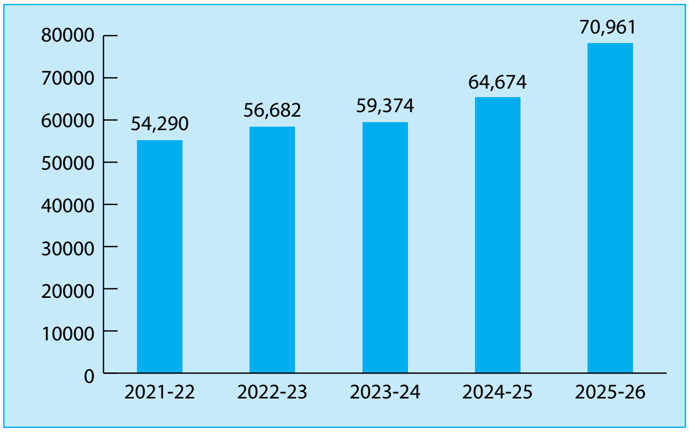
PHILIPS

Impact with Care

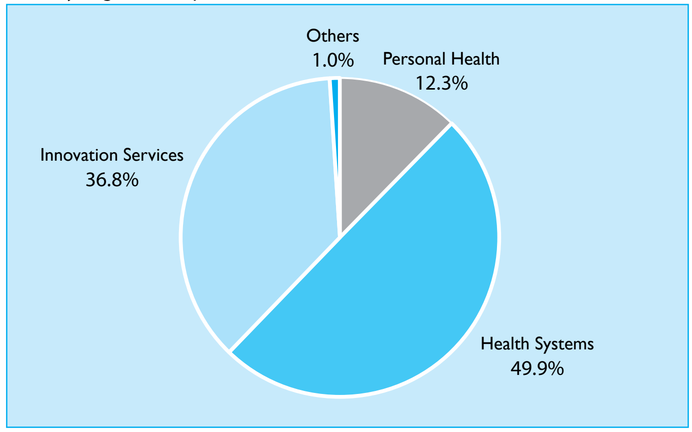
Annual Report 2025-26

PHILIPS INDIA LIMITED

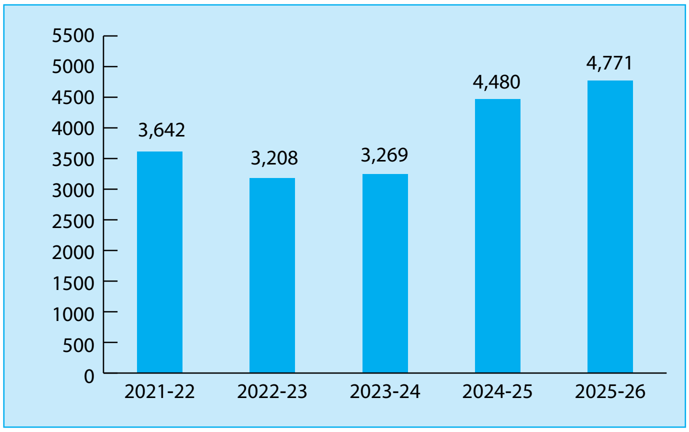
Sales ₹ in Mln



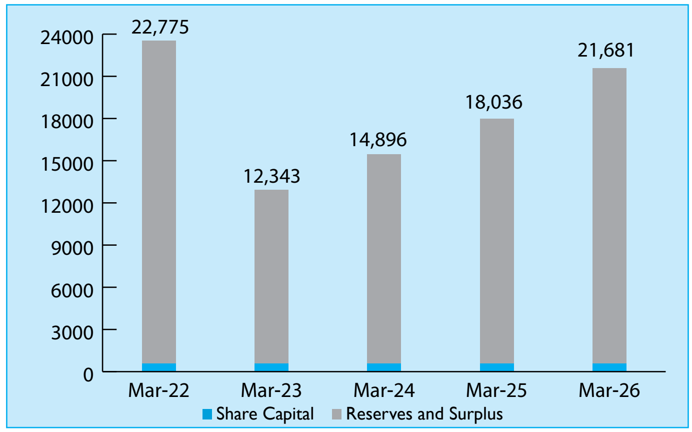
Sales by Segments- Apr 2025 - Mar 2026



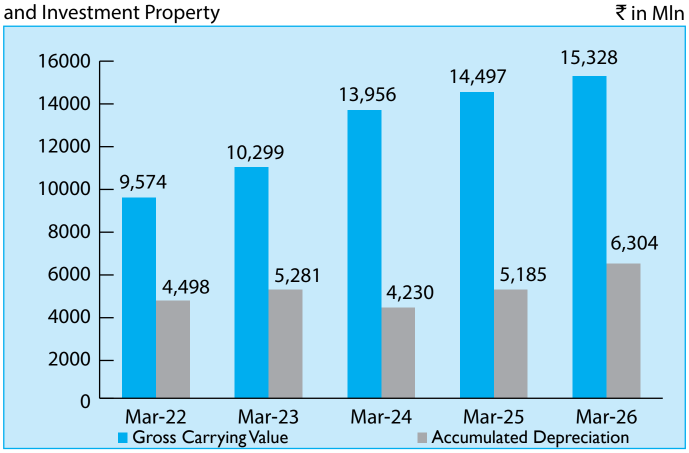
Profit Before Tax ₹ in Mln



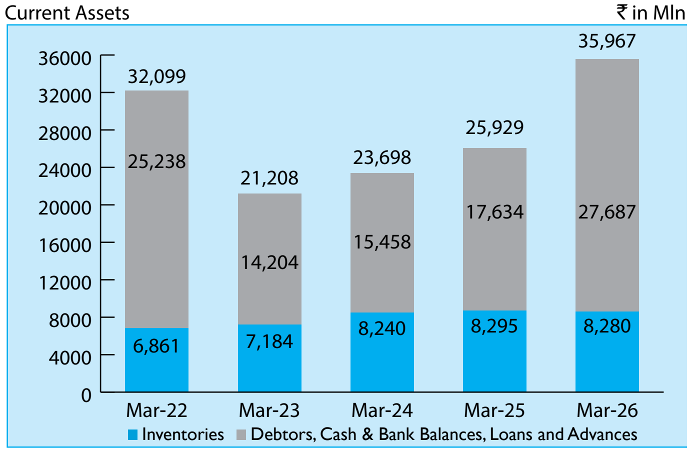
Net Worth ₹ in Mln



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



Current Assets ₹ in Mln



PHILIPS INDIA LIMITED

CONTENTS

Annual General Meeting on Tuesday, September 22, 2026 at 11.30 a.m.
through Video Conference (VC) / Other Audio Visual Means (OAVM)
For detailed procedure for joining the meeting through VC/OAVM and other relevant information, please refer to the AGM Notice that forms part of the Annual Report.

BOARD OF DIRECTORS

Chairman and Non-Executive Independent Director

Angarai Dorairajan Aditya Ratnam

Managing Director

Bharath RamRaman Sesha

Whole - time Director

Harish Chawla

Whole - time Director and Chief Financial Officer (hold office upto 09 August 2026)

Dev Kumar Tripathy

Non-Executive Independent Directors

Indu Ranjit Shahani

Sunil Sayal

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP

Chartered Accountants

BANKERS

Citibank N.A.

State Bank of India

HDFC Bank Limited

BNP Paribas

REGISTERED OFFICE

Rajarhat, 4A, 5th Floor, Ecospace Business Park, Premises, AA II,

Newtown, Kolkata, Chakpachuria, Kolkata West Bengal- 700156, India

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 96th Annual General Meeting of PHILIPS INDIA LIMITED ("the Company") will be held on Tuesday, 22nd September 2026 through Video Conference / Other Audio Visual Means at 11:30 a.m. The venue of the meeting shall be deemed to be at the registered office of the Company at Rajarhat, 4A, 5th Floor, Ecospace Business Park, premises, AA II, Newtown, Chakpachuria, Kolkata, West Bengal 700156 India to transact the following businesses:

ORDINARY BUSINESS:

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

1. To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, including the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss for the year ended on that date, Cash Flow Statement and Statement of Change in Equity for the financial year ended March 31, 2026 and the reports of the Auditors and Directors thereon.

2. To appoint a Director in the place of Mr. Harish Chawla (DIN: 07958339), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

3. To appoint M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016), as Statutory Auditors of the Company and to fix their remuneration;

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

   "**Resolved that** pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, (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 Board of Directors, M/s. Price Waterhouse Chartered Accountants LLP, (Firm Registration Number: 012754N/N500016), be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the One Hundred and First (101st) Annual General Meeting of the Company, at such remuneration plus applicable taxes, out-of-pocket, travelling and other expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. SUNIL SAYAL AS AN INDEPENDENT DIRECTOR (DIN: 00709793).

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

   "**Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in accordance with the provisions of the Article of Association of Company, Mr. Sunil Sayal holding DIN: 00709793, who was appointed as an Additional Director (in the category of Non-Executive Independent Director) of the Company under Section 149 & 161 of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, by the Board of Directors effective from May 25, 2026 and who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom Nomination and Remuneration Committee has recommended his candidature for the office of the Director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five years, with effect from May 25, 2026.

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

5. REVISION IN REMUNERATION OF MR. BHARATH RAMRAMAN SESHA, MANAGING DIRECTOR OF THE COMPANY

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

"**Resolved that** in partial modification of the resolution passed by the Shareholders in the 94th Annual General Meeting held on September 27, 2024 and the 95th Annual General Meeting held on September 23, 2025 and 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, 198, 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. Bharath RamRaman Sesha, Managing Director, having DIN 01983066, for the period beginning from April 01, 2026 to July 31, 2026 and with effect from August 01, 2026, onwards 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. Bharath RamRaman Sesha.

Resolved further that in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Bharath RamRaman Sesha holding office as Managing Director, the remuneration and perquisites set out in the Explanatory Statement 5 annexed hereto, be paid or granted to Mr. Bharath RamRaman Sesha as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re-enactment(s) thereof.

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

6. REVISION IN REMUNERATION OF MR. DEV KUMAR TRIPATHY, WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

"**Resolved that** in partial modification of the resolution passed by the Shareholders in the 94th Annual General Meeting held on September 27, 2024 and the 95th Annual General Meeting held on September 23, 2025, 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. Dev Kumar Tripathy, having DIN 10373357, Whole-time Director and Chief Financial Officer, to take effect from April 01, 2026 to August 09, 2026, 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. Dev Kumar Tripathy.

Resolved further that in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Dev Kumar Tripathy holding office as Whole-time Director and Chief Financial Officer, the remuneration and perquisites set out in the Explanatory Statement 6 annexed hereto, be paid or granted to Mr. Dev Kumar Tripathy as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re-enactment(s) thereof.

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

7. **REVISION IN REMUNERATION OF MR. HARISH CHAWLA, WHOLE-TIME DIRECTOR OF THE COMPANY**

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

"**Resolved that** in partial modification of the resolution passed by the Shareholders in the 94th Annual General Meeting held on September 27, 2024 and the 95th Annual General Meeting held on September 23, 2025, 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. Harish Chawla, Whole-time Director bearing DIN: 07958339, to take effect from April 1, 2026, 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. Harish Chawla.

Resolved further that in the event of loss or inadequacy of profits in the Company in any financial year during the term of Mr. Harish Chawla holding office as Whole-time Director, the remuneration and perquisites set out in the Explanatory Statement 7 annexed hereto, be paid or granted to Mr. Harish Chawla as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances shall not, unless approved by the Central Government, exceed the ceiling as provided in Schedule V to the Companies Act, 2013 or any equivalent statutory re-enactment(s) thereof.

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

8. **APPROVAL OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

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

"**Resolved that** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and on the recommendation of Audit Committee and approval by the Board, the Members of the Company hereby approves the remuneration/professional fee of INR 8,74,000/-(Rupees Eight Lacs and Seventy Four Thousand only) plus applicable taxes and out of pocket expenses incurred by them in connection with the cost audit for the year ending 31, March 2027, payable to M/s. R. Nanabhoy & Company, Cost Accountants, having registration number 7464 who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audit relating to cost records of the Company for the year ending March 31, 2027.

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
For Philips India Limited

Swati Batra
Company Secretary
Membership No: A23592
Address: 4th Floor unit no-
402 Worldmark-3, Sector-65
Gurugram -122018 Haryana.

Date : August 06, 2026
Place : Gurugram

EXPLANATORY STATEMENT

Under Section 102 of the Companies Act, 2013

ITEM NO. 4

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Sunil Sayal (DIN: 00709793) as an Additional Independent Director of the Company in its meeting held on May 25, 2026, up till the date of ensuing General Meeting.

The Nomination and Remuneration Committee has recommended the candidature of Mr. Sunil Sayal as Independent Director of the Company. Mr. Sunil Sayal is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Further on the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of the Articles of Association of the Company, the Board of Directors has recommended the appointment of Mr. Sunil Sayal as an Independent Director, for approval of the shareholders of the Company.

The brief profile of Mr. Sunil Sayal is given below:

Mr. Sunil Sayal is a finance veteran, with deep expertise in the telecom infrastructure sector. He has led finance functions, and has also served on the Boards of Nokia and Ericsson in India.

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

The matter regarding appointment of Mr. Sunil Sayal as Independent Director was placed before the Nomination and Remuneration Committee, which recommended his appointment as an Independent Director for a period of five years up to May 24, 2031.

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

Your Directors recommend the resolution set forth in Item No. 4 for the approval of the members. Except Mr. Sunil Sayal, being the appointee, none of the Directors or Key Managerial Personnel of the Company and their relatives is interested or concerned, financially or otherwise in the resolution as set out at Item No. 4.

ITEM NO. 5

The Board of Directors at their meeting held on August 7, 2024, pursuant to the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Bharath RamRaman Sesha as a Managing Director of the Company, for a period of 5 years, with effect from September 1, 2024, which was approved by the shareholders of the Company at the Ninety Fourth Annual General Meeting of the Company held on September 27, 2024. Subsequently, his remuneration was revised and approved by shareholders in the 95th Annual General Meeting based on his performance.

As per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors accorded its approval on May 25, 2026, for revision in remuneration payable to Mr. Bharath RamRaman Sesha with effect from April 01, 2026, for the approval of the members.

The details of the present remuneration paid to Mr. Bharath RamRaman Sesha, along with the proposed remuneration effective from April 01, 2026, to July 31, 2026, are as below:

Particulars of Remuneration	**Existing Remuneration**	**Revised Remuneration payable for the period beginning from April 01, 2026, to July 31, 2026**
Salary	INR 2,907,857.33 per month aggregating to INR 34,894,288 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 2,907,857.33/- per month includes: Basic Salary: 1,017,750.07 per month House Rent Allowance: 508,875.03 per month Flexible Benefit Plan: 1,210,148.45 per month Provident Fund: 122,130.01 per month Gratuity: 48,953.78 per month	INR 3,287,773.17 per month aggregating to INR 39,453,278.01 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 3,287,773.17/- per month includes: Basic Salary: 1,150,720.61 per month House Rent Allowance: 575,360.30 per month Flexible Benefit Plan: 591,799.17 per month Conveyance: 747,968.40 per month Provident Fund: 138,086.47 per month Gratuity: 83,838.22 per month
Variable Performance Linked Bonus	40% of Base Pay (INR 13,957,715.2) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	40% of Base Pay (INR 15,781,311.2) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013, LTI and other perquisites including Shares (as per global LTI plan) continue to be paid as per appointment letter and Rules of the Company as amended from time to time. Mr. Bharath RamRaman Sesha shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	

Further, the Nomination and Remuneration Committee, at its meeting held on August 06, 2026, reviewed and reassessed the remuneration of Mr. Bharath RamRaman Sesha, having regard to market replacement cost and prevailing market standards and his contribution to Company's business growth. Thereafter, the Committee recommended an increase in Mr. Bharath RamRaman Sesha's remuneration, which was subsequently approved by the Board of Directors, at its meeting held on August 06, 2026, and is put before the Shareholders for approval.

The details of the revised remuneration payable to Mr. Bharath RamRaman Sesha with effect from August 01, 2026 are as below:

Particulars of Remuneration	**Revised Remuneration payable w.e.f August 01, 2026**
Salary	INR 36,16,550.48 per month aggregating to INR 4,33,98,605.80 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 36,16,550.48/- per month includes: Basic Salary: 1,265,792.67 per month House Rent Allowance: 632,896.34 per month Flexible Benefit Plan: 650,979.09 per month Conveyance: 822,765.24 per month Provident Fund: 151,895.12 per month Gratuity: 92,222.04 per month

Particulars of Remuneration	Revised Remuneration payable w.e.f August 01, 2026
Variable Performance Linked Bonus	40% of Base Pay (INR 17,359,442.32) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013, LTI and other perquisites including Shares (as per global LTI plan) continue to be paid as per appointment letter and Rules of the Company as amended from time to time. Mr. Bharath RamRaman Sesha shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.

The resolution for revision in remuneration of Mr. Bharath RamRaman Sesha is appropriate and in the best interests of the Company.

Except Mr. Bharath RamRaman Sesha, 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.5.

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

ITEM NO. 6

The Board of Directors at their meeting held on October 31, 2023, appointed Mr. Dev Kumar Tripathy as Chief Financial Officer of the Company upon the recommendation of the Nomination and Remuneration Committee. The Board of Directors, at their meeting held on December 15, 2023, had appointed Mr. Dev Kumar Tripathy as a Whole-time Director of the Company, for a term of five years with effect from December 15, 2023, which was approved by the shareholders of the Company at the Ninety Fourth Annual General Meeting of the Company held on September 27, 2024. Subsequently, his remuneration was revised and approved by shareholders in the 95th Annual General Meeting based on his performance.

As per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors accorded its approval on May 25, 2026, for revision in remuneration payable to Mr. Dev Kumar Tripathy with effect from April 01, 2026, for the approval of the members. Mr. Dev Kumar Tripathy has tendered his resignation from the office of Whole-time Director and Chief Financial Officer of the Company w.e.f. August 09, 2026.

The details of the present remuneration paid to Mr. Dev Kumar Tripathy along with the proposed remuneration are as below:

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 01, 2026 to August 09, 2026
Salary	INR 1,200,288 per month aggregating to INR 14,403,452 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 1,200,288 /- per month includes: Basic Salary: 420,101 per month House Rent Allowance: 210,050 per month Flexible Benefit Plan: 499,518 per month Provident Fund: 50,412 per month Gratuity: 20,207 per month	INR 1,260,302 per month aggregating to INR 15,123,625 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 1,260,302/- per month includes: Basic Salary: 441,106 per month House Rent Allowance: 220,553 per month Flexible Benefit Plan: 226,854 per month Conveyance: 286,719 per month Provident Fund: 52,933 per month Gratuity: 32,138 per month

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 01, 2026 to August 09, 2026
Variable Performance Linked Bonus	25% of Base Pay (INR 3,600,863) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	25% of Base Pay (INR 3,780,906.25) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013, LTI and other perquisites including Shares (as per global LTI plan) continue to be paid as per appointment letter and Rules of the Company as amended from time to time. Mr. Dev Kumar Tripathy shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	

The resolution for revision in remuneration of Mr. Dev Kumar Tripathy is appropriate and as per the policy of the Company.

Except Mr. Dev Kumar Tripathy, 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.

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

ITEM NO. 7

Mr. Harish Chawla was appointed as Whole-time Director with effect from July 18, 2024, for a term of five years which was approved by the shareholders of the Company at the Ninety Fourth Annual General Meeting of the Company held on September 27, 2024. Subsequently, his remuneration was revised and approved by shareholders in the 95th Annual General Meeting based on his performance.

As per annual performance review process followed by the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors accorded its approval on May 25, 2026, for revision in remuneration payable to Mr. Harish Chawla with effect from April 01, 2026, for the approval of the members.

The details of the present remuneration paid to Mr. Harish Chawla along with the proposed remuneration are as below:

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 01, 2026
Salary	INR 1,059,428.83 per month aggregating to INR 12,713,146.00 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 1,059,428/- per month includes: Basic Salary: 370,800.09 per month House Rent Allowance: 185,400.05 per month Flexible Benefit Plan: 440,897.20 per month Provident Fund: 44,496.01 per month Gratuity: 17,835.48 per month	INR 1,117,697.42 per month aggregating to INR 13,412,369.01 or such higher amount as may be approved by the Board of Directors or any Committee thereof from time to time. The amount of INR 1,117,697.42/- per month includes: Basic Salary: 391,194.10 per month House Rent Allowance: 195,597.05 per month Flexible Benefit Plan: 201,185.54 per month Conveyance: 254,276.16 per month Provident Fund: 46,943.29 per month Gratuity: 28,501.28 per month

Particulars of Remuneration	Existing Remuneration	Revised Remuneration payable w.e.f April 01, 2026
Variable Performance Linked Bonus	20% of Base Pay (INR 2,542,629.2) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.	20% of Base Pay (INR 2,682,473.8) or as may be reviewed by Nomination and Remuneration Committee and approved by Board of Director based on each year performance.
Perquisites	Subject to the limits contained in Schedule V of the Companies Act, 2013, LTI and other perquisites including Shares (as per global LTI plan) continue to be paid as per appointment letter and Rules of the Company as amended from time to time. Mr. Harish Chawla shall not be paid sitting fee for attending meetings of the Board of Directors of the Company or any Committee thereof.	

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

Except Mr. Harish Chawla, 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.

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

ITEM NO. 8

The Company is required to get its cost records audited 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 and accounts maintained by the Company for the financial year ending March 31, 2027.

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/shareholders is being sought for payment of remuneration to the Cost Auditors for conducting Cost Audit of the financial year ending March 31, 2027, as required under Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014.

