expenses	(a)	7,280	19	7,299
Total expenses		38,632	(174)	38,458
		1,814	192	2,006
Less : Share in profit /loss of Associate		(27)		(27)
Profit from continuing operations		1,787	192	1,979
Exceptional items		-	-	-
Profit / (loss) before tax		1,787	192	1,979
Profit / (loss) from continuing operations		1,787	192	1,979
Tax expense				
Current tax		(1,194)	-	(1,194)
Deferred tax - release / (charge)	(d)	2	5	7
Profit / (loss) after tax from continuing operations		595	197	792

Notes to Consolidated Financial Statements for the year ended 31 March 2017

				Amounts in ₹ Mln
Discontinuing Operations				
Profit / (loss) from discontinuing operations	3,208	-		3,208
Tax expense				
Current tax	(1,244)	-		(1,244)
Deferred tax - release / (charge)	133	-		133
Profit / (loss) after tax from discontinuing operations	2,097	-		2,097
Profit / (loss) for the year	2,692	197		2,889
Other comprehensive income				
Re-measurement gains / (losses) on defined benefit plans and Income tax effect on defined benefit plans (d)	-	19		19
Total comprehensive income for the period	2,692	216		2,908
Profit / (loss) + other comprehensive income)				
Profit for the year				
Attributable to:				
Equity holders of the parent	2,692	197		2,889
Non-controlling interests				
Total comprehensive income for the year				
Attributable to:				
Equity holders of the parent	2,692	216		2,908
Non-controlling interests				
Earnings per equity share (for continuing operations)				
Basic and diluted earnings per share				13.77
Earnings per equity share (for discontinuing operations)				
Basic and diluted earnings per share				

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

a) Security Deposits

Under Indian GAAP, the security deposits are valued at cost less any provision for security deposits. IND AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Security Deposit is a Financial Asset as the lease agreement gives a contractual right to the Group to receive cash. Security Deposit satisfies the contractual cash flow characteristic test as described in (a) above and it also satisfies the business model test as there is intention of hold to collect contractual cash flows. Thus the security deposits have to be valued at amortized cost. Accordingly, advance rentals amounting to INR 109 million (31 March 2015: 123 million) have been reduced from the security deposits as on 01 April, 2015. Advance Rental divided by term has been recognized as an expense in the books. Rent which will be amortized in the next one year FY 16-17 amounting to INR 6 million (31 March 2015: Nil) has been recognized as prepaid rent short term in books. Residual amounting to INR 39 million (31 March 2015: 70 million) has been classified as prepaid rent long term in opening balance sheet as on 01 April, 2015. Advance Rental expense and security deposit income amounting to INR 19 million and INR 18 million have been recognised in statement of profit and loss for the year ending March 31, 2016.

b) Provisions

Under Indian GAAP, the Group has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost. This led to a decrease in provision on the date of transition by ₹ 3 and which was adjusted against retained earnings.

Under Indian GAAP, proposed dividends including Dividend Distribution Tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In the case of the Group, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 208 for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of ₹ 208 recognized under Indian GAAP was reduced from other payables and with a corresponding impact in the retained earnings.

c) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 23 and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

d) Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income ₹ 19 (net of tax))

e) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

f) Goodwill

Goodwill was amortised over 8 years under previous Indian GAAP. Under IND AS, in accordance with IND AS 103, Business Combinations, the group has elected to apply the IND AS for the business combinations retrospectively from acquisition date i.e., February 21, 2011. Accordingly, goodwill has been reinstated at its original fairvalue and the amortized value of ₹ 680 (April 1, 2015 - ₹ 510) was recorded to equity. The goodwill amortised in profit and loss for the year 2015-16 is ₹ 170.

g) Compulsorily convertible Debentures (CCDs)

The Group has issued CCDs, which carried interest at rate of 10%. Under Indian GAAP, the CCDs were classified as borrowings.

Under IND AS, CCDs are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the value of CCDs is reduced by ₹ Nil (April 1, 2015: ₹ 4,909) with a corresponding increase in Other equity representing the equity component embedded in CCDs.

