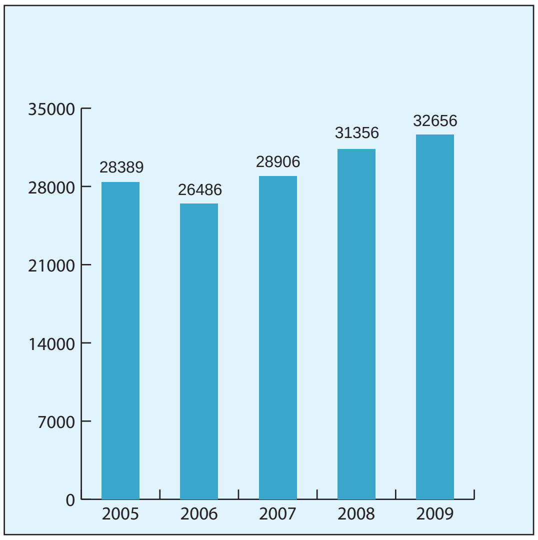
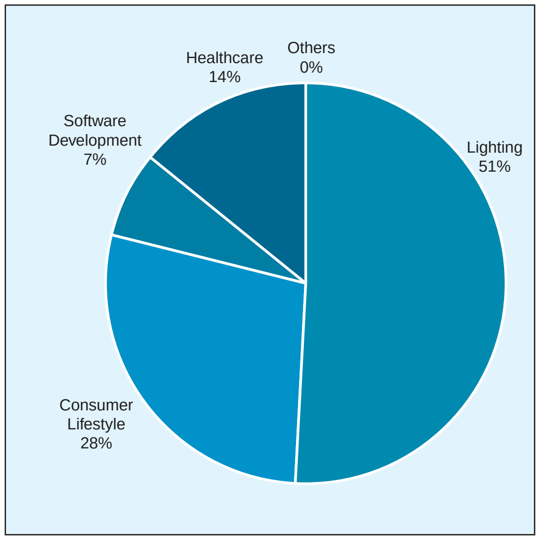
PHILIPS ELECTRONICS INDIA LIMITED