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

In view of the applicable provisions of the Companies Act, 2013, the Board recommends the Resolution as set out at Item no. 8 of the accompanying notice for approval of the members/shareholders.

The details of Directors seeking appointment/re-appointment/revision in remuneration payable to the Directors in item no 2, 4, 5, 6,7, as per requirements of Companies Act, 2013, and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, are provided below:

S. No.	Particulars	Mr. Dev Kumar Tripathy (DIN 10373357)	Mr. Bharath RamRaman Sesha (DIN: 01983066)	Mr. Harish Chawla (DIN: 07958339)	Mr. Sunil Sayal (DIN: 00709793)
1.	Date of Birth and Age	07/03/1977, 49 years	18/05/1972, 54 years	18/06/1969, 57 years	27/09/1961, 64 years
2.	Date of first Appointment	15.12.2023	01.09.2024	18.07.2024	25.05.2026
3.	Qualification	Chartered Accountant and MBA	MBA	Chartered Accountant	FCA/FCS/LLB
4.	Brief Resume	20+ years of experience in leading the operations of finance teams, collaborating closely with business units, clients, and commercial teams to foster solutions, drive sales growth, and uphold a resilient compliance culture.	Decades of experience in leading businesses in multiple sectors, including life sciences, speciality chemicals and material sciences.	31+ years of experience in taxation and Finance.	Finance veteran with deep expertise in the telecom infrastructure sector. He has led finance functions, and has also served on the Boards of Nokia and Ericsson in India.
5.	Experience and expertise in specific functional area	Strategy and Finance	Business Administration	Taxation	Finance
6.	Directorships held in Other Companies in India	Philips Vitalhealth Software India Private Limited	NA	NA	Kestrelsec India Private Limited
7.	Chairman/ Member of the Committee of the Board of other Companies in which they are director	No	No	No	No
8.	Shareholding in "Philips India Limited"	1 (one)	NIL	NIL	NIL
9.	Inter-se Relationship between Directors/ Mangers/Key Managerial Personnel ("KMP")	NIL	NIL	NIL	NIL
10.	Terms and Conditions of Appointment/ Re-appointment and Remuneration	Key terms and conditions of appointment/Re-Appointment and Remuneration is as mentioned in the explanatory statement item of No. 6 of this notice	Key terms and conditions of appointment/Re-Appointment and Remuneration is as mentioned in the explanatory statement item of No. 5 of this notice	Key terms and conditions of appointment/Re-Appointment and Remuneration is as mentioned in the explanatory statement item of No. 7 of this notice	Key terms and conditions of appointment as mentioned in the explanatory statement item of No. 4 of this notice
11.	Remuneration Last Drawn	As per Annual Report	As per Annual Report	As per Annual Report	NA
12.	Number of Board Meetings attended during the Financial Year 2025-26	Five of Five	Five of Five	Five of Five	NA

NOTES:

1. Pursuant to Ministry of Corporate Affair ('MCA') Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No. 09/2024 dated September 19, 2024 read with Circular No. 3/2025 dated September 22, 2025 and other applicable circulars ("MCA Circulars"), if any, has allowed the Companies to conduct the AGM/ EGM or passing of Ordinary/ Special Resolution through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 30th September of the respective financial year in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 and physical attendance of the Members to the AGM venue is not required. In accordance with the said circulars, the 96th AGM of the Company will be conducted through VC / OAVM on Tuesday, 22nd September 2026. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

2. Kfin Technologies Limited (Kfintech') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in Notes below and is also available on the website of the Company at https://www.philips.co.in/a-w/about/philips-india-limited.

3. As per the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item No. 4 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

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

5. Institutional / Corporate shareholders are requested to send a scanned copy (PDF / JPEG format) of the certified Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the RTA at evoting@kfintech.com and read the other instruction given in point no. 12.

6. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Ordinary & Special Businesses from Item no. 4 to 8 of the Notice and the relevant details of the Directors seeking appointment and revision of remuneration under Item No. 4 to 7 above as required under Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are annexed hereto.

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

Kfin Technologies Ltd, Selenium, Tower-B, Plot no.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Toll Free no. 18 00 3094 001 Telephone: +91 - 40 - 6716 1636 Email id: einward.ris@kfintech.com	**Kfin Technologies Ltd,** Kankaria centre. 2/1 Russel Street 4th Floor Kolkata - 700071 Telephone: +91 033 66285939

10. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13). If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form SH-14, as the case may be.

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

    Kfin Technologies Ltd,
    Selenium, Tower-B, Plot no.31-32, Gachibowli,
    Financial District, Nanakramguda, Hyderabad-500 032.
    Toll Free no. 18 00 3094 001
    Telephone: +91 - 40 -6716 1636
    Email id: einward.ris@kfintech.com

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

I. In accordance with, the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No. 09/2024 dated September 19, 2024 read with Circular No. 03/2025 dated September 22, 2025 and other applicable circulars ("MCA Circulars"), if any, issued by MCA, physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including the Notice of the AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the Depository Participant(s).

II. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to register/update the contact details by submitting the requisite Form ISR-1 along with the supporting documents. Form ISR-1 can be obtained by clicking on the link https://ris.kfintech.com/clientservices/isc/isrforms.aspx. Form ISR-1 duly filled and signed along with the supporting documents can be submitted to KFIN TECHNOLOGIES LTD.

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

IV. The Notice of AGM is available on the website of the Company at https://www.philips.co.in/a-w/about/philips-india-limited, and on the website of Kfintech at https://evoting.kfintech.com or https://emeetings. kfintech.com.

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

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

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

III. The remote e-voting period commences at 09.00 A.M. on Saturday, September 19, 2026, and end at 05.00 P.M on Monday, September 21, 2026. The remote e-voting module will be disabled by KFintech for voting thereafter.

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

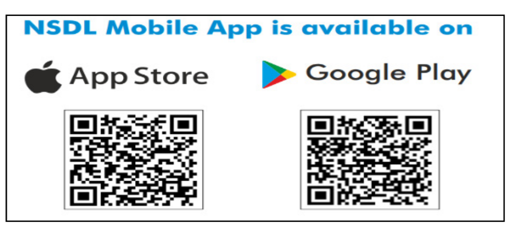
V. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders Holding securities in demat mode with NSDL	**1. For OTP based login you can click** on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login.After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on Company name i.e. PHILIPS INDIA LTD or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. **3. Those not registered under IDeAS:** i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on Company name i.e PHILIPS INDIA LTD or ESP name i.e KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing users who have opted for Electronic Access To Securities Information ("EASI / Easiest") facility:** i. Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com ii. Click on New System Myeasi. iii. Login to MyEasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. **2. User not registered for EASI / Easiest** i. Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate users by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Philips India Limited' or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. II. Once logged-in, Members will be able to view e-voting option. III. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. IV. Click on options available against 'Philips India Limited' or KFin. V. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication

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

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

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

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

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

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

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

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

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

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

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

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

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

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

viii. 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.

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

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

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

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

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

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

2. Details on Step 2 are mentioned below:

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

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

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

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

13. OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from September 20, 2026 (9:00 a.m.) to September 21, 2026 (5.00 p.m.) Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open from September 20, 2026 (9:00 a.m.) to September 21, 2026 (5.00 p.m.).

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

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

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

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

VI. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at https://emeetings.kfintech.com./Questions / queries received by the Company till September 21, 2026 shall only be considered and responded during the AGM.

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

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

IX. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis. However, the participation of large shareholders, i.e. members holding 2% or more, promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

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

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

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

XIII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 15, 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

XIV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

(i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:

   MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:

   MYEPWD <SPACE> 1402345612345678

3. Example for Physical:

   MYEPWD <SPACE> XXXX1234567890

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

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

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

XVI. KPRISM- Mobile service application by KFin:

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

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

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

14. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of Kfintech's website for e-voting: https://evoting.kfintech.com or contact KFin at the email ID evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001 for any further clarifications/ technical assistance that may be required.

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

Mr. Anil Dalvi (Senior Manager) / Mr. Lokesh Erravelli (Manager)

KFin Technologies Limited

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

Nanakramguda, Hyderabad - 500 032

Telephone: +91 - 40 - 6716 1636

E-mail: einward.ris@kfintech.com

16. PROCEDURE FOR INSPECTION OF DOCUMENTS:

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

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

17. DIVIDEND RELATED INFORMATION:

I. The directors do not recommend any dividend for the period ended March 31, 2026

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

III. Pursuant to Section 123 of the Companies Act 2013 (previously Section 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
72.	20.09.2019	31.03.2019	27.10.2026
73.	24.09.2020	31.03.2020	01.11.2027
74.	24.09.2021	31.03.2021	01.11.2028
75.	23.09.2022	31.03.2022	01.11.2029
76.	24.11.2022	31.03.2023	02.01.2030

Pursuant to the provisions of the Companies Act, 2013 and the rules notified thereunder, the Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which have not been encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the Companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on September 23, 2025 (date of last Annual General Meeting) are available on the website of the Company www.philips.co.in

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

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

18. Scrutinizer for AGM through VC/OAVM:

I. Dr. Asim Kumar Chattopadhyay has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the e-voting as well as remote e-voting process in a fair and transparent manner.

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

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

19. GENERAL INFORMATION:

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

II. The voting rights shall be as per the number of equity shares held by the Member(s) as on September 15, 2026, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date

DIRECTORS' REPORT

For the financial year ended March 31, 2026

To the Members,

Your Company's Directors are pleased to present the Ninety-Sixth (96th) Directors' Report of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2026 ("the year").

I. FINANCIAL PERFORMANCE

1.1 RESULTS

INR in Million

	2025-26	2024-25
Gross Income	**72,677**	**66,230**
Profit before tax	4771	4,480
Provision for current tax	(1,218)	(1,528)
Deferred tax – Credit / (Charge)	95	141
Profit after tax	3648	3,093

1.2 SEGMENT WISE SALES

	2025-26	2024-25
Personal Health	8,758	8,066
Health Systems	35,392	32,640
Innovation Services	26,079	23,275
Services Others	732	693
Total	**70,961**	**64,674**

1.3 FINANCE & ACCOUNTS/STATE OF COMPANY AFFAIRS

Your Company witnessed a growth in profit at INR 4,771 million (Profit before Tax) as against INR 4,480 million (Profit before Tax) in the previous year (2024-25). During the year, capital expenditure incurred is INR 1,658 million vis-a-vis INR 1,534 million during the previous year (2024-25) and were towards HIC capacity, PIC new facility and IT equipment etc.

The Company's retained earnings have witnessed an increase of INR 3,645 million from previous financial year (2024-25) which stood at INR 17,461 million. The cash in hand balance at the end of year stood at INR 1,494 million (31 March 2026) against INR 2,382 million at the end of previous year (31 March 2025). Due to the modest financial performance and volatility in the industry and to ensure efficient management of operations going forward, the Board of Directors are not recommending any dividends to be distributed.

1.4 ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013('the Act'), the Annual Return of the Company is available on the Company's website at the link: www.philips.co.in/a-w/about/philips-india-limited

1.5 DIVIDEND

The Directors do not recommend any dividend for the financial year 2025–26.

2. SHARE CAPITAL

The Authorised Share Capital of your Company is INR 112 Crore comprising 92,000,000 equity shares of INR 10/- each and 20,000,000 preference shares of INR 10/- each. The paid-up equity share capital of the Company is INR 57,51,72,420 (Indian Rupees Fifty-Seven Crore Fifty-One Lakh Seventy-Two Thousand Four Hundred Twenty Only) comprising 57,517,242 equity shares of INR 10/- each fully paid-up. There was no change in the authorised share capital and paid-up equity share capital of your Company during the year under review.

The Company is in the process of reducing its issued, subscribed and paid-up equity share capital from INR 57,51,72,420 (Indian Rupees Fifty-Seven Crore Fifty-One Lakh Seventy-Two Thousand Four Hundred Twenty Only), divided into INR 5,75,17,242 (Five Crore Seventy-Five Lakh Seventeen Thousand Two Hundred Forty-Two) equity shares of face value INR 10 (Indian Rupees ten only) each fully paid-up, to INR 55,29,02,420 (Indian Rupees Fifty-Five Crore Twenty-Nine Lakh Two Thousand Four Hundred Twenty Only), divided into INR 5,52,90,242 (Indian Rupees Five Crore Fifty-Two Lakh Ninety Thousand Two Hundred Forty-Two.) equity shares of face value INR 10 (Indian Rupees ten only) each fully paid-up, by cancelling and extinguishing INR 22,27,000 (Indian Rupees Twenty-Two Lakh Twenty-Seven Thousand) equity shares of face value INR 10 (Indian Rupees ten only) each, in aggregate, constituting 3.87% of the total issued, subscribed and paid-up equity share capital of the Company held by all equity shareholders of the Company other than Koninklijke Philips N.V. and Philips Radio B.V. Pursuant to the approval of the Board at its meeting held on October 31, 2023 and the shareholders' approval by way of special resolution passed through postal ballot on December 09, 2023, a company petition was filed with the National Company Law Tribunal ("NCLT"), Kolkata. The NCLT, vide its order dated September 19, 2024, rejected the aforesaid petition. The Company subsequently filed an appeal before the National Company Law Appellate Tribunal ("NCLAT"). The matter is currently pending before the NCLAT.

During the year under review, the Company has not issued any convertible securities / shares with differential rights (as to dividend, voting or otherwise) / sweat equity shares / warrants.

3. TRANSFER TO RESERVES

During the financial year 2025–26, your Company has not proposed any transfer to General Reserve.

4. DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review. There were no deposits which remained unpaid or unclaimed at the end of the year, and there has been no default in repayment of deposits or payment of interest thereon.

5. BUSINESS PERFORMANCE

We continue to advance sustainable healthcare innovation through our helium-free MRI technology, significantly reducing dependence on scarce natural resources while ensuring reliable, high-quality diagnostic imaging. Our helium-free MRI technology is transforming healthcare by delivering advanced imaging solutions with a substantially lower environmental footprint. This breakthrough reinforces our commitment to improving patient care and environmental stewardship across healthcare systems.

The Company further continued to leverage Artificial Intelligence (AI) across its healthcare operations to support innovation, improve productivity, enhance decision-making, and deliver better customer experiences. The Company also invested in building AI capabilities across its workforce through structured learning initiatives and responsible AI governance, reinforcing its commitment to digital transformation and operational excellence. The Notes to the Profit and Loss Account for the year provide segment results. The required disclosure is made below for the Personal Health, Innovation Services and Health Systems business of your Company.

5.1 HEALTH SYSTEMS

During the financial year 2025–26, the Health Systems business of your Company delivered a strong performance despite headwinds arising from the global macroeconomic environment. Health Systems primarily focuses on the sale and distribution of healthcare products and services, as well as contract manufacturing and contract research and development for Philips in India.

The Company's market share within the addressable market has increased compared to the previous year. Despite global macroeconomic challenges, the Company continues to navigate headwinds arising from inflation, adverse currency movements, and supply chain disruptions driven by regulatory factors. Adopting a balanced portfolio strategy, the Company has consciously prioritized sustaining profitability, even as this has resulted in a market share decline in select categories.

With the launch of the Helium Free MRI system in 2018, Philips continues to be the only player offering a wide-bore, helium-free system that addresses the needs of patients ranging from paediatric to bariatric segments, while also mitigating challenges associated with helium price and supply fluctuations globally. During the year, the Company installed Premium CT 7500 Spectral CT systems at Tata Memorial Center ACTREC and GB Pant, Delhi. These premium CT systems ensure that spectral information is available for every patient and every scan without any additional dose. Several hospitals and diagnostic centres in India are using SmartSpeed AI with Philips MRI scanner systems, enabling scans up to 3x faster and up to 65% higher resolution, thereby significantly enhancing access to care in high-volume and resource-constrained Indian settings. Beyond speed, AI-enabled workflow solutions help reduce variability and bottlenecks across the patient imaging journey, enabling hospitals to perform more scans with better consistency using the same resources.

Philips showcased its latest radiology and informatics solutions, including the Helium Free 3T MRI system and next-generation Spectral CT, at RSNA 2025. These products are expected to be offered to Indian customers following receipt of applicable Indian regulatory approvals. The products are intended to further strengthen Philips' position as an innovation-led healthcare company and support the Company in sustaining its leadership in the performance and premium imaging market segments.

The Company's manufacturing operations at the Healthcare Innovation Centre (HIC), Pune, continue to deliver world-class "Make in India" medical equipment, including the Affiniti series of ultrasound systems, namely Affiniti 30, Affiniti 50 and Affiniti 70.

Your Company has implemented a robust strategy aimed at strengthening its market position and driving sustainable, profitable growth.

5.2 PERSONAL HEALTH

In FY 2025–26, the Personal Health business recorded a growth of 8.6% over the previous year, driven by a sharp focus on customer-centric initiatives. While the business faced intense competition from low-cost players in core categories and disruption from emerging product segments, the rapid rise of the quick commerce channel and the strengthening of Amazon played a pivotal role in bridging market gaps and improving consumer reach.

Amid the volatility and challenges of 2025–26, your Company remained committed to innovation, demonstrated through the launch of a new range of products including Prestige Ultra-Premium electric shavers, a Gen Z-first portfolio within the OneBlade franchise in the form of OneBlade Intimate, and wearable breast pumps. These innovations performed ahead of plan and demonstrated strong consumer-market fit. The male grooming portfolio, led by OneBlade and All-in-One trimmers, remained a key growth engine and continued to strengthen, while the Philips Avent portfolio, including breast pumps and sterilizers, further reinforced brand trust among mothers.

Your Company has evolved into a digitally native brand with a significant presence across consumer touchpoints, including social and digital platforms, OTT, CTV and user-generated content. The Company continued to partner with leading influencers and Gen Z-first personalities such as Ahaan Pandey and Rasha Thadani to enhance relevance for its portfolio across the country. Multiple campaigns executed during the year successfully strengthened consumer engagement and resulted in the Company winning coveted awards across its Male Grooming and Mother & Child Care portfolios.

	Category	Award
AFAQs Digies Awards	Best Use of Viral Marketing for Philips Male Grooming	Gold
AFAQs Digies Awards	Best Use of Social Media Marketing for Philips Male grooming	Gold
AFAQs Digies Awards	Best Use of UGC Marketing OneBlade	Gold
Brand Equity Trendies	User generated content OneBlade	Bronze

Your Company's strategic vision is to build a sustainable business focused on long-term value creation, supported by a portfolio of products developed with consumer behaviour at the core. To achieve this, the Company will continue to remain agile in a dynamic market environment, enhance consumer experience, and drive market growth to deliver value for consumers and shareholders. The Company will also continue to expand its portfolio with India-relevant offerings and embrace digital innovation to remain competitive against emerging entrants and low-cost players, while sustaining its leadership and brand preference among consumers.

5.3 PHILIPS INNOVATION CAMPUS

Philips Innovation Campus, Bengaluru (PIC-B), established in 1996 as a premier software research and development centre, hosts more than 4,100 highly skilled professionals working on software products and innovative solutions across the healthcare continuum to improve people's health.

The Centre has extensive expertise in cutting-edge technologies and is a software powerhouse with deep artificial intelligence, machine learning and healthcare domain expertise. The Centre develops clinically relevant software products and solutions across the health continuum, starting with healthy living and disease prevention, to diagnosis, treatment and home-based care.

Creating experience-centric products and service innovations, Philips Innovation Campus Bengaluru has dedicated teams focused on harmonizing software through a common platform approach. The software and product innovations enhance global advancements in common platforms for various products in Precision Diagnosis, Image Guided Therapy, Connected Care, and Personal Health businesses.

PIC-B has an established working model that leverages strengths across Business and Enterprise functions, enabling value creation for our customers and driving Philips' mission of providing impact with care. PIC-B is also playing a vital role in addressing societal healthcare challenges by leveraging the ecosystem and combining the strength of Philips and its partners to co-create patient-centric healthcare solutions.

During the year, Philips Innovation Campus continued to drive innovation across healthcare and personal health businesses through advanced software, AI-enabled solutions, cloud platforms, and digital transformation initiatives. Key focus areas included MRI, Diagnostic X-ray, Ultrasound, Image Guided Therapy, Enterprise Informatics, Ambulatory Monitoring, Hospital Patient Monitoring, Sleep & Respiratory Care, Personal Health, Innovation & Design, and Information Technology. The teams worked on enhancing clinical workflows, diagnostic confidence, patient safety, serviceability, automation, interoperability, and connected care solutions. Significant emphasis was placed on AI/ML, cloud enablement, platform harmonization, digital consumer engagement, and scalable healthcare technologies. These initiatives strengthened PIC-B's role as a global innovation hub supporting Philips' mission of improving patient outcomes, operational efficiency, and access to care.

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

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

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

During the year, no significant or material orders were passed by any regulators, courts or tribunals that would impact the going-concern status of the Company or its operations in the future.

8. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES

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

9. BUSINESS RESTRUCTURING OR CHANGE IN THE NATURE OF BUSINESS

During the financial year, the Company made a slump sale of the Company's Emergency Care Business on a going-concern basis with effect from February 1, 2026, at a fair value determined by B B S R & Associates LLP, for a consideration of INR 36,84,20,000/- (Indian Rupees Thirty-Six Crore Eighty-Four Lakh Twenty Thousand only).