48 Buyback of equity shares

The Board of Directors of the PKAPL, in their meeting held on May 24, 2016, approved a proposal to buy back equity shares of the PKAPL, subject to approval by the PKAPL's shareholders, for an aggregate amount not exceeding 25% of the paid up share capital and free reserves as at March 31, 2016 and at a price not exceeding ₹ 79.50 per equity share. The plan involved the purchase of such shares from Koninklijke Philips N.V. (KPNV) pursuant to Article 11 of the Articles of Association, subject to consent of the equity and preference shareholders and in accordance with the provisions of sections 68, 69 and 70 of the Companies Act, 2013 read with rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions, if any, of the Companies Act, 1956 and/ or Companies Act, 2013 (to the extent applicable). The shares bought back under this plan were required to be extinguished in accordance with the provisions above mentioned provisions.

The PKAPL's shareholders approved the buyback plan on June 02, 2016, and the same was ended on June 14, 2016. Under this plan, the Company bought back and extinguished 11,874,213 equity shares for an aggregate purchase price of ₹ 944, valuing each equity share at ₹ 79.50.

49 Capital Reduction

The Board of Directors of the PKAPL, in their meeting held on May 24, 2016, approved a proposal for reducing the capital of the PKAPL, pursuant to Article 10 of the Articles of Association of the PKAPL and pursuant to the provisions of Sections 100

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mln

to 104 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/ or Companies Act, 2013 (to the extent applicable), and subject to the approval of the shareholders by a special resolution; sanction of the Hon'ble High Court of Judicature at Bombay and any other statutory authorities, as the case may be.

The proposal was approved for reducing the paid up equity share capital of PKAPL by reduction of the equity shares held by Koninklijke Philips N.V. (KPNV) post the buy back of equity shares by PKAPL becoming effective, at a consideration of ₹ 79.50 per equity share of ₹ 10 each so cancelled and extinguished.

The Shareholders approved the proposal on July 21, 2017 and the Hon'ble Mumbai High Court had accorded its approval for the reduction of capital, in the hearing in the matter held on September 29, 2016.

Pursuant to the order, the share capital of PKAPL was reduced to the extent of the shares held by Koninklijke Philips N.V. i.e. 35,082,309 equity shares. Pursuant to the reduction of KPNV's shares, PKAPL remitted to KPNV an aggregate amount of ₹ 2,789 @ ₹ 79.50 per share, which includes a premium of ₹ 69.50 per share. Due to the above transaction, there was a gain of ₹ 1,667 which is shown as a part of retained earnings.

50 Statutory Group Information

I. For March 31, 2017

A. The Company, its subsidiaries (jointly referred to as the 'Group' herein under) and its associate considered in these consolidated financial statements are:

a) Subsidiaries

Name of the Companies	Country of Incorporation	% voting power held as at 31st March, 2017
a. Preethi Kitchen Appliances Private Limited	India	100
b. Philips Homecare Services India Private Limited	India	100

b) Associate

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2017
Healthmap Diagnostics Private Limited	India	35

B. Share of the parent company and subsidiary in Net Assets and Share in Profit or Loss, Share in other Comprehensive Income is as follows:

b)	Net Assets		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	(Total Assets - Total Liabilities)							
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent Company								
Philips India Limited	127%	20,025	109%	2,064	86%	(12)	109%	2,052
Subsidiary								
Preethi Kitchen Appliances Private Limited	21%	3,355	(3%)	(64)	29%	(4)	(4%)	(68)
Philips Homecare Services India Private Limited	-	10	(3%)	(52)	(14%)	2	(3%)	(50)
Total eliminations	(48%)	(7,580)	(3%)	(58)	-	-	(3%)	(58)
Total	100%	15,810	100%	1,890	100%	(14)	100%	1,876

Notes to Consolidated Financial Statements for the year ended 31 March 2017

Amounts in ₹ Mn

II. For March 31, 2016

A) The Company, its subsidiary (jointly referred to as the 'Group' herein under) and its associate considered in these consolidated financial statements are:

a) Subsidiaries

Name of the Companies	Country of Incorporation	% voting power held as at 31st March, 2016
Preethi Kitchen Appliances Private Limited	India	51.2%

b) Associate

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2016
Healthmap Diagnostics Private Limited	India	35

B. Share of the parent company and subsidiary in Net Assets and Share in Profit or Loss, Share in other Comprehensive Income is as follows:

b)	Net Assets		Share in Profit or Loss		Share in other Comprehensive income		Share in total Comprehensive income	
	(Total Assets - Total Liabilities)							
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent Company								
Philips India Limited	121%	18,181	137%	3,966	42%	8	137%	3,974
Subsidiary								
Preethi Kitchen Appliances Private Limited	30%	4,458	(36%)	(1,045)	58%	11	(36%)	(1,034)
Total eliminations	(51%)	(7,650)	(1%)	(32)	-	0	(1%)	(32)
Total	100%	14,989	100%	2,889	100%	19	100%	2,908