Apart from the aforesaid transaction, there was no change in the nature of business of the Company during the financial year 2025–26.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company as on the date of this Report is as follows:

Name of the Director	Designation	DIN
Angarai Dorairajan Aditya Ratnam	Chairperson and Non-Executive Independent Director	05296020
Sunil Sayal	Non-Executive Independent Director (Additional Director)	00709793
Indu Ranjit Shahani	Non-Executive Independent Director	00112289
Bharath RamRaman Sesha	Managing Director	01983066
Harish Chawla	Whole-time Director	07958339
Dev Kumar Tripathy*	Whole-time Director and Chief Financial Officer	10373357

Note: * Dev Kumar Tripathy has tendered his resignation with effect from 09 August 2026.

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

Name	Designation
Bharath RamRaman Sesha	Managing Director
Harish Chawla	Whole-time Director
Dev Kumar Tripathy *	Whole-time Director and Chief Financial Officer
Swati Batra	Company Secretary

Note: * Dev Kumar Tripathy has tendered his resignation with effect from 09 August 2026.

During the year under review, the following changes took place in the constitution of the Board of Directors of the Company:

1. Ms. Geetu Gidwani Verma (DIN: 00696047) completed her tenure as an Independent Director of the Company and pursuant to which she vacated her office with effect from September 30, 2025.

2. Mr. Sunil Sayal (DIN: 00709793) has been appointed as an Additional Director in the capacity of an Independent Director of the Company with effect from May 25, 2026, up to the date of the ensuing Annual General Meeting. Approval of the shareholders for his appointment as an Independent Director for a period of five years is being sought at the ensuing Annual General Meeting.

3. Mr. Dev Kumar Tripathy (DIN: 10373357) has tendered his resignation from the position of Whole-time Director and Chief Financial Officer with effect from August 09, 2026.

   In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Harish Chawla, Whole-time Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2025–26, 5 (five) meetings of the Board were held on May 23, 2025; August 05, 2025; November 13, 2025; January 27, 2026; and March 11, 2026. All Directors attended the meetings, and no leave of absence was requested by any Director for any meeting held during the year.

12. BOARD EVALUATION

The Nomination and Remuneration Committee has laid down a structured framework for evaluating the performance of the Board, its Committees and Individual Directors in accordance with applicable provisions. During the year, the Board carried out its annual performance evaluation based on criteria such as Board composition, effectiveness of meetings, information flow, participation of Directors and functioning of Committees. The evaluation was conducted through a structured process, and the feedback was reviewed by the Board. Based on the evaluation, the Board noted that it has an appropriate mix of skills and expertise, the Directors contributed effectively and the Committees functioned diligently. Overall, the performance of the Board, its Committees and Individual Directors were found to be satisfactory.

13. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year 2025–26, a separate meeting of the Independent Directors was convened in compliance with the Companies Act, 2013. At the meeting, the performance of Non- Independent Directors and the Board as a Whole was evaluated. The Independent Directors also reviewed performance of the Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. The discussion was also made upon the performance and effectiveness of the Committees of the Board and Individual Directors of the Company.

14. COMMITTEES OF THE BOARD

14.1 AUDIT COMMITTEE

The Board has constituted an Audit Committee in terms of Section 177 of the Companies Act, 2013. During the year, there was a change in the constitution of the Audit Committee. As on March 31, 2026, the Audit Committee comprised the following members:

Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Chairperson
Ms. Indu Ranjit Shahani, Non-Executive Independent Director	Member
Mr. Dev Kumar Tripathy, Whole-time Director and Chief Financial Officer	Member

Subsequent to the close of the financial year, the Audit Committee was reconstituted by the Board with effect from August 06, 2026, and the revised composition of the Committee is as follows:

Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Chairperson
Mr. Sunil Sayal, Non-Executive Independent Director	Member
Mr. Bharath RamRaman Sesha, Managing Director	Member

The Audit Committee of the Board oversees the Company's financial reporting processes and ensures effective supervision thereof. It is responsible for reviewing and recommending related party transactions to the Board, granting omnibus approvals, and ensuring accurate, timely and transparent disclosures. The Committee also reviews and approves the financial statements prior to their submission to the Board, recommends the appointment, re-appointment, remuneration and terms of appointment of statutory and cost auditors, and evaluates their independence, including approval of payments for any additional services rendered by them.

During the year, the Committee held 5 (five) meetings on May 23, 2025; August 05, 2025; November 13, 2025; January 27, 2026; and March 11, 2026. All Committee members attended the meetings, and no leave of absence was requested by any Committee member for any meeting held during the year.

During the year, there was no instance in which the Board did not accept any recommendation of the Audit Committee.

Mr. Angarai Dorairajan Aditya Ratnam, Chairperson of the Audit Committee, attended the Annual General Meeting of the Company held on September 23, 2025, to chair the meeting and respond to shareholders' queries.

14.2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee, constituted pursuant to Section 135 of the Companies Act, 2013, oversees CSR matters referred by the Board or the Chairperson, as and when deemed necessary, for consideration and recommendation. The Committee has adopted a CSR Policy and performs the functions prescribed under the Act. It formulates and recommends to the Board the CSR activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013, and recommends the expenditure to be incurred thereon. The CSR Policy is available on the Company's website.

During the year, there was a change in the constitution of the Corporate Social Responsibility Committee. As on March 31, 2026, the Corporate Social Responsibility Committee comprised the following members:

Ms. Indu Ranjit Shahani, Non-Executive Independent Director	Chairperson
Mr. Harish Chawla, Whole-time Director	Member
Mr. Dev Kumar Tripathy, Whole-time Director and Chief Financial Officer	Member

Subsequent to the close of the financial year, the Corporate Social Responsibility Committee was reconstituted by the Board with effect from August 06, 2026, and the revised composition of the Committee is as follows:

Ms. Indu Ranjit Shahani, Non-Executive Independent Director	Chairperson
Mr. Harish Chawla, Whole-time Director	Member
Mr. Bharath RamRaman Sesha, Managing Director	Member

During the year, the Committee held 2 (two) meetings on August 05, 2025, and November 13, 2025. All Committee members attended the meetings, and no leave of absence was requested by any Committee member for any meeting held during the year.

During the financial year 2025-26, the Company undertook Corporate Social Responsibility (CSR) activities in accordance with its CSR Policy. Details of the CSR projects/ programs undertaken by the Company are available on the Company's website at https://www.philips.co.in.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is annexed to this Board's Report as **Annexure I**.

The Company has spent the entire amount required to be spent on its CSR obligations during the financial year under review.

14.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is duly constituted by the Board in terms of Section 178 of the Companies Act, 2013. As on March 31, 2026, the Stakeholders' Relationship Committee comprised the following members:

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

Subsequent to the close of the financial year, the Stakeholders' Relationship Committee was reconstituted by the Board with effect from August 06, 2026, and the revised composition of the Committee is as follows:

Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Chairperson
Mr. Harish Chawla, Whole-time Director	Member
Mr. Bharath RamRaman Sesha, Managing Director	Member

During the year, the Committee held 4 (four) meetings on May 23, 2025; August 05, 2025; November 13, 2025; and March 11, 2026. All Committee members attended the meetings, and no leave of absence was requested by any Committee member for any meeting held during the year.

14.4 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee covers matters contemplated under Section 178 of the Companies Act, 2013, which are included in its terms of reference as approved by the Board at its meeting held on March 04, 2025, along with such other matters as may be referred to it by the Board of Directors from time to time. As on March 31, 2026, the Nomination and Remuneration Committee comprised the following members:

Ms. Indu Ranjit Shahani, Non-Executive Independent Director	Chairperson
Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Member
Mr. Bharath RamRaman Sesha, Managing Director	Member

Subsequent to the close of the financial year, the Nomination and Remuneration Committee was reconstituted by the Board with effect from May 25, 2026, and the revised composition of the Committee is as follows:

Ms. Indu Ranjit Shahani, Non-Executive Independent Director	Chairperson
Mr. Angarai Dorairajan Aditya Ratnam, Non-Executive Independent Director	Member
Mr. Sunil Sayal, Non-Executive Independent Director	Member

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

- Determining the composition of the Board of Directors and the Committees of the Board.
- Identifying persons who are qualified to become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes, and independence of a director.
- Carry out evaluation of the Board, its Committees and every director's performance in accordance with the criteria for evaluation.

- Formulate compensation policies for Whole-time Directors including Chairperson of the Company, CEO, Key Management Personnel, Senior Management personnel and other employees, in such a manner to attract and retain talent.

- Ensuring orderly succession planning for Board members, Key Managerial Personnel and Senior Management.

- Formulate, adopt, administer, enforce, and modify the employee stock option schemes.

- Performing such other duties and responsibilities as may be consistent with the provisions of the Company's terms of reference.

During the year, the Committee held 3 (three) meetings on May 23, 2025; August 05, 2025; and March 11, 2026. All Committee members attended the meetings, and no leave of absence was requested by any Committee member for any meeting held during the year.

The Company has in place a Nomination and Remuneration Policy which sets out the criteria for appointment of Directors, Key Managerial Personnel and Senior Management, including qualifications, positive attributes, independence of Directors and the remuneration framework. The policy also provides for the evaluation of the performance of the Board, its Committees and individual Directors, and is implemented in accordance with the applicable provisions of the Companies Act, 2013.

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act. The Board has duly verified such disclosures and is of the opinion that there has been no change in the circumstances affecting their independence during the year. The Board further affirms that all Independent Directors possess the requisite integrity, expertise, experience, and proficiency as required under the applicable provisions of the Companies Act, 2013.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is committed to maintaining a robust internal control framework aimed at ensuring operational efficiency and safeguarding its assets. Adequate accounting records are maintained to support the preparation of financial statements and other financial information. The effectiveness and adequacy of internal controls across the Company's businesses, along with adherence to established policies and procedures, are regularly evaluated through internal audit processes. In addition, a skilled internal audit team periodically reviews key IT-enabled business applications to assess their integration, control environment, and functional effectiveness.

During the year, the Audit Committee of the Board reviewed and evaluated the Company's internal control systems and financial disclosures as part of its oversight responsibilities.

17. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has an adequate system of internal financial controls commensurate with its size, scale and complexity of operations, with reference to the financial statements, to safeguard its assets from loss, unauthorized use or disposition. The Company complies with all applicable accounting standards for maintaining books of account and reporting financial statements. The internal auditor of the Company reviews and verifies the internal control framework and monitors its effectiveness in accordance with the policies adopted by the Company. The Board is of the opinion that the internal financial controls with reference to the financial statements were tested and found to be adequate and operating effectively.

18. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company continues to remain steadfast in its mission to enhance the lives of people, while reinforcing its commitment to be the best place to work. In **2025–26**, strategic efforts were focused on fostering a future-ready organization by strengthening talent capabilities, embedding a culture of impact with care, and enabling simplification through technology and operational excellence. These efforts continue to support long-term value creation for all stakeholders, while ensuring responsible action towards the planet and society.

During the year, it undertook a significant transformation of the People Function, aimed at simplifying structures, enhancing alignment with the business, and enabling a more people-centric and efficient operating model. Building on the strong foundation established in recent years, the transformation was designed to align more closely with the Philips Operating Model, while ensuring optimal scale, clarity of roles, and improved stakeholder experience.

As part of this evolution, the People Function was realigned across four key accountabilities—**People Business Partnering, Enterprise People Strategy, People Innovation & Experience, and People Business Services**—to enable focused support for business, people leaders, and employees. This transition involved structural changes, role redesign, realignment of teams and reprioritization of activities.

Your Company acknowledges that such changes can be complex and challenging; however, through thoughtful planning, continuous communication, and a strong emphasis on care and support, the transition was successfully navigated. The People Function has since strengthened its ability to deliver strategic business impact, while driving simplicity, improving effectiveness, and enhancing the overall employee experience.

Grow Our People

In **2025–26**, your Company continued its commitment to building capabilities for both leaders and employees, while strengthening its talent pipeline and leadership readiness.

Your Company continued to invest in leadership development through **ELEVATE**, its flagship leadership capability-building program. The initiative focused on preparing leaders for future business challenges through targeted interventions aimed at strengthening strategic thinking, business acumen, and future-ready leadership skills. During the year, participants engaged in **three masterclasses**, including sessions led by **Microsoft leaders and industry experts**, helping leaders broaden their perspectives on emerging technologies, innovation, and leadership in a rapidly evolving environment.

Your Company continued to strengthen its talent pipeline by enhancing internal mobility and external hiring strategies. During the year, **36.3% of job requisitions were filled with internal talent**, reflecting a continued focus on nurturing and developing internal capabilities. Further, your Company enhanced its domain expertise by **hiring more than 30.7% of talent from MedTech organizations**, helping embed a strong culture of patient safety and quality across the organization.

Your Company also continued to strengthen its early talent pipeline through participation under the **National Apprentice Promotion Scheme (NAPS)**, hiring **318 apprentices (B.Tech & M.Tech)** during **2025–26**, thereby contributing to workforce development and long-term capability building.

Philips Innovation Campus (**PIC**) continued to play a pivotal role in capability building and innovation. PIC strengthened its culture of learning, leadership, and innovation by investing in scalable capability-building and talent development initiatives that enable employees to thrive in the age of Artificial Intelligence.

Through its **Communities & Capabilities (C&C) ecosystem**, PIC further institutionalized knowledge sharing and functional excellence across key **Communities of Practitioners (CoPs)**. During the year, **over 200 employees participated in the Global Project Management Summit,** where **60 Project Managers were recognized** for their outstanding contributions. The CoPs also drove over **40 external engagements** with industry experts and practitioners, helping strengthen organizational visibility and expertise.

The focus continued to evolve towards building sustainable capability models, including **Product Owner maturity frameworks, systems thinking adoption, and architecture standardization**, thereby enabling consistent, scalable, and high-performing ways of working across the organization. Collectively, the CoPs enhanced cross-functional collaboration, leadership engagement, and performance improvement, reinforcing their role as key enablers of innovation with business impact.

PIC further advanced its commitment to inclusion and talent development through **Get Ready for Opportunities @ Work (GROW)**, a flagship initiative focused on accelerating the development of women in technology and leadership roles. The program delivered **more than 1,800 learning hours** through a structured curriculum covering emerging technologies and professional development. During the year, over **400 employees participated in AI and Generative AI learning interventions, while more than 2,000 employees benefited from the NextYou learning series.**

The program also fostered innovation, with **over 150 participants collaborating on business-relevant challenges** and developing **27 solution prototypes**, thereby strengthening experiential learning and capability development.

To further accelerate AI readiness and strengthen PIC's position in advancing AI-driven innovation, your Company launched **AI Immersion Days in November 2025**. This initiative brought together employees, business leaders, and ecosystem partners to explore the transformative potential of AI in healthcare and engineering.

Through **masterclasses, solution showcases, AI roadshows, and thought leadership sessions**, delivered in collaboration with **Microsoft, AWS, NVIDIA, and GitHub**, the initiative drove large-scale capability building and ecosystem engagement. The program also showcased real-world AI solutions developed across Philips businesses, reinforcing PIC's role in translating AI innovation into scalable, deployable healthcare solutions.

Further strengthening its focus on future technologies, your Company launched the **AI Lab at Philips Capability Center Chennai**, a space created to spark curiosity, learning, and innovation. The lab enables employees to experiment with AI, create awareness, and drive meaningful impact, reflecting the organization's continued commitment to investing in technology, talent, and future-ready capabilities.

Your Company also strengthened its employer branding and commitment to diversity in STEM through participation as a **Gold Sponsor at WE Local Pune 2025**, celebrating women in engineering and technology.

Additionally, your Company continued to foster innovation and early talent engagement through initiatives such as the **Digital Finance – AI Hackathon at Philips Capability Center Chennai**, which saw participation from **350 students**, with **30 finalists forming 10 teams** to solve real business problems. The initiative resulted in **5 students being selected for a 6-month internship**, reinforcing the organization's commitment to nurturing emerging talent.

Ignite our Culture

Your Company continued to activate its culture of **"Impact with Care"** by fostering an environment that promotes engagement, inclusion, and well-being.

During the year, your Company **maintained a gender diversity ratio of 29%**, reflecting sustained efforts to attract, retain, and develop diverse talent across the organization.

Your Company's flagship recognition platform, the **India Impact Awards 2026**, brought together teams across locations, witnessing **82 nominations from over 650 employees**, reflecting the passion, innovation, and commitment of its people.

At the Healthcare Innovation Centre (**HIC**), focused efforts were made to strengthen employee engagement and team cohesion. The introduction of **TGIF (Thank God It's Friday)** provided employees with regular opportunities to connect and collaborate in informal settings, enhancing workplace energy and cross-functional engagement.

Large-scale engagement initiatives such as the **two-day cricket tournament at HIC**, with **900+ employees participating across men's and women's formats**, fostered a strong sense of camaraderie, teamwork, and belonging. The initiative culminated in a grand prize distribution ceremony, celebrating both winners and participants.

Beyond internal engagement, your organization continues to strengthen its purpose-driven culture through meaningful community initiatives. Employees at Philips Capability Center Chennai participated in healthcare-focused community engagement programs, contributing to more than **161 heart surgeries supported across India**, including **over 60 surgeries in Chennai during the year**, reinforcing the organization's commitment to driving measurable societal impact.

Simplify how we work

In **2025–26**, your Company continued to embrace simplification by leveraging structured methodologies, technology, and employee-centric initiatives to enhance operational efficiency and employee experience.

At the Healthcare Innovation Centre (**HIC**), continuous improvement remained a key focus area. During the year, **3 Six Sigma projects were successfully completed**, focusing on improving quality and inventory management. To further embed a culture of continuous improvement, your Company launched an **in-house Six Sigma Training Program**, with **13 Cross-Functional Team members undergoing structured training**, thereby strengthening internal capabilities and supporting the organization's Lean journey.

To build a robust performance culture within your Company, **engaging workshops were organized focused on managing underperformance**, supported by an **enhanced and simplified Performance Improvement Policy tailored for India**. This policy aims to provide clear guidance and structured support to managers and employees, enabling improved performance outcomes and ensuring that employees are supported to succeed.

Your Company continues to focus on employee well-being through a comprehensive and holistic framework addressing physical, mental, and preventive health.

Through **Philips HeartPrint**, a proprietary, non-invasive, smartphone-based heart health assessment solution, your Company enabled employees to access innovative preventive care tools, with **over 6,000 heart scans conducted during the year**.

In response to employee feedback, your Company introduced **Outpatient Department (OPD) services** in partnership with FlipHealth, providing access to consultations, diagnostics, pharmacy support, vaccinations, and preventive healthcare services for employees and their families.

To further strengthen mental well-being, your Company transitioned its **Employee Assistance Programme (EAP)** provider to Anyo. The program recorded **over 1,000 registrations**, representing **approximately 13% of employees**, significantly higher than the industry benchmark of **~3%**, indicating strong adoption and effectiveness.

Additionally, your Company conducted **more than 12 on-site health camps** across locations, covering dental health, screenings, and preventive interventions, further reinforcing a culture of holistic well-being.

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 II** to this Report.

20. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

The Company's Healthcare Innovation Centre (HIC) has been actively involved in implementing the Philips EcoVision programme. Safety of employees is the foremost concern at HIC, and working towards providing a safe and accident-free working environment is part of its culture. Regular training and awareness sessions are conducted on Behaviour Based Safety (BBS) and Machine Safety for employees to achieve zero accidents in the factory. National Safety Day and World Environment Day are celebrated every year at the plant to spread awareness.

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 in turn form part of the Company's Annual Report.

22. RELATED PARTY TRANSCATIONS

Particulars of contracts or arrangements with related parties, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in Form AOC-2 in **Annexure III** and forms part of this Report.

23. STATEMENT OF RISK MANAGEMENT

The Company's risk management approach is integrated into its corporate governance framework, the Philips Business Control Framework, the Philips General Business Principles, and its overall Risk Management Framework. The Company adopts a structured and forward-looking approach to risk management, aimed at supporting sustainable growth and efficient resource utilization. Potential risks and opportunities that may influence the Company's business performance are systematically identified, evaluated, and addressed. This enables the Company to strengthen resilience, maintain operational stability, and ensure timely and appropriate responses to evolving business needs. Mitigation measures are continuously monitored through regular review mechanisms, while compliance with legal and financial requirements is rigorously maintained to strengthen resilience and enable timely action.

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2026, and of the profit of the Company for the year ended March 31, 2026;

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; and

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

25. AUDIT

There were no qualifications or adverse remarks in the reports of the Statutory Auditors, Cost Auditors and Secretarial Auditors for the financial year under review. Further, during the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

26. AUDITORS

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (FRN 301003E/E300005), were re-appointed as Statutory Auditors of the Company at the 91st Annual General Meeting to hold office up to the conclusion of the 96th Annual General Meeting. However, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, vide their letter dated January 22, 2026, resigned as Statutory Auditors of the Company with immediate effect.

At the Extraordinary General Meeting of the Company held on March 11, 2026, M/s. Price Waterhouse Chartered Accountants LLP was appointed as Statutory Auditor of the Company to fill the casual vacancy created by the resignation of M/s. S.R. Batliboi & Co. LLP till the conclusion of ensuing Annual General Meeting.

The board has further recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP ("PWCA LLP") as the Statutory Auditors of the Company at the ensuing Annual General Meeting ("AGM") for a term of five consecutive years, commencing from the conclusion of the 96th AGM till the conclusion of 101st Annual General Meeting of the Company.

M/s. Price Waterhouse Chartered Accountants LLP ("PWCA LLP") (LLP identity no.: LLPIN AAC-5001 / ICAI registration no.: 012754N/N500016) is an independent and distinct member firm of the PW India Network of Firms. It is a leading professional services firm in India, specializing in audit, assurance, taxation, consulting and advisory services. PWCA LLP is recognised for delivering high-quality solutions across various industries while upholding strong standards of professionalism and integrity. They have further confirmed that they are not disqualified from being appointed as statutory auditors in terms of the provisions of the first and second provisos to Section 139 and Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Auditors' Report does not contain any qualification or adverse remark. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors were present at the last Annual General Meeting.