51 Disclosure on specified Bank Notes

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016		1	1
(+) Permitted receipts		18	18
(-) Permitted Payments		-	-
(-) Amount deposited in Banks		19	19
Closing cash in hand as on 30.12.2016		-	-

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

53 Figures relating to April 1, 2015 (date of transition) has been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

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

Manoj Kumar Gupta
Partner
Membership No.: 83906

Place: New Delhi
Date: July 18, 2017

For and on behalf of the Board
Chairman

Managing Director

Director & CFO

Director & Company Secretary

Non-Executive Director

Place: New Delhi
Date: July 18, 2017

S.M.DATTA
(DIN: 00032812)
V. RAJA
(DIN: 00669376)
HARIHARAN MADHAVAN
(DIN: 07217072)
RAJIV MATHUR
(DIN: 06931798)
GEETU GIDWANI VERMA
(DIN: 00696047)

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented)

1. Sl. No. : 1
 2. Name of the subsidiary: **Preethi Kitchen Appliances Private Limited**
 3. The date since when subsidiary was acquired: **April 7, 2011**
 4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
 5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: **NA**
 6. Share capital: ₹ **952 Million**
 7. Reserves & surplus: ₹ **2,403 Million**
 8. Total assets: ₹ **4,499 Million**
 9. Total Liabilities: ₹ **4,499 Million**
 10. Investments: **NIL**
 11. Turnover: ₹ **5,880 Million**
 12. Profit/(Loss) before taxation: ₹ **(68) Million**
 13. Provision for taxation: **NIL**
 14. Profit/(Loss) after taxation: ₹ **(68) Million**
 15. Proposed Dividend: **NIL**
 16. % of shareholding: **100%**
1. Sl. No. : 2
 2. Name of the subsidiary: **Philips Home Care Services India Private Limited**
 3. The date since when subsidiary was acquired: **May 25, 2016**
 4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **May 25, 2016 to March 31, 2017**
 5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: **NA**
 6. Share capital: ₹ **60.50 Million**
 7. Reserves & surplus: ₹ **(50.18) Million**
 8. Total assets: ₹ **56.47 Million**
 9. Total Liabilities: ₹ **56.47 Million**
 10. Investments: **NIL**
 11. Turnover: ₹ **9.18 Million**
 12. Profit/(Loss) before taxation: ₹ **(50.18) Million**
 13. Provision for taxation: **NIL**
 14. Profit/(Loss) after taxation: ₹ **(50.18) Million**
 15. Proposed Dividend: **NIL**
 16. % of shareholding: **100%**

Names of subsidiaries which are yet to commence operations: **NA**

Names of subsidiaries which have been liquidated or sold during the year: **During the year your Company did not liquidate or sell any of its subsidiary Companies**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. Sl. No. : 1
2. Name of associates/Joint Ventures: **HealthMap Diagnostics Private Limited**
 - I. Latest audited Balance Sheet Date: **March 31, 2017**
 - II. Date on which the Associate or Joint Venture was associated or acquired: **April 6, 2015**
 - III. Shares of Associate / Joint Ventures held by the company on the year end
 - a) Number of shares: **11,300,000**
 - b) Amount of Investment in Associates/Joint Venture: ₹ **113 Million**
 - c) Extend of Holding %: **35%**
3. Description of how there is significant influence: **HealthMap Diagnostics Private Limited ("HealthMap") is an Associate company of Philips India Limited. HealthMap has three directors on the Board out of which two Directors are representatives of Manipal Health Enterprises Private Limited and one Director is a representative of Philips India Limited, who is also an employee of the Company and any resolution in the Board of HealthMap can be passed by simple majority, Philips India Limited does not participate in the day to day operations of HealthMap. Hence, it can be concluded that the Company has a significant influence over HealthMap but has no control over the same. Accordingly, HealthMap has been considered as an Associate company of Philips India Limited, for the purposes of Consolidated Financial Statements.**
4. Reason why the associate/joint venture is not consolidated: **As detailed in point 3 above, Philips India Limited has significant influence over HealthMap but has no control over the same, HealthMap is considered as its Associate Company. Accordingly, the financial statements of HealthMap, being an Associate of Philips India Limited are not proportionally consolidated in the Consolidated Financial Statements of the Company. Further, the results of HealthMap for the financial Year 2016-17 have been incorporated in line with Indian Accounting Standard (Ind AS) 28 - Investments in Associates and Joint Ventures, issued by the Ministry of Corporate Affairs (MCA).**
5. Net worth attributable to shareholding as per latest audited Balance Sheet: ₹ **89.19 Million**
6. Profit/(Loss) for the year: ₹ **(156.18) Million**
 - I. Considered in Consolidation: ☒
 - II. Not Considered in Consolidation

Names of associates or joint ventures which are yet to commence operations: **NA**

Names of associates or joint ventures which have been liquidated or sold during the year: **During the year your Company did not liquidate or sell any of its Joint Venture Company**

Chairman

Managing Director

Director and CFO

Director and Company Secretary

Non-Executive Director

For and on behalf of the Board

S. M. Datta

(DIN: 0032812)

V. Raja

(DIN: 00669376)

Hariharan Madhavan

(DIN: 07217072)

Rajiv Mathur

(DIN: 06931798)

Geetu Gidwani Verma

(DIN: 00696047)

Place: New Delhi

Date: July 18, 2017

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
8th Floor, 9B Cyber City.
DLF Phase 3, Gurgaon - 122 002, Haryana
Tel.: 91-124-460 6000, Fax : 91-124-460 6666

Northern Region

Philips India Limited
8th Floor, 9B Cyber City.
DLF Phase 3, Gurgaon - 122 002, Haryana
Tel.: 91-124-460 6000, Fax : 91-124-460 6666

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,
Boomerang, B2 Wing, 5th Floor, Unit No. 506,
Chandivali Farm Road, Near Chandivali Studio,
Andheri (East) Mumbai - 400 072
Tel.: 91- 022-6691200

Southern Region

Philips India Ltd
3rd Floor, Western Block, Sunny Side,
Municipal Door No. 8/17, Shafee Mohammed Road,
Rutland Gate, Chennai - 600006
Tel.: 91-44-66501000

Royal Philips

Koninklijke Philips N.V.
Philips Center, Amstelplein2
1096 BC Amsterdam,
P.O. Box 77900
1070 MX Amsterdam,
The Netherlands
Tel.: 31-20-597 7777

PHILIPS INDIA LIMITED

ANNEXURE TO DIRECTORS' REPORT

Particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and forming part of the Directors Report for the year ended March 31, 2017

a) Employed throughout the financial year and in receipt of the remuneration exceeding One Crore and Two Lacs Rupees per annum