27. COST AUDITORS AND COST RECORDS

Your Company is required to carry out an audit of the Company's cost accounts in respect of healthcare equipment. Pursuant to the provisions of Section 148 of the Companies Act, 2013, your Directors have approved the appointment of M/s. R. Nanabhoy & Company, a firm of cost accountants, to conduct the cost audit for the year ending March 31, 2027, at a remuneration of INR 8,74,000 (Indian Rupees Eight Lakh Seventy-Four Thousand only), plus applicable taxes and out-of-pocket expenses, subject to confirmation of such remuneration by the members of the Company at its Annual General Meeting.

The Cost Audit Report for the financial year 2025–26 does not contain any qualification or adverse remark.

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, to the extent applicable.

28. SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed M/s Sushant Dhawan & Co., Company Secretaries, in Practice, an associate of TGL Advisors LLP, as Secretarial Auditor of the Company, to conduct the secretarial audit of the Company for the financial year 2025–26.

The secretarial audit report does not contain any qualification or adverse remark. The copy of the report is attached as **Annexure IV** to this report.

29. VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has in place a vigil mechanism / whistle blower mechanism through the Philips General Business Principles framework and the Philips SpeakUp program. The mechanism enables Directors, employees and, where applicable, external third parties / stakeholders to report genuine concerns relating to ethics, integrity, compliance, workplace conduct and other matters that may constitute a potential violation of the General Business Principles or otherwise impact Philips' corporate integrity. The Philips SpeakUp mechanism provides a secure and confidential reporting environment, with access to information restricted on a need-to-know basis and includes safeguards against retaliation or victimisation of persons who raise concerns in good faith. Concerns reported through the mechanism are reviewed and followed up in accordance with the applicable Philips policies, internal investigation standards and applicable laws. The functioning of the mechanism is overseen through appropriate governance channels, including reporting to the Audit Committee and Board, as applicable, in accordance with the provisions of the Companies Act, 2013.

30. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, no application was made and no proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016.

31. ONE TIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION

The Company has not entered into any one-time settlement with any bank or financial institution during the year under review. Accordingly, there was no reportable instance of any difference between the valuation done at the time of one-time settlement and the valuation done while taking loans from banks or financial institutions.

32. EMPLOYEE STOCK OPTIONS SCHEME

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

33. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, relating to meetings of the Board of Directors and General Meetings, respectively, during the financial year 2025–26.

34. COMPLIANCE WITH THE PROVISIONS OF THE MATERNITY BENEFIT ACT, 1961

During the period under review, the Company complied with the applicable provisions of the Maternity Benefit Act, 1961 and the rules framed thereunder. The Company continued to extend maternity-related benefits and support to eligible women employees in accordance with applicable law and its internal policies, thereby reinforcing its commitment to employee welfare, inclusion and a supportive workplace environment.

35. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), the Company has adopted and circulated its Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees at Workplace Policy ("Policy"). The Company has constituted Internal Committees at its Corporate Office in Gurugram and across relevant locations, including Pimpri, Chakan, Bengaluru, Mumbai, Ahmedabad, Chennai and Kolkata, in accordance with the requirements of the POSH Act.

During the financial year 2025–26, the Company received 3 (three) complaints of sexual harassment. Of these, 2 (two) complaints were duly investigated and resolved in accordance with the applicable process, while 1 (one) complaint is under investigation as on the date of this Report.

Further, the Company conducted training and awareness programmes to sensitise employees on the prevention of sexual harassment and to promote a safe, respectful and inclusive workplace.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation to the Company's customers, vendors, investors and bankers for their continued support during the year. The Directors also acknowledge and appreciate the valuable contribution made by employees at all levels. The growth and progress of the Company have been made possible through their commitment, collaboration, hard work and support. The Directors further thank the Government of India, the governments of various states in India, the governments of other countries and the concerned government departments and agencies for their continued cooperation.

The Directors place on record their appreciation for the contributions made by every member of the Philips family.

On behalf of the Board of Directors
For Philips India Limited

Place : Gurugram
Date: August 06, 2026

Angarai Dorairajan Aditya Ratnam
(Chairperson)
DIN: 05296020

ANNEXURE -I

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER THE 1ST DAY OF APRIL 2020

1. Brief outline on CSR Policy of the Company

Philips India's CSR approach is anchored in its purpose of improving people's lives through meaningful and accessible healthcare interventions. The Company's CSR focus is primarily on maternal and child healthcare and cardiac care, with an emphasis on reaching underserved and economically disadvantaged communities, strengthening preventive healthcare, and enabling timely access to quality medical support.

During the year, the Company continued to implement and support CSR programmes in accordance with the approved CSR project list. These included initiatives in maternal and child health, mobile telemedicine, paediatric and adult cardiac surgeries, community-driven TB awareness, screening and treatment support, and neuro-therapy support for uniquely abled children. Collectively, these programmes were designed to address critical healthcare needs and improve health outcomes for vulnerable sections of society.

The Company also undertook a village adoption initiative in collaboration with a non-governmental organization, with the objective of extending comprehensive healthcare services to the local community and promoting sustainable health outcomes. Through this intervention, Philips India sought to improve access to primary healthcare, enhance health awareness, and facilitate timely medical support, thereby contributing to the overall well-being of residents.

The detailed CSR Policy of the Company is publicly available on its website.

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

2. Composition of the CSR Committee.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Geetu Gidwani Verma*	Chairperson and Independent Director	1	1
2.	Ms. Indu Ranjit Shahani*	Chairperson and Independent Director	1	1
4.	Mr. Harish Chawla	Whole-time Director	2	2
5.	Mr. Dev Kumar Tripathy	Whole-time Director and Chief Financial Officer	2	2

Note: *The Committee was re-constituted w.e.f. November 03, 2025, to induct Ms. Indu Ranjit Shahani as its member in place of Ms. Geetu Gidwani Verma, whose tenure as Independent Director of the Company had expired.

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

Details of the Philips CSR Policy are available on the below given link:

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

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

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

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

Not Applicable

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

Average net profit of the Company as per sub-section (5) of section 135. INR 3,67,63,31,005

(a) **Two percent of average net profit of the Company as per sub-section (5) of section 135.** INR 7,35,26,620

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

(c) **The amount required to be set off for the financial year, if any.** NA

(d) **Total CSR obligation for the financial year[(b)+(c)-(d)].** – INR 7,35,26,620

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).** – INR 7,13,36,000

(b) **Amount spent on Administrative Overheads.** – INR 21,90,620

(c) **Amount spent on Impact Assessment, if applicable.** – Not applicable

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)].** – INR 7,35,26,620

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

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
7,35,26,620	NA	NA	NA	NA	NA

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

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	7,35,26,620
(ii)	Total amount spent for the Financial Year	7,35,26,620
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount Spent in the Financial Year 2023-24(in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1	FY-22-23	1,22,00,000	Nil	1,22,00,000	NA	NA	NA	NA

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

Yes No ☑

If yes, enter the number of Capital assets created/ acquired NA

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

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

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

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

On behalf of the Board of Directors
For Philips India Limited

Bharath RamRaman Sesha
(Managing Director)

Indu Ranjit Shahani
(Chairperson CSR Committee).

Annexure – II

Information in accordance with Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March 2026

A. ENERGY CONSERVATION

The following measures were implemented during the Financial Year 2025-26:

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

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

   b) Continuing with the previous projects implemented in FY 2022-2023.

   c) Considered energy efficient equipment during new procurement of Electrical Goods. Viz. – HVAC system

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

   a) 1 MW Rooftop Solar plant kept functional generating 80 KW Units/Month.

3. The capital investment on energy conservation equipment:

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

B. RESEARCH AND DEVELOPMENT

Philips Innovation Campus, Bengaluru (PIC-B), established in 1996 as a premier software research and development centre, hosts more than 4,100 highly skilled professionals working on software products and innovative solutions across the healthcare continuum to improve people's health.

The Centre has extensive expertise in cutting-edge technologies and is a software powerhouse with deep artificial intelligence, machine learning and healthcare domain expertise. The Centre develops clinically relevant software products and solutions across the health continuum, starting with healthy living and disease prevention, to diagnosis, treatment and home-based care.

Creating experience-centric products and service innovations, Philips Innovation Campus Bengaluru has dedicated teams focused on harmonizing software through a common platform approach. The software and product innovations enhance global advancements in common platforms for various products in Precision Diagnosis, Image Guided Therapy, Connected Care, and Personal Health businesses.

PIC-B has an established working model that leverages strengths across Business and Enterprise functions, enabling value creation for our customers and driving Philips' mission of providing impact with care. PIC-B is also playing a vital role in addressing societal healthcare challenges by leveraging the ecosystem and combining the strength of Philips and its partners to co-create patient-centric healthcare solutions.

During the year, Philips Innovation Campus continued to drive innovation across healthcare and personal health businesses through advanced software, AI-enabled solutions, cloud platforms, and digital transformation initiatives. Key focus areas included MRI, Diagnostic X-ray, Ultrasound, Image Guided Therapy, Enterprise Informatics, Ambulatory Monitoring, Hospital Patient Monitoring, Sleep & Respiratory Care, Personal Health, Innovation & Design, and Information Technology. The teams worked on enhancing clinical workflows, diagnostic confidence, patient safety, serviceability, automation, interoperability, and connected care solutions. Significant emphasis was placed on AI/ML, cloud enablement, platform harmonization, digital consumer engagement, and scalable healthcare technologies. These initiatives strengthened PIC-B's role as a global innovation hub supporting Philips' mission of improving patient outcomes, operational efficiency, and access to care.

1. Future plan of action

Continue to engage in design & development for various imaging products like IGT- Systems, CT AMI, Diagnostic X-Ray, Ultrasound, MR (RF Coils), Sleep & Respiratory Care.

2. Expenditure incurred on R&D

During the year, your Company has incurred an expenditure of INR 3,044 Million on activities related to research and development.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The details of some of the steps taken by your Company for absorption of technology, adapting to the same in its operations and the innovations made during the year, have been included in the R&D section above. No technology was imported during the year.

D. FOREIGN EXCHANGE EARNINGS & OUTGO (CASH BASIS)

During the year, total inflows (on cash basis) in foreign exchange was INR 3,950.4 crore and total outflows (on cash basis) in foreign exchange was INR 2,735.3 crore

On behalf of the Board of Directors
For Philips India Limited

Angarai Dorairajan Aditya Ratnam
(Chairperson)
DIN: 05296020

Place: Gurugram
Date: August 06, 2026

Annexure - III

Form No. AOC-2

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2026, which were not on an arm's length basis.

2. **Details of material contracts or arrangements 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, 2026, in INR Millions)
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Sale of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	5,503
Philips Medical Systems Nederland B.V. Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	5,291
Philips Medical Services Nederland B.V. Fellow Subsidiary Company	Sales 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	11,085
Koninklijke Philips N.V. Parent Company	Sales of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	4,383
Philips Consumer Lifestyle B.V. Fellow Subsidiary Company	Sales 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	1,760

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, 2026, in INR Millions)
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	2,593
Philips Electronics Nederland B.V Fellow Subsidiary Company	Purchase 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	1,216
Philips Electronics Singapore Pte Ltd Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,280
Philips Healthcare Informatics, Inc. Fellow Subsidiary Company	Sales 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	1,235
Philips Medical Systems (Cleveland), Inc. Fellow Subsidiary Company	Sales of Services	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	3,249
Philips Medizin Systeme Böblingen GmbH Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,061

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, 2026, in INR Millions)
Philips North America LLC Fellow Subsidiary Company	Sales 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	1,461
Philips North America LLC Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,270
Philips RS North America LLC Fellow Subsidiary Company	Sales 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	1,546
Philips Ultrasound LLC Fellow Subsidiary Company	Purchase of Goods	Yearly	Based on Transfer Pricing guidelines	Not Applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable	1,512
Philips Ultrasound LLC Fellow Subsidiary Company	Sales 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	1,904

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

On behalf of the Board of Directors
For Philips India Limited

Angarai Dorairajan Aditya Ratnam
(Chairperson)
DIN: 05296020

Place: Gurugram
Date: August 06, 2026

Annexure - IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[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
Address: Rajarhat, 4A, 5th Floor, Ecospace Business Park, Premises, AA II, Newtown, Chakpachuria, Kolkata – 700156, West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Philips India Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as maintained and provided to us by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 ('**Audit Period**') generally complied with the statutory provisions listed hereunder. Further, the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **to the extent applicable.**

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable during the period under review.**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **to the extent applicable.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **Not Applicable during the period under review.**

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As confirmed and certified by the management, following sectorial law were also applicable to the Company based on the Healthcare Sector in which the Company operates. On the basis of management representation and our check on test basis, we are of the view that the Company has generally ensured the compliance of laws specifically applicable to it:

a) Legal Metrology Act, 2009 and its rules; and

b) Commercial and other major applicable laws:

- The Water (Prevention and Control of Pollution) Act, 1974;
- The Air (Prevention and Control of Pollution) Act, 1981;
- The Environment (Protection) Act, 1986 and the rules/regulations made there under;
- The Shops and Establishment Act, 1953;
- The Indian Contract Act, 1872;
- The Competition Act, 2002;
- The Entry Tax Act;
- The Professional Tax Act;

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

a) Secretarial Standard on Meetings of the Board of Directors (including resolutions passed by circulation) and on General Meetings issued by the Institute of Company Secretaries of India, which is generally complied with.

b) The listing Agreements entered with Stock Exchange(s) pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations 2015, as amended: **Not Applicable during the period under review.**

We report that, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above, during the Audit Period.

We further report that,

➢ The Board of Directors of the Company was constituted with a proper balance of Executive, Non-Executive and Independent Directors during the audit period. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

➢ All the meetings during the audit period were held by giving adequate notice to the Board and Committee members in compliance with the provisions of the Act. Agenda and detailed notes on agenda were sent within the prescribed time period/at shorter notice, and a system/process exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

➢ All decisions at Board Meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and the committee of the Board as the case maybe.

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

We further report that, the Board of Directors at their various meetings passed following significant resolution(s) apart from other resolution(s)–

➢ Re-constitution of the Committee(s), at various times.

➢ Adopted the valuation report and approved the slump sale of emergency care business of the Company.

➢ Took note of the resignation of Mr. Dev Kumar Tripathy as nodal officer of the Company and approve appointment of Ms. Swati Batra, Company Secretary of the Company as nodal officer of the Company.

➢ Take note of resignation of existing statutory auditor of the Company and approve the appointment of statutory auditor of the Company to fill the casual vacancy, subject to shareholder's approval.

➢ Considered and approved payment of profit-based commission to non-executive directors for FY 2025-26, as per the recommendations of Nomination and Remuneration committee.

We further report that members of the Company at its 95th Annual general meeting held on September 23, 2025, passed the following ordinary or special resolution(s), apart from the ordinary business(es), as applicable –

- Appointment of Ms. Indu Ranjit Shahani as an Independent Director.
- Revision in remuneration of Mr. Bharath RamRaman Sesha, Managing Director of the Company.
- Revision in remuneration of Mr. Dev Kumar Tripathy, Whole-Time Director and Chief Financial Officer of the Company.
- Revision in remuneration of Mr. Harish Chawla, Whole-Time Director of the Company.
- Approval of Remuneration of cost auditors of the Company.

We further report that members of the Company at its Extra-Ordinary general meeting held on March 11, 2026, passed the following ordinary resolution (s) -

- Appointment of M/S. Price Waterhouse Chartered Accountants LLP, as the statutory auditor of the Company, to fill the casual vacancy caused due to the resignation of M/S. S.R. Batliboi & Co. LLP, Chartered Accountants till the conclusion of ensuing Annual General Meeting.

For and on behalf of
M/s. Sushant Dhawan & Co.
(Company Secretaries in Practice)
ICSI Unique Code – S2023UP917000
Peer Review Certificate No. – 6077/2024

CS Sushant Dhawan
(Proprietor)
ACS No. - 70008
COP No. - 26566
UDIN - A070008H001016734

Place: Varanasi
Date: 06/08/2026

Note:

(i) 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.

(ii) This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to the financial year ended March 31, 2026.

Annexure A

To,

The Members,
Philips India Limited
CIN: U31902WB1930PLC006663
Address: Rajarhat, 4A, 5th Floor, Ecospace Business Park, Premises, AA II, Newtown, Chakpachuria,
Kolkata – 700156, West Bengal

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS/Standards") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records. Our Secretarial Audit Report for the financial year ended March 31, 2026, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Due to inherent limitations of an audit including internal, financials and operating controls, discrepancy in records and filings, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards, in accordance with the records and data as provided to us.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s. Sushant Dhawan & Co.
(Company Secretaries in Practice)
ICSI Unique Code – S2023UP917000
Peer Review Certificate No. – 6077/2024

CS Sushant Dhawan
(Proprietor)
ACS No. - 70008
COP No. - 26566
UDIN - A070008H001016734

Place: Varanasi
Date: 06/08/2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Philips India Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Philips India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2026, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

12. The financial statements of the Company for the year ended March 31, 2025, were audited by prior auditors under the Act who, vide their report dated August 5, 2025, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

    (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books. Further, based on the information and assessment, the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the year in respect of the Company's core accounting software and the matters stated in paragraph 14(h)(vi) on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). However, in respect of third-party software, in the absence of sufficient appropriate audit evidence, we are unable to verify whether such backup of books of account and other books and papers maintained in electronic mode was maintained on a daily basis on servers physically located in India during the aforesaid period and for the matters stated in paragraph 14(h)(vi) below under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above and paragraph 14(h)(vi) below.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28(b) to the financial statements.

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

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

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 43(6) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(7) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for the following:

(i) in respect of the core accounting software used for maintaining books of accounts, the audit log is not maintained in case of modification by certain users with specific access and was not enabled to capture any direct changes at the database level during the audit period. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention; and

(ii) with respect to another accounting software of third-party service providers used for the year for maintaining certain records, in the absence of certain information pertaining to audit trail in the independent service auditor's report, we are unable to comment on the audit trail (edit log) feature in that accounting software.

During the course of performing our procedures, except the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Peswani
Partner
Membership Number: 501213
UDIN: 26501213BMYMDA1340
Place: Gurugram
Date: August 6, 2026

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Philips India Limited on the financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Philips India Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

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

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

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Peswani
Partner
Membership Number: 501213
UDIN: 26501213BMYMDA1340
Place: Gurugram
Date: August 6, 2026

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Philips India Limited on the financial statements for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company did not have any intangible assets during the year and, accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The Company does not hold any immovable properties other than those where the Company is the lessee and the lease agreements are duly executed in favour of the lessee (Refer Note 2 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements, does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 36 to the financial statements). During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from financial institutions and, accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has not made any investments, granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties during the year. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its diagnostic imaging equipment and patient monitoring equipment. We have broadly reviewed the books of account maintained by the Company pursuant to the said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, professional tax and labour welfare fund, duty of customs, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. There are no arrears of statutory dues outstanding as at balance sheet date, for a period of more than six months from the date they became payable.