NAME	QUALIFICATION	DATE OF JOINING	DESIGNATION	PREVIOUS EMPLOYER	EXPERIENCE (YEARS)	AGE (Years)	REMUNERATION GROSS (₹)
A D A Ratnam	ACA, ACS, B.COM	1-Nov-04	Sector Market Leader PH – Indian Subcontinent	AF Ferguson	28	50	2,61,88,432
Abhimanyu Kulkarni	M.TECH	14-Aug-89	Director, Design Operations & Delivery	O&M Advertising	31	54	1,31,73,245
Ajit Kumar	PGDM	4-May-09	HR Business Partner – India Market	Yes Bank	21	46	1,45,55,039
Arvind Vaishnav	MBA	10-Oct-11	Sr. Director, Business Leader Value Segment	Wipro GE Medical Systems	20	46	1,10,60,402
Bhaskar V Cholasamudram	B.TECH	15-Jul-13	Market IT Services Manager	IBM India Pvt. Ltd.	19	47	1,07,78,304
Deepak Shetty	MBA	21-May-09	Sr. Director - HR	NESTLE	20	48	1,52,86,243
Geetha M	Bachelor in Science & Engineering	8-May-00	Department Head, Digital Health, Personal Care	Subex Systems Ltd.	29	54	1,03,84,257
Hariharan Madhavan	CA, CS	29-Jan-98	Director and CFO	Ashok Leyland Limited	28	51	3,00,98,828
Jitesh Mathur	B.E.	1-Aug-01	National Sales Head, Health Systems, India	KLB Instruments Co. India Pvt. Ltd.	25	47	1,19,26,024
Kalavathi Gv	B.E.	5-Feb-07	Head of O2C BG Healthcare Informatics	Wipro Ge Healthcare Pvt Ltd	21	48	1,67,54,401
Kr Shivakumar	B.E.	3-Nov-97	Chief Architect	PCL Mindware	25	49	1,61,97,435
Krishnakumar A	MBA	1-Jun-10	BG Leader, Emerging Businesses	Johnson & Johnson Medical (China) Ltd	24	45	1,12,16,410
Marcel Gils	B.Sc – Applied Physics, M. Sc.	1-Sep-14	Global Marketing Leader - MoS	Philips Healthcare	17	1	1,36,77,670
Priyank Agarwal	MBA	14-Jun-11	Head of Strategy & NBD India	Honeywell India	19	43	2,37,22,029
Radhakrishnan Kodakkal	B.TECH, MS	1-Apr-09	Senior Director - R&D	Philips Netherlands	23	45	1,32,70,599
Rajiv Mathur	B.COM (H), M.COM, LLB, FCS, AMIMA, PGD(PM&IR)	22-May-13	Director and Company Secretary	Max Life Insurance Co. Ltd	29	58	1,58,36,523
Rani Malli	MSC	22-Jan-03	Senior Director - BEQM	Motorola India Electronics Ltd	26	51	1,45,52,714
Raveendran Gandhi	B.E.	16-Aug-11	Senior Director - Radiology	GE Healthcare	28	52	1,33,87,284
Ravi Ramaswamy	M.TECH	23-Sep-10	Senior Director	Wipro GE Healthcare	32	56	1,68,48,730
Rupendra Yadav	MBA	3-Nov-14	Senior Director	Pepsico India Holdings Pvt Ltd	17	43	1,13,94,649
Shanthi Padmanabhan	B.E., PGDCA	1-Apr-10	Head of BT/IT Market, Indian Subcontinent	IBM India	31	53	1,65,00,840
Shekar R	B.E., PGDM	11-Feb-13	Senior Director DXR Fixed Segment	GE Healthcare	17	50	1,08,73,423
Srinivas Prasad	MBA	25-Aug-11	Head of PIC	Indian Telephone Industries	34	57	2,39,95,089
Sriram Venkatasubramaniam	ACA, ACS, B.COM	15-Nov-12	Head of Delivery Center	Wipro	18	45	1,03,77,610
Sudeep Agrawal	MBA	1-Nov-13	Head of Audit - BGs PH, Indian Subcontinent	Philips Netherlands	24	45	1,06,79,564
Sudhakar Mairpadi	PGDM	13-Mar-09	Director – Quality and Regulatory, Markets	INDIA MENTRONICS PVT LTD	27	49	1,04,16,606
V. Raja	CA, CS	30-Nov-15	Vice-Chairman and Managing Director	TE Connectivity India Private Ltd	37	60	5,86,67,017

b) Employed for part of the financial year and in receipt of the remuneration not less than Rs. Eight Lacs Fifty Thousand per month

Aman Kumar Singhal	B.TECH	1-Aug-13	Head of Delivery Orchestration Office (DOO)	Infosys Limited	19	45	39,61,603
Amar Sojwal Vora	B.E., MBA	10-Dec-10	Procurement Program Manager	GE Medical System	23	46	58,39,606
Amit Kumar Sharma	B.E., MBA	14-Dec-10	Director	Johnson & Johnson Ltd. (Medical Division)	17	42	22,05,267
Amit Mehrotra	MBA	1-Oct-03	Branch Manager - NCR - DAPC Org	GE Lighting India Ltd	14	39	29,85,537
Ananth Annaswamy	MBA	7-Sep-16	Segment Leader Mobile DxR	India Medtronic Private Limited	23	47	56,03,115
Ananth Srinivasan	B.E.	15-Feb-17	Program Manager	Sidra Medical And Research Center	21	42	12,29,886
Anil Dua	M.COM, PGDM	10-Apr-09	Director Sales, Personal Health	Subhiksha	16	40	1,29,92,864
Anuj Dutt	M.A. (PM&IR)	16-Jun-14	HR Business Partner - Global Hub	TV 18 Broadcast Ltd	17	40	43,00,844
Arun Kumar Sharma	B.COM	19-Mar-84	Assistant Controller Commercial B2C	Allahabad Bank	37	58	63,68,132
Chhitiz Kumar	PGDM	1-Jul-11	Head of PC - Indian Subcontinent and MET	GE Capital	20	44	42,50,976
Dipti Shah Jagdev	B.A.	6-Dec-16	Senior Director, PC	Hindustan Unilever Limited	15	38	33,46,749
G Mohan	PMS, BSC	1-Sep-98	Sales/Business Development Manager	Indchem Electronics	33	57	1,14,93,413
Mouneshwar Garag	B.E.	6-Feb-17	Senior System Architect	Tp vision India Pvt Ltd	17	39	11,23,004

ANNEXURE TO DIRECTORS' REPORT

Particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and forming part of the Directors Report for the year ended March 31, 2017

b) Employed for part of the financial year and in receipt of the remuneration not less than Rs. Eight Lacs Fifty Thousand per month

Moushumi Dutt	PG.D.C.A.	13-Mar-07	Head of Communications	Media Communication Systems	26	48	1,86,59,137
R S Thiagarajan	M.E.	13-Sep-06	Sales Specialist US	Mafoi	33	61	19,07,391
R Sridharan	MSC	1-Sep-98	Senior Director - Sales	ATL India Ltd	30	56	2,76,38,520
Palakodeti Ramchandra Rao	B.TECH, PGDBA	18-Nov-13	Director - PH Operations	Philips Morris	32	54	1,14,61,067
Rekha Ranganathan	MBA	10-Oct-11	Business Leader – HIC	Boston Sainti	20	45	1,39,23,143
Sanjay Suresh Bapna	B.E.	1-Aug-01	Head - Philips Bangladesh	Hewlett Packard	30	56	2,07,40,764
Sathya Balasubramanian	MSC	21-Aug-06	Head Infrastructure Operations & Integration	Hewlett Packard	21	50	80,15,210
Shara Senior	MBA	1-Jan-15	Sr Product Manager	Philips Netherlands	14	39	12,54,228
Srikanth Muthya	B.E., PGDBA	21-Mar-12	Director	GE Healthcare	20	41	75,60,329
Swastika Johorey	BSC, MCA	3-Jan-08	General Manager – IT	Pepsico India Holdings Pvt Ltd	15	45	10,44,224
Udit Kumar Goyal	BE, M.Tech, PGDM	5-Apr-11	HHS Head	Mars Telecom	17	40	44,22,444
Vasudeva Venkateshaiah	B.E.	6-Feb-17	CIOP Cloud Platform Expert	Microsoft	19	42	13,73,017
Vinayak Harishchandrakar	B.E.	23-Jan-17	Head - Infra, Ops & Integration – ITGS	Tesco	22	47	18,52,604

Particulars of top 10 employees in terms of remuneration forming part of the Directors Report for the year ended March 31, 2017
(Pursuant to notification dated June 30, 2016 issued by MCA)

S.No.	NAME	QUALIFICATION	DATE OF JOINING	DESIGNATION	PREVIOUS EMPLOYER	EXPERIENCE (YEARS)	AGE (Years)	REMUNERATION GROSS (₹)
1	V. Raja	CA, CS	30-Nov-15	Vice-Chairman and Managing Director	TE Connectivity India Private Ltd	37	60	5,86,67,017
2	Hariharan Madhavan	CA, CS	29-Jan-98	Director and CFO	Ashok Leyland Limited	28	51	3,00,98,828
3	R Sridharan	MSC	1-Sep-98	Senior Director - Sales	ATL India Ltd	30	56	2,76,38,520
4	A D A Ratnam	ACA, ACS, B.COM	1-Nov-04	Sector Market Leader PH – Indian Subcontinent	AF Ferguson	28	50	2,61,88,432
5	Srinivas Prasad	MBA	25-Aug-11	Head of PIC	Indian Telephone Industries	34	57	2,39,95,089
6	Priyank Agarwal	MBA	14-Jun-11	Head of Strategy & NBD India	Honeywell India	19	43	2,37,22,029
7	Sanjay Suresh Bapna	B.E.	1-Aug-01	Head - Philips Bangladesh	Hewlett Packard	30	56	2,07,40,764
8	Moushumi Dutt	PG.D.C.A.	13-Mar-07	Head of Communications	Media Communication Systems	26	48	1,86,59,137
9	Ravi Ramaswamy	M.TECH	23-Sep-10	Senior Director	Wipro GE Healthcare	32	56	1,68,48,730
10	Kalavathi Gv	B.E	5-Feb-07	Head of O2C BG Healthcare Informatics	Wipro Ge Healthcare Pvt Ltd	21	48	1,67,54,401