(b) There are no statutory dues of professional tax, labour welfare fund, employees' state insurance and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Nature of the statute	Nature of dues	Amount (Rs. in millions)	Amount paid under protest (Rs. in millions)	Recourse* (Rs. in millions)	Net Amount (Rs. in millions)	Period to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3,255	196	-	3,059	AY 2004-05, AY 2005-06, AY 2010-11, AY 2011-12, AY 2012-13, AY 2023-24	Appellate Authority upto Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	231	91	-	140	AY 2004-05	Tribunal
Income Tax Act, 1961	Income Tax	2,739	70	-	2,669	AY 2003-04, AY 2017-18 and AY 2018-19	High Court
The Central Sales Tax Act, 1956 and Value Added Tax (VAT) Act	Sales Tax and Value added Tax	316	24	265	27	1987-88 to 1989-90 and 1998-99 to 2017-18	Appellate Authority upto Commissioner (Appeals)
The Central Sales Tax Act, 1956 and Value Added Tax (VAT) Act	Sales Tax and Value added Tax	243	5	236	2	1986-87, 1989-90 to 1998-99, 2006-07, 2007-08 and 2014-15	Appellate Tribunal
The Central Sales Tax Act, 1956 and Value Added Tax (VAT) Act	Sales Tax and Value added Tax	19	9	10	-	1998-99 to 1999-00 and 2003-04 to 2004-05	High Court
The Central Sales Tax Act, 1956 and Value Added Tax (VAT) Act	Sales Tax and Value added Tax	38	-	13	25	2007-08	Supreme Court

Nature of the statute	Nature of dues	Amount (Rs. in millions)	Amount paid under protest (Rs. in millions)	Recourse* (Rs. in millions)	Net Amount (Rs. in millions)	Period to which the amount relates to	Forum where dispute is pending
The Goods and Services Tax Act, 2017	Goods and Services Tax	2,342	109	-	2,233	2017-18 to 2021-22	GST - Appellate Authority upto Commissioner (Appeals)
The Goods and Services Tax Act, 2017	Goods and Services Tax	96	6	-	90	2017-18, 2019-20 and 2021-22	GST - Appellate Tribunal
The Goods and Services Tax Act, 2017	Goods and Services Tax	1,510	-	-	1,510	2021-22	High Court
The Finance Act, 1994	Service Tax	14	-	-	14	April 2016 to June 2017	Custom, Excise and Service tax Appellate Tribunal
The Finance Act, 1994	Service Tax	8	-	-	8	October 2003 to March 2008	Appellate Authority upto Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	11	-	-	11	2007	Appellate Authority upto Commissioner (Appeals)
Central Excise Act, 1944	Excise duty	16	-	-	16	1996 to 2002	High Court
Custom Act, 1962	Custom duty	252	117	-	135	2012-13, 2013-14 and 2017-18	Appellate Authority upto Commissioner (Appeals)
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	2,492	-	-	2,492	2022-23	High Court

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

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

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

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and we did not note any issues, objections or concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "other than ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Peswani
Partner
Membership Number: 501213
UDIN: 26501213BMYMDA1340
Place: Gurugram
Date: August 6, 2026

Balance Sheet as at March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	**7,621**	7,929
Capital work-in-progress	2(b)	**177**	83
Investment property	3	**1,226**	1,300
Financial assets			
Investments	5(b)	**-**	-
Trade receivables	5(a)	**193**	347
Other financial assets	5(c)	**194**	200
Deferred tax assets (net)	6(c)	**1,057**	961
Current tax assets (net)		**2,661**	3,444
Other non current assets	7	**494**	532
		13,623	14,796
Current assets			
Inventories	8	**8,280**	8,295
Financial assets			
Investments	5(b)	**40**	44
Trade receivables	9(a)	**14,085**	10,870
Cash and cash equivalents	9(b)	**1,494**	2,382
Other bank balances	9(c)	**8,386**	91
Other financial assets	9(d)	**526**	91
Contract assets	4	**414**	376
Other current assets	10	**2,742**	3,780
		35,967	25,929
TOTAL ASSETS		**49,590**	40,725
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**575**	575
Other equity	12	**21,106**	17,461
Equity attributable to equity shareholders		**21,681**	18,036
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2(a)	**3,461**	3,651
Other financial liabilities	13	**484**	189
Contract liabilities	4	**2,380**	2,349
Provisions	14(a)	**611**	564
		6,936	6,753
Current liabilities			
Financial liabilities			
Lease liabilities	2(a)	**643**	592
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15(a)	**454**	348
Total outstanding dues of creditors other than micro enterprises and small enterprises	15(a)	**7,426**	6,382
Other financial liabilities	15(b)	**398**	287
Contract liabilities	4	**5,170**	3,069
Provisions	14(b)	**2,203**	772
Current tax liabilities (net)		**1,848**	1,744
Other current liabilities	16	**2,831**	2,742
		20,973	15,936
TOTAL EQUITY AND LIABILITIES		**49,590**	**40,725**
Basis of preparation, measurement and material accounting policies	1		

The above Balance Sheet should be read in conjunction with the accompanying notes

This is the Balance sheet referred in our report of even date

For and on behalf of the Board of Directors of Philips India Limited

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

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

Managing Director — **BHARAT RAM RAMAN SESHA** (DIN: 01983066)

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

Amit Peswani
Partner
Membership No.: 501213

Company Secretary — **SWATI BATRA** (Membership No. A23592)

Gurugram, August 06, 2026

Gurugram, August 06, 2026

Statement of Profit and Loss for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	17	**71,691**	65,420
Other income	18	**986**	810
Total income		**72,677**	66,230
Expenses			
Cost of raw materials consumed	19	**5,311**	4,120
Purchases of stock-in-trade	20	**24,674**	23,442
Changes in inventories of work-in-progress, finished goods and stock-in-trade	21	**86**	176
Employee benefits expense	22	**24,104**	21,805
Finance costs	23	**398**	454
Depreciation and amortization expense	24	**1,730**	1,747
Other expenses	25	**11,603**	10,006
Total expenses		**67,906**	61,750
Profit before tax		**4,771**	4,480
Tax expense			
Current tax	6	**(1,273)**	(1,496)
Tax (expense)/credit pertaining to earlier years	6	**55**	(32)
Deferred tax - credit	6	**95**	141
Total tax expense		**(1,123)**	(1,387)
Profit after tax		**3,648**	3,093
Profit from continuing operations		**4,302**	4,450
Tax expense			
Current tax	6	**(1,262)**	(1,488)
Tax (expense)/credit pertaining to earlier years		**55**	(32)
Deferred tax - credit	6	**95**	141
Profit after tax from continuing operations		**3,190**	3,071
Profit from discontinued operations		**469**	30
Tax expense			
Current tax	6	**(11)**	(8)
Profit after tax from discontinued operations		**458**	22
Profit after tax (A)		**3,648**	3,093
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains / (losses) on defined benefit plans	26	**(4)**	63
Income tax effect on defined benefit plans	6	**1**	(16)
Other comprehensive income for the year (B)		**(3)**	47
Total comprehensive income for the year (A+B)		**3,645**	**3,140**
Earnings per equity share (₹10 each)	37		
Basic and diluted earnings per equity share from continuing operations	37	**55.46**	53.40
Basic and diluted earnings per equity share from discontinued operations		**7.96**	0.38
Basic and diluted earnings per equity share from continuing operations and discontinued operations		**63.42**	53.78
Basis of preparation, measurement and material accounting policies	1		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

This is the Statement of profit and Loss referred in our report of even date

For and on behalf of the Board of Directors of Philips India Limited

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

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

Managing Director — **BHARAT RAM RAMAN SESHA**
(DIN: 01983066)

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

Amit Peswani
Partner
Membership No.: 501213

Company Secretary — **SWATI BATRA**
(Membership No. A23592)

Gurugram, August 06, 2026

Gurugram, August 06, 2026

Statement of Cash Flows for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	**4,302**	4,450
Discontinued operations	**469**	30
Profit before income tax including discontinued operations	**4,771**	4,480
Adjustments for		
Depreciation and amortisation expense	**1,730**	1,747
Loss on disposal/sale of property, plant & equipment (net)	**62**	32
Finance costs	**398**	454
Gain on sale of emergency care business	**(424)**	-
Gain on sale of land	**(9)**	-
Gain on sale of Investments	**-**	(7)
Unwinding of discount on Security Deposits	**16**	17
Provision for warranty	**503**	292
Net impairment losses on financial assets	**128**	335
Liabilities no longer required written back	**-**	(137)
Provision for inventory obsolescence	**80**	172
Lease rental Income	**(125)**	(121)
Interest income on lease receivable	**(35)**	-
Interest income classified as investing cash flows	**(438)**	(471)
Net foreign exchange differences	**(20)**	(19)
Total Non Cash Adjustments	**1,866**	2,294
Operating profit before working capital changes	**6,637**	6,774
Change in operating assets and liabilities		
(Increase) in trade receivables	**(3,013)**	(2,007)
(Increase)/decrease in inventories	**95**	64
(Increase)/Decrease in Other Financial Assets	**(377)**	102
(Increase)/Decrease in Other Non-Current Assets	**36**	(41)
(Increase)/Decrease in Other Current Assets	**1,038**	(933)
(Increase)/Decrease in Contract Assets	**(38)**	(5)
Increase/(Decrease) in Trade Payables	**1,306**	(662)
Increase/(Decrease) in Other Financial Liabilities	**345**	(291)
Increase/(Decrease) in Provisions	**959**	(1,136)
Increase/(Decrease) in Contract Liabilities	**2,148**	(147)
Increase/(Decrease) in Other Current Liabilities	**89**	226
Cash generated from operations	**9,225**	1,944
Income tax paid (net of refunds)	**(210)**	(781)
Net cash inflow from operating activities	**9,015**	1,163

Statement of Cash Flows for the year ended March 31, 2026 (Contd.)

All amounts in ₹ Mln, unless otherwise stated

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from investing activities			
Payments for property, plant and equipment and investment property		**(982)**	(978)
Proceeds from sale of investments		**4**	10
Proceeds from sale of property, plant and equipment		**19**	42
Lease rental income		**125**	121
Payment for investment in bank deposits		**(35,191)**	-
Proceeds from maturity of bank deposits		**26,891**	-
Proceeds from sale of land		**9**	-
Interest received		**248**	167
Net cash outflow from investing activities		**(8,877)**	(638)
Cash flow from financing activities			
Payments of lease liabilities (principal)		**(628)**	(325)
Payments of lease liabilities (interest)		**(373)**	(379)
Finance costs		**(25)**	(73)
Net cash outflow from financing activities		**(1,026)**	(777)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(888)**	(252)
Cash and cash equivalents at the beginning of the financial year		**2,382**	2,634
Cash and cash equivalents at end of the year		**1,494**	2,382
Non-cash investing activities			
Acquisition of right-of-use assets		**646**	721
Reconciliation of cash and cash equivalents as per the statement of cash flows			
Cash and cash equivalents as per above comprise of the following:			
Bank balance in current accounts	9(b)	**543**	872
Deposits with Banks	9(b)	**950**	1,510
Cheques/drafts in hand	9(b)	**1**	-
Cash and cash equivalents at end of the year		**1,494**	2,382

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

This is the Statement of Cash Flows referred in our report of even date

For and on behalf of the Board of Directors of Philips India Limited

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

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

Managing Director — **BHARAT RAM RAMAN SESHA**
(DIN: 01983066)

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

Amit Peswani
Partner
Membership No.: 501213

Company Secretary — **SWATI BATRA**
(Membership No. A23592)

Gurugram, August 06, 2026

Gurugram, August 06, 2026

Statement of Changes in Equity for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

Particulars

A. Equity Share Capital	**Number of shares**	**Amounts**
Equity shares of ₹10 each issued, subscribed and fully paid up		
As at April 01, 2024	**57,517,242**	575
Changes in equity share capital during the year	-	-
As at March 31, 2025	**57,517,242**	575
Changes in equity share capital during the year	-	-
As at March 31, 2026	**57,517,242**	**575**

B. Other Equity

Particulars	**Reserves and Surplus**		
	Retained Earnings	**Share-based payments reserve**	**Total**
As at April 01, 2024	14,321	-	**14,321**
Profit for the year	3,093	-	**3,093**
Other comprehensive income	47	-	**47**
Equity-settled share-based payments	-	216	**216**
Share-based expense recharge payable to the holding company	-	(216)	**(216)**
Total comprehensive income for the year	**3,140**	**-**	**3,140**
As at March 31, 2025	**17,461**	**-**	**17,461**
Profit for the year	**3,648**	**-**	**3,648**
Other comprehensive income	**(3)**	**-**	**(3)**
Equity-settled share-based payments		**376**	**376**
Share-based expense recharge payable to the holding company		**(376)**	**(376)**
Total comprehensive income for the year	**3,645**	**-**	**3,645**
As at March 31, 2026	**21,106**	**-**	**21,106**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

This is the Statement of Changes in Equity referred in our report of even date

For and on behalf of the Board of Directors of Philips India Limited

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

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

Managing Director **BHARAT RAM RAMAN SESHA**
(DIN: 01983066)

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

Amit Peswani
Partner
Membership No.: 501213

Company Secretary **SWATI BATRA**
(Membership No. A23592)

Gurugram, August 06, 2026

Gurugram, August 06, 2026

BACKGROUND:

Philips India Limited (the 'Company') (CIN: U31902WB1930PLC006663) is a public limited company domiciled in India with its registered office at Rajarhat, 4A, 5th Floor, Ecospace Business Park, Premises, AA II, Newtown, Kolkata, Chakpachuria, Kolkata West Bengal - 700156, India. The Company's business segments comprise of (a) Healthcare Systems, (b) Personal Health and (c) Innovation Services. The Company has manufacturing facilities in Pune, Maharashtra, and Software Development centre in Bangalore. The company sells its products primarily in India through independent distributors and modern trade. The Financial statements for the year ended 31 March 2026 were authorized by the Board of Directors for issue in accordance with resolution passed on August 06, 2026.

1. MATERIAL ACCOUNTING POLICIES:

1.1. Basis of preparation of financial statements

(i) Compliance with Ind AS

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Financial Statements have been prepared on a historical cost convention on a going concern basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- share-based payments.

(iii) New and amended standards adopted by the Company

'The Ministry of Corporate Affairs vide notification dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12
- Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1.2. Critical estimates and judgements

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates and judgements are:

- estimation of defined benefit obligation – see note 14(a) and 14(b)
- estimation of provision for warranty claims – see note 14(a) and 14(b)
- impairment of trade receivables – see note 5(a) and 9(a)
- contingent liabilities – see note 28
- provision for inventory obsolescence – see note 8
- estimation of provision for indirect taxes – see note 14(a) and 14(b)
- estimated useful life of property, plant and equipment – note 2

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the Company and that are believed to be reasonable under the circumstances.

1.3. (a) Property, Plant and Equipment

Property, plant, and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses consequent to transition to Ind AS. Subsequent costs are included in the asset's carrying amount or recongised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is provided on the original cost on a straight-line method as per the useful lives of the asset. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Particulars	**Estimated Useful Life**
Factory Building	30 years
Plant and Equipment	3 – 17 years
Furniture and Fixtures	5 – 10 years
Office Equipment	3 – 5 years

Depreciation on medical equipment given on operating leases and leasehold improvements is provided on a straight-line basis over the period of the lease or on their estimated useful life, whichever is shorter.

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

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

(b) Investment Properties:

Investment properties, principally leasehold land and office buildings, are held for long-term rental yields and are not occupied by the Company.

Investment properties are measured initially at cost including transaction costs, only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

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

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

1.4. Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognized initially at the transaction price.

The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

1.5. Financial Assets:

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

(i) Classification of financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt instruments (debentures) that do not qualify for measurement at either amortised cost or FVOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria and are accounted for at FVTPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

1.6. Leases:

As a lessee

The Company has lease contracts for vehicles, office buildings and leasehold land. Lease terms of vehicles vary between 3-5 years. while other leases have lease terms between 5-10 years and for leasehold land, lease term is 95 years.

Contracts might contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate, term and currency of the contract. To determine the incremental borrowing rate, the Company obtains the general purpose borrowing rates and makes necessary adjustments specific to the lease e.g. lease term, security etc.

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

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

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

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

1.7. Employee Benefits:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The Company also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right, at the end of the reporting period, to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund, employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Termination benefits are recognized as and when incurred.

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

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

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

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. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

(iv) Long Service Award

The Company operates a long service award to recognize and appreciate the contribution and commitment of long serving employees payable upon completion of certain years of service.

1.8. Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate as adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period, where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

1.9. Trade and other payables

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

1.10. 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 recongised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, Goods and Service Tax and amount collected on behalf of third parties.

i) Sale of goods

Revenue from the sale of goods is recongised when the control of the goods has transferred to the buyer, usually on delivery of the goods and is measured at contract price specified in the contract, net of returns and allowances, discounts, volume rebates and cash discounts. Revenue is usually recongised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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

ii) Variable Consideration

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

iii) Significant financing component

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

iv) Warranty obligations

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

v) Contract assets:

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

vi) Contract liabilities:

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

vii) Right of return assets:

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

viii) Refund Liabilities:

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

ix) Rendering of Services

Revenue from service-related activities is recongised as and when services are rendered and on the basis of contractual terms with the parties. Income from annual maintenance service contracts is recongised on a straight-line basis over the period of contracts and income from other service contracts is recongised on completion of the service rendered which approximates the cost of providing these services.

Revenue from assets given on operating leases is recongised 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.

x) Export benefits

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

xi) Rental Income

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

1.11. Other income:

(i) Government grants

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(ii) Interest Income

Interest income from financial assets at FVTPL is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is recognized in profit or loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

1.12. Summary of other accounting policies:

This note provides a list of other accounting policies adopted in the preparation of these Standalone Financial Statements to the extent they have not already been disclosed in the other notes above.

a) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Philips India Limited assesses the financial performance and position of the Company, and makes strategic decisions.

c) Foreign currency translation

i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

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

The estimated fair value amounts of forward exchange contracts as at March 31, 2026 have been measured as at that date. Exchange differences on such contracts are recongised 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 recongised as income or expense for the period.

d) Impairment of assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

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

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

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

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

e) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

f) Inventories

Raw materials and stores, work in progress, traded and finished goods.

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recongised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

h) Investments and other financial assets

(i) Classification

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 to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, being the date on which the Company commits to purchase or sell the financial asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value changes)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

Derivatives that are not designated as hedges

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

i) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

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

j) Share-based payments

The Ultimate Holding Company issues Restricted Share Units ('RSUs'), purchase rights granted under the Employee Stock Purchase Plan ("ESPP") and Performance Stock Awards ('PSAs') (collectively referred to as the 'Share Based Payments') of its own shares to certain employees of the Company.

Share-based payment consists of share awards of the Ultimate Holding Company to the employees of the Company, which subsequently makes a recharge to the Company. These awards are predominantly designed as equity-settled transactions as the ultimate obligation to settle the transaction is on the Ultimate Holding Company. The costs of stock awards granted to the employees of the Company are measured at the fair value of the stock awards granted of the Ultimate Holding Company. For each stock award, the measurement of fair value is performed on the grant date.

The cost is recognized in the statement of profit or loss, together with a corresponding increase in stock awards reserve in equity, over the period in which the service conditions are fulfilled. At the end of each reporting period upto the date of settlement, the Company remeasures the fair value of the liability based on the share price of the Ultimate Holding Company with a corresponding adjustment to equity.

k) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

m) Events after the reporting period:

If the Company receives information after the reporting period, but prior to the date of approved for issue, about conditions that exist at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognized in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2. Property, Plant and Equipment

All amounts in ₹ Mln, unless otherwise stated

Particulars	Gross Carrying Value				Accumulated Depreciation				Net book value
	As at April 1, 2025	Additions	Deductions/ Adjustments	As at March 31, 2026	As at April 1, 2025	Depreciation for the year	Deductions/ Adjustments	As at March 31, 2026	As at March 31, 2026
Owned Assets									
Buildings	269	2	-	**271**	119	8	-	**127**	**144**
Leasehold Improvements	1,592	120	(2)	**1,710**	417	162	(1)	**578**	**1,132**
Plant & Equipment	4,575	574	(268)	**4,881**	2,388	533	(232)	**2,689**	**2,192**
Plant & Equipment (given on operating lease)	186	-	(63)	**123**	93	20	(38)	**75**	**48**
Office Equipment	740	214	(53)	**901**	454	107	(53)	**508**	**393**
Furniture	462	6	(1)	**467**	177	47	(1)	**223**	**244**
Right-of-Use (ROU) Assets									
Vehicles	1,558	407	(379)	**1,586**	570	396	(233)	**733**	**853**
Buildings	3,363	239	(62)	**3,540**	666	379	(53)	**992**	**2,548**
Leasehold Land	80	-	-	**80**	12	1	-	**13**	**67**
Total	**12,825**	**1,562**	**(828)**	**13,559**	**4,896**	**1,653**	**(611)**	**5,938**	**7,621**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net book value
	As at April 1, 2024	Additions	Deductions/ Adjustments	As at March 31, 2025	As at April 1, 2024	Depreciation for the year	Deductions/ Adjustments	As at March 31, 2025	As at March 31, 2025
Owned Assets									
Buildings	269	-	-	269	111	8	-	119	151
Leasehold Improvements	1,783	203	(394)	1,592	702	133	(418)	417	1,175
Plant & Equipment	4,031	657	(113)	4,575	1,747	666	(25)	2,388	2,187
Plant & Equipment (given on operating lease)	248	-	(62)	186	128	25	(60)	93	93
Office Equipment	749	98	(107)	740	484	85	(115)	454	286
Furniture	478	16	(32)	462	147	48	(18)	177	285
Right-of-Use (ROU) Assets									
Vehicles	1,137	637	(216)	1,558	403	324	(157)	570	987
Buildings	3,348	84	(69)	3,363	290	376	-	666	2,697
Leasehold Land	80	-	-	80	11	1	-	12	68
Total	**12,122**	**1,695**	**(993)**	**12,824**	**4,022**	**1,666**	**(793)**	**4,895**	**7,929**

The company has neither revalued nor impaired property, plant and equipment during the year ended March 31, 2026 and March 31, 2025.

Notes:

(i) Refer note 28(a) for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

(ii) The Company has not revalued any property, plant and equipment during the current or the previous year.

(iii) Refer Note 40 for transfer of property, plant and equipment on account of slump sale.

All amounts in ₹ Mln, unless otherwise stated

2 (a).Leases

Particulars	As at March 31, 2026	As at March 31, 2025
Right-of-use asset as at beginning of the year	**3,752**	3,861
Additions	**646**	721
Deletions/ Remeasurements during the year	**(154)**	(129)
Depreciation for the year	**(776)**	(701)
Right-of-use asset as at end of the year	**3,468**	3,752
Lease Liabilities as at beginning of the year	**(4,243)**	(4,007)
Additions	**(626)**	(687)
Deletions / Remeasurements during the year	**137**	126
Interest cost accrued during the year	**(373)**	(379)
Payment of lease liabilities (Principal)	**628**	325
Payment of lease liabilities (Interest)	**373**	379
Lease Liabilities as at end of the year	**(4,104)**	(4,243)
Current	**(643)**	(592)
Non-Current	**(3,461)**	(3,651)
Lease Liabilities as at end of the year	**(4,104)**	(4,243)
Recognized in Statement of Profit and Loss		
Depreciation for the year	**776**	701
Interest cost accrued during the year	**373**	379
Expenses relating to leases of low value assets	**258**	226
Total cash outflows from leases during the year	**1,407**	1,306

Note

(i) The maturity analysis of lease liabilities is disclosed in Note 35. The effective interest rate for lease liabilities is 7.99% per annum (March 31, 2025: 8.2% per annum). The Company's total cash outflows for leases during the year is ₹1,001 (March 31, 2025: ₹704). Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

All amounts in ₹ Mln, unless otherwise stated

Property, Plant and Equipment (Contd..)

2(b) Capital Work in Progress

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work- in-progress	177	83

2(c) Capital work- in-progress Ageing Schedule

Particulars	As at March 31, 2026		As at March 31, 2025	
	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 year	166	-	82	-
1-2 Years	11	-	1	-
2-3 Years	-	-	-	-
More than 3 years	-	-	-	-
Total	**177**	**-**	**83**	**-**

(2)(d) Details of Capital work-in-progress whose completion is overdue to it's original plan

As at March 31, 2026

	To be completed in				
Name of the Projects	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Chakan	9	-	-	-	9
IC R D Lab Cable	1	-	-	-	1
ICT Iqon	1	-	-	-	1
Madhav	2	-	-	-	2
Arc Geometry	4	-	1	-	5
VRF Systems Factory	2	-	-	-	2
Total	**19**	**-**	**1**	**-**	**20**

As at March 31, 2025

	To be completed in				
Name of the Projects	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
HRSS Racks	1	-	-	-	1
Arc Geometry	-	1	-	-	1
Labs Set up	2	-	-	-	2
Cooled Chiller	1	-	-	-	1
Total	**4**	**1**	**-**	**-**	**5**

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

Particulars	As at March 31, 2026	As at March 31, 2025
3. Investment property		
Gross Carrying Amount		
Opening gross carrying amount	**1,589**	1,585
Additions	**3**	4
Closing gross carrying amount	**1,592**	1,589
Accumulated Depreciation		
Opening accumulated depreciation	**289**	208
Depreciation Charge	**77**	81
Closing accumulated depreciation	**366**	289
Net Carrying Amount	**1,226**	1,300

The investment property consists of land, building and leasehold improvements held by the Company located in the State of Maharashtra given on long term lease. The fair value of investment property is ₹1,226 (Previous year ₹1,392) and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorized as Level 3 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes assets that are subleased and rental income of ₹125 (Previous year ₹121) has been recongised in the Statement of Profit and Loss.

Note:

Information regarding income and expenditure on Investment property

	Year ended March 31,2026	Year ended March 31,2025
Rental Income from Investment properties	**125**	121
Direct operating expenses (including repairs and maintenance) generating rental income	**(2)**	(3)
Profit from investment properties before depreciation and indirect expenses	**123**	118
Depreciation charge	**(77)**	(81)
Profit from investment properties	**46**	37

4. Contract Balances

Particulars	As at March 31,2026	As at March 31,2025
Contract assets	**414**	376
Current	**414**	376
Contract liabilities	**7,550**	5,418
Non-current	**2,380**	2,349
Current	**5,170**	3,069

”Contract assets” is related to revenue which is earned and the receipt of consideration is conditional to billing for maintenance contracts.”.

“Contract liabilities” includes (a) advances received from customers and (b) income received in advance.

All amounts in ₹ Mln, unless otherwise stated

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

Particulars	As at March 31,2026	As at March 31,2025
Trade receivables	**193**	347
Break up for Trade receivables		
Trade receivables		
Trade receivables - Secured, considered good {Refer Note 9(a)}	**193**	347
Trade Receivables - credit impaired	**187**	124
	380	471
Less: Loss Allowance	**(187)**	(124)
	193	347

Non-Current Trade Receivables Ageing

As at March 31,2026

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(1) Undisputed Trade receivables – considered good	**193**	-	-	-	-	-	**193**
(2) Undisputed Trade Receivables – credit impaired	-	-	**63**	-	**124**	-	**187**
	193	-	**63**	-	**124**	-	**380**

Non-Current Trade Receivables Ageing

As at March 31,2025

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(1) Undisputed Trade receivables – considered good	347	-	-	-	-	-	347
(2) Undisputed Trade Receivables – credit impaired	-	-	-	124	-	-	124
	347	-	-	124	-	-	471

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

5 (b) Investments - Non Current and Current

	Face value per unit	As at March 31, 2026 Units	As at March 31, 2025 Units	As at March 31, 2026	As at March 31, 2025
Investment at FVTPL					
Quoted:					
Roadstar Infra investment Trust (InvIT)					
Units of ROADSTAR INFRA INVESTMENT TRUST **	100	**6,00,000**	6,00,000	**60**	60
Unquoted:					
IL&FS Financial Services Limited					
Secured Non-convertible debentures *	1,000	**212,577**	212,577	**-**	-
Unsecured Non-convertible debentures	1,000	**62,100**	62,100	**9**	9
IL&FS Limited					
Secured Non-convertible debentures*	10,00,000	**63**	63	**-**	-
Secured Non-convertible debentures*	1,000	**284,693**	284,693	**-**	-
Total Non-current Gross				**69**	69
Less: Provision for Impairment *	-	**-**	-	**(69)**	(69)
Total Non-current Net					
Aggregate book value of quoted investments	-	**-**	-	**-**	-
Aggregate market value of quoted investments	-	**-**	-	**-**	-

* During FY 25-26, the Company has received ₹ Nil (March, 2025- ₹18) from IL&FS Financial Services Limited on account of interim distribution of investment, resulting in profit ₹ Nil (March , 2025- ₹ 7) (Refer Note 18).

** During FY 24-25,the company has received 6,00,000 units of Roadstar Infra Investment Trust against investment in NCDs issued by IL&FS and IL&FS Financial Servies, as part of interim distribution as approved by the NCLAT by way of its order dated May 31, 2022.

Current Investment at FVTPL **Quoted:** **Piramal Capital and Housing Finance Limited**	Face value per unit	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Secured Non-convertible debenture **	775	**65,966**	65,966	**40**	44
Total Current	-	**-**	-	**40**	44
Aggregate book value of quoted investments	-	**-**	-	**40**	44
Aggregate market value of quoted investments	-	**-**	-	**49**	49

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

5 (c) Non-current Financial assets - Others

Particulars	**As at March 31,2026**	As at March 31,2026
Security Deposits		
- Security Deposits	**194**	200
	194	200

6. Deferred Tax Assets (net)

(a) Components of Income Tax Expense

	Year ended March 31,2026	Year ended March 31,2025
(i) Tax expense recongised in Statement of Profit and Loss		
Current Tax *	**(1,273)**	(1,496)
Tax (expenses) / credit pertaining to earlier year	**55**	(32)
* includes (a) ₹143 (Previous Year ₹197) recongised due to impact of Appendix C to Ind AS 12 and (b) release of tax provision relating to previous years ₹ 55 (Previous year charge of tax provision ₹32)	**(1,218)**	(1,528)

All amounts in ₹ Mln, unless otherwise stated

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

Deferred Tax - credit		
- Relating to origination and reversal of temporary differences	**95**	141
(ii) Tax on Other Comprehensive Income		
Deferred tax		
- Gain / (Loss) on measurement of net defined benefit plans	**1**	(16)
Total	**(1,122)**	(1,403)

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

	year ended March 31,2026	year ended March 31,2025
Profit before tax (Continuing Operations ₹4,725, Discontinued operations ₹45)	**4,767**	4,543
Statutory Income tax rate	**25.17%**	25.17%
Computed tax expense	**1,200**	1,143
Differences due to:		
- Expenses not deductible for tax purposes	**18**	19
- Others	**(96)**	241
Income tax charged to Statement of Profit and Loss	**1,122**	1,403
Income tax expense reported in Statement of Profit and Loss	**1,122**	1,403

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

Particulars	**Balance Sheet**		**Recognized in Statement of Profit and Loss / OCI**	
	As at March 31,2026	**As at March 31,2025**	**Year ended March 31,2026**	**year ended March 31,2025**
Net deferred tax assets/ (liabilities)				
- Provision for employee benefits	**152**	194	**(42)**	(67)
- Doubtful trade receivables and advances	**362**	331	**31**	63
- Difference between book and tax depreciation	**281**	127	**154**	175
- Other timing differences	**271**	319	**(48)**	(30)
Total (A)	**1,066**	**971**	**95**	**141**
Re-measurement (gains) / losses on defined benefit plans (B)	**(9)**	(10)	**1**	(16)
Net deferred tax assets/ (liabilities) (A+B)	**1,057**	**961**	**96**	**125**

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

Particulars	**Balance Sheet**	
	As at March 31,2026	As at March 31,2025
Opening balance	**961**	836
Tax income/(expense) during the year recognized in profit and loss	**95**	141
Tax income/(expense) during the year recognized in OCI	**1**	(16)
Closing balance	**1,057**	961

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

7. Other non-current assets

	As at March 31,2026	As at March 31,2025
Capital Advances	-	2
Deposits against legal cases	494	530
Unsecured, considered doubtful		
Deposits against legal cases	89	66
Special additional duty receivables and drawback claims	56	56
Claims receivables	54	54
Loss allowances		
Deposits against legal cases	(89)	(66)
Special additional duty receivables and drawback claims	(56)	(56)
Claims receivables	(54)	(54)
	494	532

8. Inventories

	As at March 31,2026	As at March 31,2025
Raw Materials	1,852	1,885
Raw Materials-in-Transit	256	187
	2,108	2,072
Work-in-Progress	2,123	2,043
Finished Goods	33	77
Stock-in-Trade (goods purchased for re-sale)	3,639	3,761
Stock-in-Trade (goods purchased for re-sale) - In Transit	364	328
	4,003	4,089
Stores and spares	13	14
	8,280	8,295

9. (a) Trade Receivables

Particulars	As at March 31,2026	As at March 31,2025
Trade receivables from contract with customer- others	9,001	6,571
Trade receivables from contract with customer- related parties (Note 29)	5,084	4,299
Total	14,085	10,870
Break up for security details		
Trade receivables - secured, considered good **	1,308	1,009
Trade receivables - unsecured, considered good	12,777	9,861
Trade receivables - credit impaired	609	659
	14,694	11,529
Loss allowances	(609)	(659)
	14,085	10,870

All amounts in ₹ Mln, unless otherwise stated

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

Secured trade receivables includes finance lease receivables amounting to ₹335 (March 31, 2025- ₹607) 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 ₹459 (March 31, 2025 - ₹779) which includes unearned interest of ₹124 (March 31, 2025 - ₹172). The maturity profile of finance lease receivable is as follows:

Particulars	As at March 31,2026	As at March 31,2025
Minimum lease payments		
Receivable within 1 year	143	251
Receivable between 1-5 years	284	472
Receivable after 5 years	31	56
Total	458	779
Present value		
Receivable within 1 year	79	162
Receivable between 1-5 years	230	395
Receivable after 5 years	26	50
Total	335	607
Unearned interest	123	172

Ageing as at March 31, 2026

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(1) Undisputed Trade Receivables – considered good	8,197	5,279	210	260	31	108	14,085
(2) Undisputed Trade Receivables – credit impaired	-	-	609	-	-	-	609
	8,197	5,279	819	260	31	108	14,694

Ageing as at March 31, 2025

Outstanding for following periods from due date of payment	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(1) Undisputed Trade Receivables – considered good	8,032	2,304	198	126	109	101	10,870
(2) Undisputed Trade Receivables – credit impaired	-	659	-	-	-	-	659
	8,032	2,963	198	126	109	101	11,529

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

9. (b) Cash and cash equivalents

Particulars	As at March 31,2026	As at March 31,2025
Balances with banks:		
– On current accounts	**543**	872
Deposits with original maturity of less than three months	**950**	1,510
Cheques on hand	**1**	-
	1,494	2,382

9. (c) Other Bank Balances

Particulars	As at March 31,2026	As at March 31,2025
Deposits with original maturity of more than three months but less than 12 months	**8,300**	-
Unpaid dividend accounts	**86**	91
Total	**8,386**	91

9. (d) Current Financial assets - Others

Particulars	As at March 31,2026	As at March 31,2025
Interest accrued on deposits with banks	**76**	8
Government Grants		
Government grants considered good- unsecured	**13**	29
Government grants credit impaired	**10**	14
Loss Allowance	**(9)**	(14)
Receivable for sale of emergency care business (Refer note 40)	**367**	-
Security Deposits (Includes earnest money deposits with banks in the nature of fixed deposits)		
Security Deposits Considered good - unsecured	**69**	54
Security Deposits Credit impaired	**39**	18
Loss Allowance	**(39)**	(18)
	526	91

All amounts in ₹ Mln, unless otherwise stated

10. Other Current Assets

Particulars	As at March 31,2026	As at March 31,2025
Unsecured, considered good		
Advance to suppliers (other than related party)	**235**	188
Advance to suppliers (related party) (Note 29)	**-**	1,060
GST Input tax credit receivable	**1,111**	829
VAT credit receivable	**62**	60
Special additional duty receivables and drawback claims	**111**	360
Balances with customs and port trust	**174**	374
Prepaid expenses	**190**	179
Claims receivables	**859**	726
Advances to employees	**-**	4
Unsecured, considered doubtful		
Advance to suppliers	**36**	43
CENVAT credit receivable	**147**	147
Claims receivables	**115**	104
Special additional duty receivables and drawback claims	**30**	30
Loss allowances		
Advance to suppliers	**(36)**	(43)
CENVAT credit receivable	**(147)**	(147)
Claims receivables	**(115)**	(104)
Special additional duty receivables and drawback claims	**(30)**	(30)
Total	**2,742**	3,780

11. Equity Share Capital

Particulars	As at March 31,2026	As at March 31,2025
Authorised Share Capital		
92,000,000 (March 31, 2025 - 92,000,000) Equity shares of ₹10 each	**920**	920
20,000,000 (March 31, 2025 - 20,000,000) Non-convertible cumulative preference shares of ₹10 each	**200**	200
Total	**1,120**	1,120
Issued, subscribed and fully paid-up		
57,517,242 (March 31, 2025 - 57,517,242) Equity shares of ₹10 each	**575**	575

(a) Reconciliation of the number of equity shares outstanding	Number of shares	Equity share capital
As at April 1, 2024	**57,517,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31, 2025	**57,517,242**	575
Increase / (Decrease) during the year	**-**	-
As at March 31, 2026	**57,517,242**	575

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

The Company has only one class of equity shares having a par value of ₹10 /- per share (March 31, 2025 : ₹10/- per share). Each holder of equity shares is entitled to one vote per share.

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

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

(c) Shares held by holding and the ultimate holding company Koninklijke Philips N.V (KPNV)	As at March 31,2026	As at March 31,2025
55,290,182 (March 31 2025 - 55,290,182) equity shares of ₹10 each	**553**	553

(d) Details of shareholders holding more than 5% shares of the company	As at March 31,2026	As at March 31,2025
Koninklijke Philips N.V (KPNV)		
Number of equity shares held	**55,290,182**	55,290,182
% of Holding	**96.13**	96.13

12. Other Equity

Particulars	As at March 31,2026	As at March 31,2025
Retained Earnings		
As at the beginning of the year	**17,461**	14,321
Add: Profit for the year	**3,648**	3,093
Items of Other Comprehensive Income (OCI) recognized directly in retained earnings		
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	**(3)**	47
Share-based payments reserve		
Equity-settled share-based payments	**376**	216
Share-based expense recharge payable to the holding company	**(376)**	(216)
Total Other Equity	**21,106**	17,461

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

Particulars	As at March 31,2026	As at March 31,2025
Re-measurement gains / (losses) on defined benefit plans	**(4)**	63
Income tax effect on defined benefit plans	**1**	(16)
	(3)	47

A. Description of nature and purpose of each reserve

(i) Retained Earnings

Retained earnings are the accumulated profits earned by the Company till date, less (a) transfer to general reserves, (b) dividend (including dividend distribution tax) and (c) other distributions made to the shareholders.These are free reserves for the Company.

(ii) Re-measurement of Net Defined Benefit Plans

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

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

13. Non-current financial liabilities

Particulars	As at March 31,2026	As at March 31,2025
Dues to related party for employee share based payment expense (Refer Note 27)	**484**	189
	484	189

14. Provisions

Particulars	As at March 31,2026	As at March 31,2025
(a) Non-Current		
Provision- employee benefit obligation	**611**	564
Compensated absence	**419**	387
Long service awards	**192**	177
Total (a)	**611**	564
(b) Current		
Provision- employee benefit obligation	**1,647**	369
Gratuity (refer note 26)	**1,546**	295
Compensated absence	**73**	55
Long service awards	**28**	19
Provision- others	**556**	403
Warranty (refer note 14.1)	**322**	247
Legal and regulatory (refer note 14.1)	**152**	107
Decommissioning (refer note 14.1)	**52**	48
E-waste (refer note 14.1)	**30**	1
Total (b)	**2,203**	772

Additional disclosure relating to provisions

14.1. Movement in other provisions (non-current and current)	Warranty	Legal and Regulatory Inc. E-waste	Decommis-sioning	Total
Particulars				
As at April 1, 2024	387	260	50	697
Add: Accruals during the year	292	(3)	(2)	287
Less: Utilization	(432)	-	-	(432)
Less: Write back during the year	-	(137)	-	(137)
Less: Reclassification	-	(12)	-	(12)
As at March 31, 2025	247	108	48	403
Add: Accruals during the year	**508**	**89**	**4**	**601**
Less: Utilization during the year	**(426)**	**(10)**	**-**	**(436)**
Less: Write back during the year	**(6)**	**(5)**	**-**	**(11)**
Less: Transferred to Emergency Care Business (Refer Note 40)	**(1)**	**-**	**-**	**(1)**
As at March 31, 2026	**322**	**182**	**52**	**556**

All amounts in ₹ Mln, unless otherwise stated

15. Current Financial Liabilities

15(a). Trade payables

Particulars	As at March 31,2026	As at March 31,2025
Dues to others	**5,929**	5,673
Dues to related parties	**1,497**	709
Dues to Micro, Small and Medium Enterprises		
a. Principal amount remaining unpaid to any supplier as at end of the year	**454**	348
b. Interest due on the above amount	**-**	-
c. Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year	**-**	-
d. Amount of interest due and payable for the period of delay in making the payment but without adding the interest specified under this Act	**-**	-
e. Amount of interest accrued and remaining unpaid at the end of the year	**-**	-
f. Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises	**-**	-
	7,880	6,730

Ageing as at March 31, 2026	Dues to MSME	Dues to Others	Disputed Dues to MSME	Disputed Dues to Others	Total
Outstanding for following periods from due date of payment					
Not Due	**-**	**6,055**	**-**	**-**	**6,055**
Less than 1 year	**446**	**1,356**	**-**	**-**	**1,802**
1 - 2 Years	**7**	**0**	**-**	**-**	**7**
2 - 3 Years	**-**	**3**	**-**	**-**	**3**
More than 3 years	**1**	**12**	**-**	**-**	**13**
	454	**7,426**	**-**	**-**	**7,880**

Ageing as at March 31, 2025	Dues to MSME	Dues to Others	Disputed Dues to MSME	Disputed Dues to Others	Total
Outstanding for following periods from due date of payment					
Not Due	323	6,014	-	-	6,337
Less than 1 year	23	322	-	-	345
1 - 2 Years	2	33	-	-	35
2 - 3 Years	-	1	-	-	1
More than 3 years	-	12	-	-	12
	348	**6,382**	**-**	**-**	**6,730**

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

All amounts in ₹ Mln, unless otherwise stated

15(b) Other financial liabilities

Particulars	**As at March 31,2026**	As at March 31,2025
Unpaid dividend	**86**	91
Book overdraft	**-**	1
Other payables:		
Capital Creditors	**78**	17
Dues to related party for employee share based payment expense (Refer Note 27)	**234**	178
	398	287

16. Other current liabilities

Particulars	**As at March 31,2026**	As at March 31,2025
Other payables:		
Employee benefits payable	**992**	1,060
Statutory dues payable	**1,598**	1,368
Refund liabilities	**241**	314
	2,831	2,742

17. Revenue from operations

Particulars	**Year ended March 31, 2026**	Year ended March 31, 2025
Sale of goods	**32,594**	29,488
Sale of services	**38,367**	35,186
(i) Revenue from contracts with customers	**70,961**	64,674
(ii) Other operating revenues	**730**	**746**
Finance income - leases	**35**	44
Duty drawback and export incentives	**351**	311
Miscellaneous*	**344**	391
Revenue from operations (i+ii)	**71,691**	65,420

* Includes Lease rental income on Investment Property ₹125 (Previous Year ₹121).

17 (a) Disaggregated revenue information

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

Particulars	**Year ended March 31, 2026**				
	Personal Health	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Nature of Goods or Services					
Sale of Goods	**8,694**	**23,900**	**-**	**-**	**32,594**
Sale of Services	**64**	**11,492**	**26,079**	**732**	**38,367**
Revenue from contracts with customers	**8,758**	**35,392**	**26,079**	**732**	**70,961**
Geography					
Within India	**8,665**	**25,806**	**7**	**118**	**34,596**
Outside India	**93**	**9,586**	**26,072**	**614**	**36,365**
Revenue from contracts with customers	**8,758**	**35,392**	**26,079**	**732**	**70,961**
Timing of revenue recognition					
Goods transferred at a point in time	**8,694**	**23,900**	**-**	**-**	**32,594**
Services transferred over time	**64**	**11,492**	**26,079**	**732**	**38,367**
Revenue from contracts with customers	**8,758**	**35,392**	**26,079**	**732**	**70,961**

All amounts in ₹ Mln, unless otherwise stated

Particulars	**Year ended March 31, 2025**				
	Personal Health	**Health Systems**	**Innovation Services**	**Other Unallocable**	**Total**
Nature of Goods or Services					
Sale of Goods	7,986	21,502	-	-	29,488
Sale of Services	80	11,138	23,275	693	35,186
Revenue from contracts with customers	8,066	32,640	23,275	693	64,674
Geography					
Within India	7,941	23,598	6	87	31,632
Outside India	125	9,042	23,269	606	33,042
Revenue from contracts with customers	8,066	32,640	23,275	693	64,674
Timing of revenue recognition					
Goods transferred at a point in time	7,986	21,502	-	-	29,488
Services transferred over time	80	11,138	23,275	693	35,186
Revenue from contracts with customers	8,066	32,640	23,275	693	64,674

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

Particulars	**Year ended March 31, 2026**	Year ended March 31, 2025
Revenue as per contracted price	**71,751**	65,843
Adjustments		
Refund liabilities	**(790)**	(1,169)
Revenue from contracts with customers	**70,961**	64,674

17 (c) Performance obligation:

Sale of products:

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

Sales of services:

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

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

Particulars	**Year ended March 31, 2026**	Year ended March 31, 2025
Within one year	**5,170**	3,069
More than one year	**2,380**	2,349
	7,550	5,418

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

18. Other Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income from financial assets at amortised cost		
- on fixed deposit	**298**	170
- on income-tax refund	**121**	263
- on debentures	**2**	4
Net foreign exchange gain	**114**	200
Unwinding of discount on Security Deposits	**16**	17
Liabilities no longer required written back	**-**	137
Gain on sale of investments	**-**	7
Others (includes gain on transfer of Emergency Care business- refer note 40)	**435**	12
	986	810

19. Cost of raw materials consumed

	Year ended March 31, 2026	Year ended March 31, 2025
Raw materials at the beginning of the year	**1,885**	1,527
Add: Purchases	**5,278**	4,478
Less: Raw materials at the end of the year	**1,852**	1,885
Cost of raw materials consumed	**5,311**	4,120

20. Purchases of stock-in-trade	**24,674**	23,442

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

Opening balance		
Finished goods	**77**	253
Work-in-Progress	**2,043**	3,428
Stock-in-trade	**3,761**	2,376
Total	**5,881**	6,057
Closing balance		
Finished goods	**33**	77
Work-in-Progress	**2,123**	2,043
Stock-in-trade	**3,639**	3,761
Total	**5,795**	5,881
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**86**	176

22. Employee benefits expense

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus	**20,799**	19,948
Contribution to provident and other funds	**817**	805
Defined benefit plan expense	**1,507**	292
Employee share based expense (Refer note 27)	**376**	216
Staff welfare expenses	**605**	544
Total	**24,104**	21,805

23. Finance costs

Interest on Lease Liabilities (Refer note 2)	**373**	379
Other interest expense	**21**	73
Total interest expense	**394**	452
Unwinding of discount on provisions	**4**	2
Total Finance costs	**398**	454

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

	Year ended March 31, 2026	Year ended March 31, 2025
24. Depreciation and amortization expense		
Depreciation of property, plant & equipment (Refer note 2)	**877**	965
Depreciation of Investment property (Refer note 3)	**77**	81
Depreciation of Right of Use Assets (Refer note 2)	**776**	701
	1,730	1,747
25. Other expenses		
Power and fuel	**243**	250
Packing, freight and transport	**706**	648
Rent	**180**	154
Repairs to buildings	**31**	5
Repairs to plant and machinery	**5**	4
Insurance	**104**	97
Rates and taxes	**5**	6
Travelling and conveyance	**816**	803
Legal and professional	**2,073**	1,830
Advertisement and promotion	**1,797**	1,467
IT and Communication	**1,892**	1,683
Loss allowance of financial assets and other assets	**128**	335
Provision for warranty	**503**	292
Miscellaneous Expenses	**3,120**	2,432
	11,603	10,006
Legal and professional includes payments to auditors as given below:		
Statutory audit fees	**5.7**	5.2
Tax audit fees	**2.5**	2.5
Certification fees	**0.2**	0.2
Miscellaneous include:		
Loss on disposal/sale of property, plant & equipment	**62**	32
Handling charges	**91**	93
Royalty	**428**	388
Services charges payable to Related party (refer note 27)	**369**	306
Commission	**52**	35
Corporate Social Responsibility Expense	**74**	74

Details of CSR Expenditure:

a) Gross amount required to be spent by the Company during the year	**74**	62
b) Amount approved by the board to be spent during the year	**74**	62
c) Amount spent during the year		
i) Creation/acquisition of a capital asset		
- Yet to be paid in Cash	**-**	1
ii) On purposes other than (i) above		
- In Cash	**74**	61
- Yet to be paid in Cash	**-**	-
Nature of CSR Activities	The key focus is on healthcare, particularly the well-being of women, children, and adolescents, promoting healthy lifestyles, preventive care, and improved access to quality medical services for underserved communities.	The key focus is on healthcare, particularly the well-being of women, children, and adolescents, promoting healthy lifestyles, preventive care, and improved access to quality medical services for underserved communities.

All amounts in ₹ Mln, unless otherwise stated

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)

Opening Balance as at 1 April 2025		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2026	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	**-**	**-**

In case of S. 135(5) (Other than ongoing project)

Opening Balance as at 1 April 2025	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as at 31 March 2026
-	-	**74**	**74**	**-**

In case of S. 135(6) (Ongoing Project)

Opening Balance as at 1 April 2024		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2025	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	12	-	-	12	-	-

In case of S. 135(5) (Other than ongoing project)

Opening Balance as at 1 April 2024	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as at 31 March 2025
-	-	62	62	-

All amounts in ₹ Mln, unless otherwise stated

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

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

Contribution to Defined Contribution Plan, recognized as expense for the year is as under

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employer's Contribution towards Provident Fund (PF)	**817**	805

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

The new Labour Codes introduced by the Government of India, inter alia, require gratuity to be calculated based on wages constituting at least 50% of total remuneration. This has resulted in an increase in gratuity benefits in respect of services rendered in prior periods, and accordingly, the Company has recognized past service cost amounting to ₹ 1,241 during the year. In accordance with Ind AS 19, the past service cost has been recognized in the statement of profit and loss in the current year in which the plan amendment became effective. The gratuity obligation has been actuarially valued by an independent actuary using the projected unit credit method, considering the revised definition of wages for gratuity computation.

Net employee benefit expense (recongised in Employee Cost)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	**252**	251
Interest cost on benefit obligation	**122**	117
Interest (income) on plan assets	**(108)**	(76)
Past service cost	**1,241**	-
Net actuarial (gain)/ loss recongised in the year	**4**	(63)
Expenses recongised in the statement of profit & loss and Other Comprehensive Income	**1,511**	229

The gratuity expense has been recongised in "Employee benefits expenses" under note 22 to the Financial Statements

Changes in the present value of the defined benefit obligation:

Particulars	Gratuity	
	Year ended March 31, 2026	Year ended March 31, 2025
A. Present value of obligations as at beginning of the year	**1,875**	1,705
(1) Current service cost	**252**	251
(2) Past service cost	**1,241**	-
(3) Interest cost	**122**	117
(4) Benefits settled	**(204)**	(150)
(5) Transfers	**(15)**	-
(6) Actuarial (gain) / loss	**15**	(48)
Present value of obligations as at end of the year	**3,286**	1,875

All amounts in ₹ Mln, unless otherwise stated

Changes in the fair value of plan assets as at 31 March 2026

Particulars	Gratuity	
	Year ended March 31, 2026	Year ended March 31, 2025
B. Change in Plan Assets		
Plan assets as at beginning of the year	**1,580**	1,062
(1) Interest Income	**108**	76
(2) Contributions	**200**	550
(3) Benefits settled	**(159)**	(123)
(4) Employer and Employee contribution	**45**	27
(5) Benefit payments from employer	**(45)**	(27)
(6) Asset gain / (loss)	**11**	15
Plan assets as at end of the year	**1,740**	1,580
Surplus / (Deficit)	**(1,546)**	(295)
C. Actual return on plan assets	**119**	91
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	**(3,286)**	(1,875)
(2) Fair value of Plan assets	**1,740**	1,580
Liability recongised in Balance Sheet	**(1,546)**	(295)
E. Components of Employer Expense:		
(1) Current service cost	**252**	251
(2) Interest cost	**122**	117
(3) Interest (income) on plan assets	**(108)**	(76)
(4) Past service cost	**1,241**	-
(5) Actuarial (gain) / loss	**4**	(63)
Total expense recongised in Statement of Profit and Loss	**1,511**	229

F. Experience Adjustments

Particulars	Gratuity (Funded)	
	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligations	**3,286**	1,875
Plan Assets	**1,740**	1,580
Surplus/(Deficit)	**(1,546)**	(295)
Experience adjustments on Plan assets/liabilities (gain) / loss	**73**	22

All amounts in ₹ Mln, unless otherwise stated

G. Assumptions

Particulars	Gratuity	
	As at March 31, 2026	As at March 31, 2025
Financial Assumptions		
Discount factor (%)	**7.20%**	6.80%
Estimated rate of return on Plan Assets (%)	**7.20%**	6.80%
Salary Increase (%)	**For DMC Factory 15% p.a. 7% p.a. for Others**	For DMC Factory 15% p.a. 7% p.a. for Others
Demographic Assumptions		
Mortality	**IALM (2012-14)**	IALM (2012-14)
Attrition rate (%)	**10.00%**	10.00%
Retirement age (Years)	**For DMC Factory 58 Years and 60 Years for Others**	For DMC Factory 58 Years and 60 Years for Others

H. Sensitivity Analysis

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

Defined benefit obligation	**Year ended March 31, 2026**	Year ended March 31, 2025
Discount rate		
a. Discount rate - 100 basis points	**3,522**	2,018
b. Discount rate + 100 basis points	**3,076**	1,750
Salary increase rate		
a. Rate - 100 basis points	**3,087**	1,758
b. Rate + 100 basis points	**3,506**	2,006

I. Maturity profile of defined benefit obligation

Particulars	**Year ended March 31, 2026**	Year ended March 31, 2025
Within the next 12 months (next annual reporting period)	**337**	172
Between 1 and 5 years	**1,789**	1,001
Between 5 and 10 years	**2,960**	1,719
Total expected payments	**5,086**	2,892

All amounts in ₹ Mln, unless otherwise stated

27. Employees' Share-based Payments

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPNV"). The Company has to pay KPNV an amount equivalent to the value of KPNV shares on the date of vesting, delivered to the employee.

(a) Method adopted for valuation

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

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

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

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

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

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

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

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

The fair value of the performance shares is measured based on Monte-Carlo simulation, which takes into account dividend payments between the grant date and the vesting date by including the reinvested dividends as well as the market conditions expected to impact relative total shareholder's return performance in relation to selected peers.

The following weighted average assumptions for the 2025-26 grants.

1.	Risk free interest rate	1.82%
2.	Expected share price volatility	38%

(e) Number and weighted average grant-date fair value of Stock Options (EUR)

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Exercised	Outstanding as at 31 March 2026	Exercisable
April 28, 2023	23.82	58,500	-	-	-	(14,500)	44,000	44,000
		58,500	**-**	**-**	**-**	**(14,500)**	**44,000**	**44,000**
Previous Year		96,000	-	(37,500)	-	-	58,500	58,500

All amounts in ₹ Mln, unless otherwise stated

27. Employees' Share-based Payments (contd.)

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2026	Exercisable
April 28, 2023	-	-	-	-	-	-	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Previous Year	-	-	37,500	-	-	-	**37,500**	**37,500**

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

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2026
April 29, 2022	21.20	42,106	-	(21)	-	(42,085)	**-**
June 8, 2022	21.20	1,543	-	(1)	-	(1,543)	**-**
July 29, 2022	15.06	1,382	-	-	-	(1,382)	**-**
October 28, 2022	6.87	3,960	-	(96)	579	(4,443)	**-**
February 3, 2023	8.86	3,591	-	(5)	153	(3,739)	**-**
April 28, 2023	23.82	58,159	-	(6,367)	1,352	-	**53,144**
May 18, 2023	23.82	4,954	-	(290)	93	(2,379)	**2,378**
July 28, 2023	24.10	586	-	-	-	-	**586**
October 27, 2023	22.86	4,047	-	-	213	-	**4,260**
January 29, 2024	21.21	567	-	-	-	-	**567**
May 7, 2024	28.80	72,718	-	(7,140)	1,587	-	**67,165**
May 16, 2024	28.80	6,623	-	(476)	136	(1,901)	**4,382**
July 29, 2024	32.89	2,838	-	(155)	-	-	**2,683**
October 28, 2024	27.88	6,528	-	(225)	-	(1,489)	**4,814**
February 19, 2025	24.50	296	-	-	-	-	**296**
May 6, 2025	21.85	-	69,580	(4,615)	1,084	-	**66,049**
June 6, 2025	21.85	-	9,661	(619)	201	(502)	**8,741**
July 29, 2025	25.02	-	16,581	-	(558)	-	**16,023**
November 4, 2025	25.58	-	416	-	-	-	**416**
		209,898	**96,238**	**(20,010)**	**4,840**	**(59,463)**	**231,504**
Previous Year		167,046	96,076	(20,048)	(4,666)	(28,510)	**209,898**

All amounts in ₹ Mln, unless otherwise stated

27. Employees' Share-based Payments (contd.)

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2026
May 7, 2024	31	-	-	-	-	-	-
		-	-	-	-	-	-
Previous Year		10,337	5,552	-	(14,638)	(1,251)	-

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

Grant Date	Weighted average grant-date fair value of the share (in USD)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2026
		-	-	-	-	-	-
Previous Year		19,322	11,273	(720)	(29,723)	(153)	-

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

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 1 April 2025	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31 March 2026
April 29, 2022	21.20	45,717	-	(38,863)	-	(6,854)	-
June 8, 2022	21.20	1,676	-	(1,424)	-	(251)	-
July 29, 2022	15.06	1,485	-	(1,262)	-	(223)	-
October 28, 2022	6.87	4,058	-	(3,971)	579	(666)	-
February 3, 2023	8.86	3,591	-	3,510	153	(7,254)	-
April 28, 2023	23.82	65,857	-	(8,131)	2,411	-	**60,137**
May 18, 2023	23.82	5,474	-	(2,243)	141	(682)	**2,690**
July 28, 2023	24.10	586	-	-	-	-	**586**
October 27, 2023	22.86	4,047	-	-	213	-	**4,260**
January 29, 2024	21.21	567	-	-	-	-	**567**
May 7, 2024	28.80	79,742	-	(7,766)	2,749	-	**74,725**
May 16, 2024	28.80	7,279	-	(2,058)	214	(545)	**4,890**
July 29, 2024	32.89	2,838	-	(155)	-	-	**2,683**
October 28, 2024	27.88	4,470	-	(225)	-	-	**4,245**
February 19, 2025	24.50	296	-	-	-	-	**296**
May 6, 2025	21.85	-	81,148	(5,410)	2,118	-	**77,856**
June 6, 2025	21.85	-	10,734	(836)	345	(372)	**9,871**
July 29, 2025	25.02	-	2,197	-	(558)	-	**1,639**
November 4, 2025	25.58	-	416	-	-	-	**416**
		227,683	**94,495**	**(68,834)**	**8,365**	**(16,847)**	**244,861**
Previous Year		178,717	101,613	(44,064)	(4,666)	(3,916)	**227,684**

All amounts in ₹ Mln, unless otherwise stated

(k) Expense Recognition :

Particulars	**Year ended March 31, 2026**	Year ended March 31, 2025
Expense recongised on account of "Employee Share-Based Payment"	**376**	216
Carrying liability	**716**	466

Employee Share Purchase Plan:

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

Particulars	**As at March 31, 2026**	As at March 31, 2025
Number of shares bought during the year by the employees	**99,919**	106,275
Average purchase price (in Euro)	**23.10**	25.14

28. Commitments and contingencies

Particulars	**As at March 31, 2026**	As at March 31, 2025
a. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**317**	127
Bank Guarantees	**2922**	2211
b. Contingent liabilities		
(i) Relating to Philips India Limited		
Disputed Excise demands	**11**	11
Income Tax demands	**8126**	8313
Provident Fund demands	**2492**	2492
VAT	**616**	677
GST	**3948**	2433
Service Tax demands	**21**	21
Customs Duty	**154**	154
(ii) Of the above, relating to Philips India Limited - Erstwhile Lighting Business		
VAT	**525**	574

As per the MOU (Memorandum of Understanding) dated 31 March 2016 signed between Philips India Limited and Philips Lighting India Limited at the time of demerger of lighting business, the tax cases up to the effective date of demerger shall be contested by Philips India Limited and the amount of liability, if any, upon conclusion of case relating to lighting business shall be payable by Philips Lighting India Limited to Philips India Limited on the basis of respective segment turnover (agreed as part of MOU) of relevant years.

Pending resolution of the respective proceedings for the above stated ongoing disputes, it is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of the above which will be determined only on the receipt of the judgements/decision pending with various forums/authorities.

Based on the view of the internal legal counsel and independent external legal counsels, the Company's management believes that more likely than not, the cases will be decided in the favour of the Company. Accordingly, no provision is considered necessary in this regard in the books of account.

29. Related Party Transactions (As per Ind AS 24 Related Party Disclosures)

Enterprises exercising control:

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

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

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

Braemar Manufacturing, LLC
Heartstream India Private Limited
Intact Vascular, Inc.
P.T. Philips Industries Batam
Philips (Thailand) Ltd.
Philips Argentina Sociedad Anónima
Philips Caribbean Panamá, Inc.
Philips Chilena S.A.
Philips Consumer Lifestyle B.V.
Philips CS Corporation
Philips do Brasil Ltda.
Philips DS North America LLC
Philips Egypt (Limited Liability Company)
Philips Electronics Australia Limited
Philips Electronics M E & Africa BV LLC
Philips Electronics Middle East & Africa B.V.
Philips Electronics Nederland B.V.
Philips Electronics Singapore Pte Ltd
Philips Export B.V.
Philips France Commercial
Philips Global Business Services LLP
Philips Health Technology (China) Co., Ltd.
Philips Healthcare (Suzhou) Co., Ltd.
Philips Healthcare Informatics, Inc.
Philips Healthcare Saudi Arabia Limited
Philips Image Guided Therapy Corporation
Philips International B.V.
Philips Japan, Ltd.
Philips Korea Ltd.
Philips Malaysia Sdn. Bhd.
Philips Medical Systems (Cleveland), Inc.
Philips Medical Systems DMC GmbH
Philips Medical Systems Ltda.
Philips Medical Systems Nederland B.V.
Philips Medical Systems Technologies Ltd.
Philips Medizin Systeme Böblingen GmbH
Philips México Commercial, S.A. de C.V.
Philips Nederland B.V.
Philips New Zealand Commercial Limited
Philips North America LLC
Philips Oral Healthcare B.V.
Philips Philippines, Inc.
Philips Polska Sp.z.o.o.
Philips RS North America LLC
Philips Saeco Australia Pty. Limited
Philips SEM S.A.
Philips South Africa Commercial (Proprietary) Ltd.
Philips Ultrasound LLC
PT Philips Indonesia Commercial
Remote Diagnostic Technologies Limited
TOMTEC Imaging Systems GmbH
Türk Philips Ticaret Anonim Sirketi
Volcano Europe

29. Related Party Transactions (As per Ind AS 24 Related Party Disclosures) (Contd.)

(2) Key Management Personnel

Executive Directors:

Mr.Bharath Ram Raman Sesha (Managing Director & Wholetime Director)

Mr.Dev Kumar Tripathy (Executive Director and CFO)

Mr.Harish Chawla (Additional Director & Wholetime Director)

Non-Executive Directors:

Mr.Angarai Dorairajan Aditya Ratnam (Chairman).

Ms.Geetu Gidwani Verma

Ms.Indu Ranjit Shahani

Mr. Sunil Sayal (Appointed as additional Director on May 25, 2026)

Company Secretary:

Ms. Swati Batra (Company Secretary)

All amounts in ₹ Mln, unless otherwise stated

29(a). Related Party Transactions (As per Ind AS 24 Related Party Disclosures) contd..

d. Nature of transactions

Particulars	Ultimate Holding Company		Fellow Subsidiary Companies		Key Management Personnel	
	FY 2025-26	FY 2024-25	**FY 2025-26**	FY 2024-25	**FY 2025-26**	FY 2024-25
Purchases						
Goods	**-**	-	**17,372**	15,766	**-**	-
Property, Plant and Equipment	**-**	-	**423**	101	**-**	-
Services	**388**	376	**2,192**	1,911	**-**	-
Reimbursements	**375**	211	**49**	40	**-**	-
Sales						
Goods	**-**	-	**5,532**	4,942	**-**	-
Services	**4,383**	4,329	**27,050**	24,272	**-**	-
Key Management Personnel						
Mr. Daniel Mason	**-**	-	**-**	-	**-**	70
Mr. Bharath Ram Raman Sesha	**-**	-	**-**	-	**64**	26
Mr. Dev Kumar Tripathy	**-**	-	**-**	-	**19**	17
Mr. Harish Chawla	**-**	-	**-**	-	**14**	9
Mr. Angarai Dorairajan Aditya Ratnam	**-**	-	**-**	-	**2**	1
Mrs. Geetu Gidwani Verma	**-**	-	**-**	-	**1**	1
Ms. Indu Ranjit Shahani	**-**	-	**-**	-	**1**	-
Ms. Swati Batra	**-**	-	**-**	-	**5**	2
Balance outstanding as at year end						
Payable	**22**	79	**1,475**	630	**-**	-
Receivable	**20**	630	**5,064**	4,729	**-**	-

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and will be settled in cash.

Compensation of key management personnel of the company

Particulars	**FY 2025-26**	FY 2024-25
Short-term employee benefits	**103**	124
Post-employment benefits*	**3**	4
	106	128

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

All amounts in ₹ Mln, unless otherwise stated

29 (b). Related Party Transcations contd..

Relationship / Name of the related party	Description of the nature of transaction	Value of Transactions* FY 2025-26	FY 2024-25
Ultimate Holding Company:			
Koninklijke Philips N.V.	Import of Services	**388**	376
Koninklijke Philips N.V.	Reimbursements paid	**375**	211
Koninklijke Philips N.V.	Export of Services	**4,383**	4,329
Fellow subsidiary Companies:			
Philips Medical Systems Nederland B.V.	Export of Services	**11,085**	8,835
Philips Medical Systems (Cleveland), Inc.	Export of Services	**3,249**	-
Philips Medical Systems Nederland B.V.	Export of Goods	**5,503**	4,942
Philips Consumer Lifestyle B.V.	Import of Services	**331**	282
Philips Electronics Nederland B.V.	Import of Services	**1,216**	976
Philips Consumer Lifestyle B.V.	Import of Goods	**2,593**	3,263
Philips Electronics Singapore Pte Ltd	Import of Goods	**3,280**	3,011
Philips Medical Systems Nederland B.V.	Import of Goods	**5,291**	4,068
Philips Ultrasound LLC	Import of Goods	**-**	1,763
Philips International B.V.	Reimbursements paid	**43**	40
Philips Electronics Nederland B.V.	Reimbursements paid	**5**	-
Philips Medical Systems Nederland B.V.	Import of PPE	**312**	57
Philips (China) Investment Company, Ltd.	Import of PPE	**-**	12
Philips Electronics Singapore Pte Ltd	Import of PPE	**-**	18
Philips Ultrasound LLC	Import of PPE	**70**	-

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

30. Transfer Pricing

The Company maintains comprehensive information and documentation in compliance with the transfer pricing requirements prescribed under Section 92D of the Income Tax Act, 1961('Act'). The transfer pricing documentation for the year ended March 31, 2026, is being updated in accordance with the statutory timelines stipulated under the Act. Based on management's assessment, the Company's international transactions continue to be conducted at arm's length and are supported by appropriate documentation. Accordingly, no material impact on the financial statements, including tax expense and the provision for taxation, is expected from the application of the transfer pricing regulations.

All amounts in ₹ Mln, unless otherwise stated

31. Forward Contracts:

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

While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of its receivable and payables on balance sheet date, these forward contracts are not designated as hedging instruments and accordingly hedge relationships is not established as per accounting standard, further these contracts are measured at fair value through profit or loss.

(a) Forward Contracts Outstanding

Details	As at March 31,2026		As at March 31,2025	
	INR	FC	INR	FC
	Receivables			
USD Currency	**6,082**	**64**	3,019	35
Euro Currency	**902**	**8**	301	3
	Payables			
USD Currency	**6,127**	**65**	5,935	69
Euro Currency	**349**	**3**	760	8

(b) Foreign Currency Exposure

Details	As at March 31,2026		As at March 31,2025	
	INR	FC	INR	FC
	Receivables			
USD Exposure	**4,869**	**53**	3,335	39
EUR Exposure	**29**	**-**	-	-
	Payables			
USD Exposure	**4,180**	**46**		
EUR Exposure	**590**	**5**	461	5
AUD Exposure	**1**	**-**	4	-
AED Exposure	**1**	**-**	-	-
CNY Exposure	**9**	**1**	25	2
SGD Exposure	**1**	**-**	-	-
TRY Exposure	**2**	**1**	4	2

All amounts in ₹ Mln, unless otherwise stated

32. Financial Instruments -Financial assets and financial liabilities

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

Financial Assets	Fair value through Profit or loss		Amortised cost		Total carrying value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Trade Receivables (Non-Current)	-	-	193	347	193	347
Other Financial Assets (Non-Current)	-	-	194	200	194	200
Trade receivables (Current)	-	-	14,085	10,870	14,085	10,870
Investments (Current)	-	-	40	44	40	44
Cash and cash equivalents	-	-	1,494	2,382	1,494	2,382
Other Bank Balances			8,386	91	8,386	91
Other Financial Assets (Current)	-	-	526	91	526	91
Total	**-**	**-**	**24,918**	**14,025**	**24,918**	**14,025**

Financial Liabilities	Fair value through Profit or loss		Amortised cost		Total carrying value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Other Financial Liabilities(Non-Current)	-	-	484	189	484	189
Trade Payables(Current)	-	-	7,880	6,730	7,880	6,730
Other Financial Liabilities(Current)	-	-	398	287	398	287

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

All amounts in ₹ Mln, unless otherwise stated

33. New labour codes

Pursuant to the notification issued by the Ministry of Labour and Employment, multiple existing labour legislations have been consolidated into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes' which became effective from November 21, 2025. The Company has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an incremental liability of ₹ 1,247 has been recognized in the Statement of Profit and Loss. The Ministry is in the process of notifying related rules to the New Labour Codes and impact of those will be evaluated and accounted for in the period in which they are notified.

34. 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 March 31, 2026, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans

Particulars	**FY 2025-26**	FY 2024-25
Earnings before interest and tax	**4,732**	4,521
Capital employed	**21,681**	18,036
Return on Capital Employed (ROCE %)	**21.8%**	25.1%

35. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise 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 risks: 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, 2026. 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, 2026 and as of March 31, 2025.

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 with in a maximum 12-month period for hedges of forecasted sales and purchases.

All amounts in ₹ Mln, unless otherwise stated

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 fairvalue 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**	
	FY 2025-26	FY 2024-25	**FY 2025-26**	FY 2024-25
5%	**35**	168	**(34)**	(167)
-5%	**(35)**	(168)	**34**	167

Change in Euro rate	**Effect on profit before tax**		**Effect on total equity**	
	FY 2025-26	FY 2024-25	**FY 2025-26**	FY 2024-25
5%	**(27)**	(23)	**28**	24
-5%	**27**	23	**(28)**	(24)

(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 and contract assets

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance as at March 31, 2026 and as at March 31, 2025.

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 including cash & other bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made in bank deposits. The limits are set to minimise the consultation of risk and therefore mitigate financial loss through counterparty potential failure to make payments.

The Company maintains exposure in cash and cash equivalents and term deposits with banks, The Company has set counter-party's limits based on multiple factors including financial position, credit rating etc. The Company's maximum exposure to credit risk as at 31st March, 2026 and 2025 is the carrying value of each class of financial assets as illustrated in note 5 & 9.

All amounts in ₹ Mln, unless otherwise stated

Maturity profile of financial liabilities

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

Financial Liabilities	Undiscounted Amount							
	Carrying amount		Payable within 1 year		More than 1 year		Total	
	As at March 31, 2026	As at March 31, 2025	**As at March 31, 2026**	As at March 31, 2025	**As at March 31, 2026**	As at March 31, 2025	**As at March 31, 2026**	As at March 31, 2025
Lease Liabilities (Non-Current)	**3,461**	3,651	**-**	-	**3,461**	3,651	**3,461**	3,651
Lease Liabilities (Current)	**643**	592	**643**	592	**-**	-	**643**	592
Trade Payables(Current)	**7,880**	6,730	**7,880**	6,730	**-**	-	**7,880**	6,730
Other Financial Liabilities (Non-Current)	**484**	189	**-**	-	**484**	189	**484**	189
Other Financial Liabilities(Current)	**398**	287	**398**	287	**-**	-	**398**	287
Total	**12,866**	11,449	**8,921**	7,609	**3,945**	3,840	**12,866**	11,449

36. The Company has been sanctioned working capital limits of ₹175 (March 31, 2025 ₹370) in aggregate from State Bank of India (SBI) during the year on the basis of security of current assets of the company.

The Company has filed quarterly returns or statements with SBI, based on the unaudited accounts. Limit outstanding as at March 31, 2026 and March 31, 2025 are as below are in agreement with the audited books of accounts.

Particulars	**As at March 31,2026**	As at March 31,2025
Non Fund limit	**175**	370

37. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to owners of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to owners of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	**FY 2025-26**	FY 2024-25
Calculation of earnings per share		
Weighted average number of equity shares outstanding during the year	**57,517,242**	57,517,242
Profit after tax attributable to equity shareholders from continuing operations	**3,190**	3,071
Basic and diluted earnings per equity share (in ₹)	**55.46**	53.40
Profit after tax attributable to equity shareholders from discontinuied operations	**458**	21.53
Basic and diluted earnings per equity share (in ₹)	**7.96**	0.38
Profit after tax attributable to equity shareholders	**3,648**	3,093
Basic and diluted earnings per equity share (in ₹)	**63.42**	53.78

All amounts in ₹ Mln, unless otherwise stated

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

		FY 2025-26	FY 2024-25
A:	**PRIMARY SEGMENT INFORMATION:**		
(1)	**Segment Revenue**		
	a. Personal Health	**8,763**	8,066
	b. Innovation services	**26,080**	23,298
	c. Health Systems	**36,107**	33,360
	Total Segment Revenue	**70,950**	64,724
(2)	**Other Unallocable Income**	**741**	695
	Total Revenue from operations (1+2)	**71,691**	65,420
(3)	**Segment Result**		
	a. Personal Health	**376**	319
	b. Innovation services	**2,450**	2,238
	c. Health Systems	**1,885**	1,980
	Total Segment Result	**4,711**	4,537
(4)	**Finance Cost**	**(398)**	(571)
(5)	**Other Unallocable Expenditure Net of Income**	**458**	514
(6)	**Profit before tax (3+4+5)**	**4,771**	4,480
(7)	**Tax Expense**		
	a. Current tax	**(1,273)**	(1,496)
	b. Prior period tax charge	**55**	(32)
	c. Deferred Tax Release / (Charge)	**95**	141
	Total tax expense	**(1,123)**	(1,387)
	Profit After Tax	**3,648**	3,093

		As at March 31,2026	As at March 31,2025
Other Information			
(8)	**Segment Assets**		
	a. Personal Health	**3,483**	4,512
	b. Innovation services	**12,365**	11,411
	c. Health Systems	**19,264**	16,946
	d. Other Unallocable	**14,478**	7,856
	Total Segment Assets	**49,590**	40,725
(9)	**Segment Liabilities**		
	a. Personal Health	**2,634**	1,447
	b. Innovation services	**9,480**	7,640
	c. Health Systems	**13,129**	10,445
	d. Other Unallocable	**2,666**	3,157
	Total Segment Liabilities	**27,909**	22,689

All amounts in ₹ Mln, unless otherwise stated

		FY 2025- 26	FY 2024 - 25
(10) Capital Expenditure			
a.	Personal Health	**12**	63
b.	Innovation services	**1,024**	1,148
c.	Health Systems	**498**	244
d.	Other Unallocable	**124**	79
	Total Capital Expenditure	**1,658**	1,534
(11) Depreciation and amortization expense			
a.	Personal Health	**66**	62
b.	Innovation services	**1,228**	1,140
c.	Health Systems	**377**	488
d.	Other Unallocable	**59**	57
	Total Depreciation and amortization expense	**1,730**	1,747
(12) Non-cash expenses other than Depreciation and amortization expense			
a.	Personal Health	**48**	10
b.	Innovation services	**206**	33
c.	Health Systems	**290**	295
d.	Other Unallocable	**2**	-
	Total Non-cash expenses other than Depreciation and amortization expense	**546**	338

		FY 2025-26	FY 2024-25
B: SECONDARY SEGMENT INFORMATION:			
Revenue			
a.	Within India	**35,326**	32,378
b.	Outside India	**36,365**	33,042
Total Revenue		**71,691**	65,420
Assets			
a.	Within India	**44,673**	35,353
b.	Outside India	**4,917**	5,372
Total Assets		**49,590**	40,725
Capital Expenditure			
a.	Within India	**1,658**	1,534
Total Capital Expenditure		**1,658**	1,534

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

(1) Revenue and assets within India.

(2) Revenue and assets outside India.

C: OTHER DISCLOSURES:

Inter segment revenue / result:

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

Types of products and services in each business segment:

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

	FY 2025-26	FY 2024-25
(i) Reconciliations to amounts reflected in the financial statements		
Segment profit	**4,711**	4,537
Finance cost	**(398)**	(571)
Other unallocable expenditure net of unallocable income	**458**	514
Tax expense	**(1,123)**	(1,387)
Profit for the year	**3,648**	3,093
(ii) Reconciliation of assets		
Segment operating assets	**49,590**	40,725
Total Assets	**49,590**	40,725
(iii) Reconciliation of liabilities		
Segment operating liabilities	**27,909**	22,689
Total liabilities	**27,909**	22,689

39. Capital Reduction

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

All amounts in ₹ Mln, unless otherwise stated

40. Discontinued Operations

During the year ended 31 March 2026, Philips India Limited has entered into a Business Transfer Agreement dated 1 February 2026 with a third party for the sale of its Emergency Care business undertaking on a going concern basis by way of a slump sale under Section 2(42C) of the Income Tax Act, 1961, for a lump sum consideration of ₹368, without assigning values to individual assets and liabilities; pursuant to the said agreement, all assets, liabilities, contracts and employees relating to the business were transferred with effect from the transfer date without interruption of operations, and the transferee assumed all related business liabilities including employee obligations and accordingly, In line with requirements of Ind AS 105 the financials of Emergency Care business has been presented as discontinued operations). Consequently, results from the Emergency Care business are no longer included in the results of continuing operations.

Financial performance of Emergency Care operations

Particulars	**Period ended Feb 01, 2026**	Year ended March 31, 2025
Revenue from operations	**864**	669
Operating expenses	**819**	639
Pre tax profit / (loss) from operating activities	**45**	30
Income tax expense	**(11)**	(8)
Profit / (loss) after tax	**34**	22
Gain on sale of the business undertaking	**424**	-
Profit from discontinued operation	**458**	22

The carrying amounts of the assets and liabilities of Emergency Care operations

Particulars	**As at Feb 01, 2026**	As at March 31, 2025
ASSETS		
Property, Plant and Equipment	**7**	-
Contract Assets	**-**	3
Total Assets	**7**	3
LIABILITIES		
Contract Liabilities	**12**	-
Lease Liabilities	**5**	-
Other current liabilities	**25**	24
Provisions	**21**	9
Total Liabilities	**63**	33
Net Asset/(Liabilities)	**(56)**	(30)

Net cashflow attributable to Emergency Care operations are as follows:

Particulars	**Period ended Feb 01, 2026**	Year ended March 31,2025
Net cash inflow from operating activities	**79**	61
Net cash outflow from investing activities	**-**	-
Net cash outflow from financing activities	**(1)**	-
Net cash inflow	**78**	61

All amounts in ₹ Mln, unless otherwise stated

Adjustment to Net assets as per Local Business Transfer Agreement

Particulars	**As at Feb 01, 2026**
a. Assets	**7**
b. Liabilities	**63**
c. Net Assets (a-b)	(56)
d. Sale consideration*	**368**
e. Net gain on sale of business	**(424)**

* sale consideration is outstanding as at March 31,2026 and classified as other financial assets.The company expects to realize the amount during FY 2026-27.

41. Significant Ratios

Particulars	**Numerator**	**Denominator**	**FY 2025-26**	**FY 2024-25**	**% Variance over**
(a) Current ratio (in times)	Current assets	Current liabilities	**1.71**	1.82	-5.78%
(b) Debt - Equity ratio	Total Debt	Total Equity	**N.A**	N.A	N.A
(c) Debt Service coverage ratio	Earnings available for Debt service	Total Debt service	**N.A**	N.A	N.A
(d) Return on equity ratio (in %)	Profit after tax	Average Total Equity	**18.37**	18.79	-2.24%
(e) Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventory	**3.63**	3.36	7.99%
(f) Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	**5.62**	6.30	-10.73%
(g) Trade payables turnover ratio (in times)	Net Purchases	Average Trade Payables	**4.10**	3.87	5.95%
(h) Net capital turnover ratio (in times)	Net Sales	Working capital	**4.73**	5.54	-14.57%
(i) Net profit ratio (in %)	Profit after tax	Revenue from operations	**5.09**	4.73	7.58%
(j) Return on capital employed (in %)	Earnings before Interest and tax	Capital Employed	**21.83**	25.07	-12.94%
(k) Return on investment (in %)	Profit after tax	Investment	**8.08**	7.73	4.51%

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

42. Disclosure of transactions with Struck Off Companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

43. Other Regulatory Information as required by Schedule III:

1. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
2. No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
3. There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
5. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
6. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
   - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
7. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
8. The Company has non fund based borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts. The Company has no borrowings from financial institutions on the basis of security of current assets.
9. The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.
10. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
11. The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

44. The figures have been rounded off to the nearest Million of rupees.

45. Extended Producer Responsibility (EPR)

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

Notes to the Financial Statements for the year ended March 31, 2026

All amounts in ₹ Mln, unless otherwise stated

46. Reclassifications

During the financial year ended March 31, 2026, the Company has reclassified following comparatives which are primarily to conform to the current years classification. These reclassifications do not have material impact on the Financial Statements.

Note	Note Description	Previously reported amount	Revised amount	Change in Amount	Reason for reclassification
13(b)	Other Non current liabilities	189	**-**	189	Changed from other non current liabilities as compared to last year.
	Other Financial Liabilities	-	**189**	(189)	
14(a)	Provisions	2,245	**564**	1,681	Gratuity reclassed from non-current to current provisions ₹ 296, Uncertain tax position reclassed from Provisions to Current tax liabilities ₹1386 and E-waste provision reclassed from Trade payables to Current provision ₹1.
14(b)	Provisions	476	**772**	(296)	
	Current tax liabilities (net)	358	**1,744**	(1,386)	
15(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	6,697	**6,382**	315	Rebate liability reclassed from trade payables to other current liabilities ₹ 315, ESOP current payables reclassed from other current liabilities to other financial liabilities ₹(277) and E-waste provision reclassed from Trade payables to Current provision ₹1.
15(c)	Other financial liabilities	109	**386**	(277)	
16	Other current liabilities	2,606	**2,643**	(37)	

47. The financial statements were approved by the Board of Directors on August 06, 2026.

For and on behalf of the Board of Directors of Philips India Limited

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

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

Managing Director — **BHARAT RAM RAMAN SESHA**
(DIN: 01983066)

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

Amit Peswani
Partner
Membership No.: 501213

Gurugram, August 06, 2026

Company Secretary — **SWATI BATRA**
(Membership No. A23592)

Gurugram, August 06, 2026

All amounts in ₹ Mln, unless otherwise stated

TEN YEAR REVIEW

PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Income and Dividends										
Sales	36,723	38,562	42,398	44,970	48,070	54,290	56,682	59,374	64,674	**70,961**
Profit before tax	3,252	2,667	2,607	2,488	2,531	3,642	3,208	3,269	4,480	**4,771**
As percentage of sales	8.9	6.9	6.1	5.5	5.3	6.7	5.7	5.5	6.9	**6.7**
Profit after tax	2,064	1,681	1,760	1,515	1,761	2,659	2,600	2,575	3,093	**3,648**
As percentage of sales	5.6	4.4	4.2	3.4	3.7	4.9	4.6	4.3	4.8	**5.1**
As percentage of net worth	10.3	7.8	7.6	6.7	7.4	11.7	21.1	17.3	17.2	**16.8**
Earnings per share (₹)	35.88	29.22	30.60	26.34	30.61	46.23	45.21	44.78	53.78	**63.4**
Dividend per equity share (₹)	3.0	3.0	3.0	3.0	3.0	3.0	222.0	0.0	0.0	**0.0**
Assets and Liabilities										
Property, Plant and Equipment	2,526	2,940	3,155	3,416	4,343	3,710	3,684	8,303	8,012	**7,798**
Investment property	-	-	-	360	836	1,366	1,334	1,377	1,300	**1,226**
Investments	7,605	7,725	7,579	7,431	0	50.00	50	47	44	**40**
Deferred tax assets - net	572	746	540	642	846	384	633	836	961	**1,057**
Inventories	4,554	4,037	5,072	4,169	4,250	6,861	7,184	8,240	8,295	**8,280**
Other current and Non-current Assets	16,735	19,212	21,228	22,078	24,167	30,681	19,516	20,354	22,113	**31,189**
Assets directly associated with discontinued operations	-	-	-	-	8,967	-	-	-	-	**-**
Liabilities & provisions	11,282	12,385	13,800	15,520	17,624	20,277	20,058	24,261	22,689	**27,909**
Liabilities directly associated with discontinued operations	-	-	-	-	1,835	-	-	-	-	**-**
Net Investment	20,710	22,275	23,774	22,576	23,950	22,775	12,343	14,896	18,036	**21,681**
Represented by										
Equity share capital	575	575	575	575	575	575	575	575	575	**575**
Other reserves	19,450	21,018	22,523	22,001	23,375	22,200	11,768	14,321	17,461	**21,106**
Shareholders' interest (net worth)	20,025	21,593	23,098	22,576	23,950	22,775	12,343	14,896	18,036	**21,681**
Borrowings	685	682	676	-	-	-	-	-		**-**
Total	20,710	22,275	23,774	22,576	23,950	22,775	12,343	14,896	18,036	**21,681**
General										
Exports of goods to related parties in FC	2,467	2,556	3,884	2,592	3,234	2,937	5,271	3,960	4,942	**5,532**
Employee Benefit Expense	9,989	11,181	12,369	13,514	14,603	16,590	20,115	21,649	21,805	**24,104**
Debt : Equity Ratio	3:97	3:97	3:97	0:100	0:100	0:100	0:100	0:100	0:100	**0:100**
Number of employees at year end	3,727	4,167	4,569	4,944	5,395	5,840	6,311	5,922	5,793	**5,860**

Registered Office
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Northern Region
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