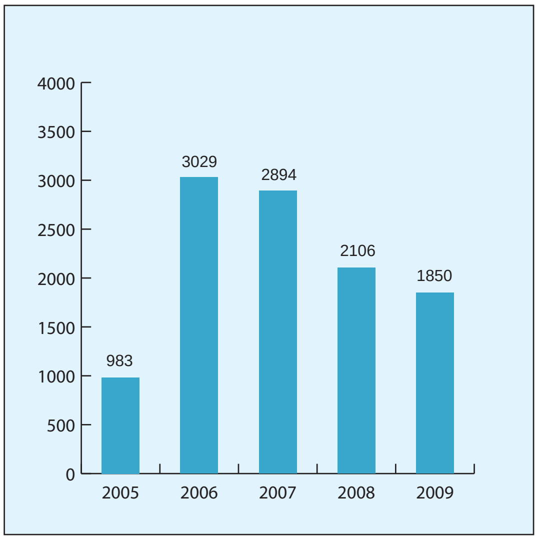
Sales Rs. in Mln



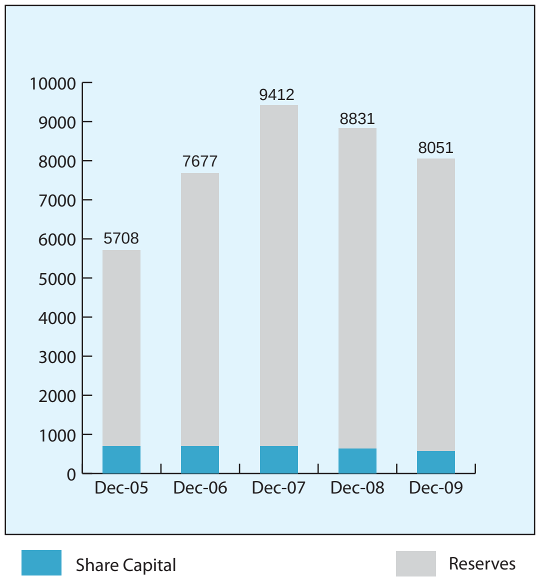
Sales by activities - 2009



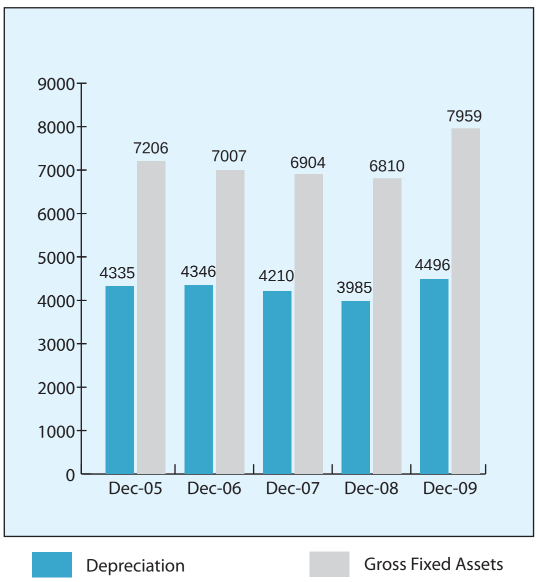
Profit Before Tax Rs. in Mln



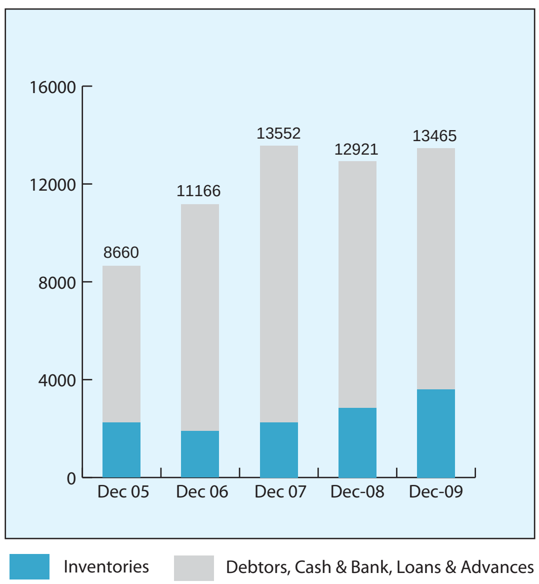
Net Worth Rs. in Mln



Fixed Assets Rs. in Mln



Current Assets Rs. in Mln



CONTENTS

Board of Directors

Chairman
S.M. Datta

Vice-Chairman & Managing Director
Murali Sivaraman

Executive Directors
Cornelis J. M. Reuvers (resigned w.e.f. April 1, 2010)
Alexius Collette (resigned w.e.f. April 1, 2010)
Jan Hendrik Gerardus Louwman (w.e.f. April 1, 2010)

Non Executive Director
S. Venkataramani

Company Secretary
R. J. Wani

Auditors
B S R & Co.
Chartered Accountants

Bankers
State Bank of India
Citibank N.A.
The Royal Bank of Scotland N.V.
Standard Chartered Bank
Bank of America N.A.
HDFC Bank Ltd.
The Honkong and Shanghai Banking Corporation Ltd.

Registered Office
7, Justice Chandra Madhab Road, Kolkata – 700 020

Annual General Meeting on Tuesday, June 29, 2010 at 2.30 p.m.
at Kala Mandir Auditorum, 48, Shakespeare Sarani, Kolkata - 700 017.

You are requested to kindly carry your copy of the Annual Report to the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eightieth Annual General Meeting of PHILIPS ELECTRONICS INDIA LIMITED will be held at Kala Mandir Auditorium, 48, Shakespeare Sarani, Kolkata - 700 017 on Tuesday, June 29, 2010 at 2.30 pm to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at December 31, 2009, and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended December 31, 2009.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or reenactments thereof, Mr. Jan Hendrik Gerardus Louwman be and is hereby appointed as a director of the company not liable to retire by rotation, under the provisions of Article 109 of Articles of Association of the Company."

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

   "RESOLVED that, pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the remuneration and perquisites being paid or granted to Mr. Jan Hendrik Gerardus Louwman as a Whole time Director, who is designated as Executive Director of the Company for a period of three years with effect from April 1, 2010, on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. Louwman, a copy whereof initialed by the Secretary for the purpose of identification has been placed before this meeting, which Agreement is hereby specifically approved with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the power conferred by this Resolution) to increase, reduce, alter or vary the terms of remuneration and perquisites including monetary value thereof as set out in the Agreement, at any time(s) and from time to time and in such manner as the Board may deem fit;

   RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Louwman's office as a Whole time Director, the remuneration and perquisites set out in the aforesaid Agreement be paid or granted to Mr. Louwman's 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 Section II of Part II of Schedule XIII to the said Act or any equivalent statutory re-enactment(s) thereof;

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

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

   "RESOLVED that, pursuant to Section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and the same is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of the Company's business from time to time as it may consider fit, any sum or sums of money at any time not exceeding Rs 10,000 million (Rupees ten thousand million) on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose"

By Order of the Board

R J Wani
Company Secretary

Gurgaon, March 30, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. The relevant Explanatory Statement pursuant in Section 173 of the Companies Act, 1956 in respect of the Special Business at item no 5 to 7 of the Notice, is annexed hereto.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from June 18, 2010 to June 29, 2010 (both days inclusive).
4. The dividend, if approved, will be paid on or after July 08, 2010 to those members (or their mandatories) whose names appear in the Company's Register of Members on June 29 2010. In respect of demat shares, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.
5. Members are requested to contact the Registrar and Share Transfer Agent for all matters connected with Company's shares at:

   Sharepro Services
   Samhita Complex
   Plot No, 13 AB, Off Andheri-Kurla Rd
   Sakinaka, Andheri (East) Mumbai – 400 099
   Tel: (022) 67720400 / 67720360
   Fax: (022) 28508927

   Sharepro Services
   912,Raheja Centre Free Press Journal Road
   Nariman Point
   Mumbai – 400 021
   Tel: (022) 22825163 / 66134700
   Fax: (022) 22825484
6. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better service:
   i) any change in their address/mandate/bank details
   ii) share certificate(s) held in multiple account name or joint accounts in the same order of names for consolidation of such shareholdings into one account.

EXPLANATORY STATEMENT

Under Section 173 of the Companies Act, 1956

Item No. 5 & 6

At the Board Meeting held on March 11, 2010 Mr. Jan Hendrik Gerardus Louwman (' Jan Hein Louwman'), was appointed as a Whole time Director of the Company with effect from April 1, 2010, following the resignation of Mr. C.J.M Reuvers with effect from same date. Mr. Louwman is designated as Chief Financial Officer of the Company. The appointment is for a period of three years and the term of office of Mr Jan Hein Louwman as a Director is not liable to determination by rotation. According to the provisions of Section 260 of the Companies Act, 1956 ('the Act'), read with Article 110 of the Articles of Association of the Company Mr. Louwman holds office as an Additional Director up to the date of this Annual General Meeting. The Company has received due notice from a member under Section 257 of the Act signifying his intention to propose the appointment of Mr. Louwman as Director of the Company.

Mr. Jan Hein Louwman is a Dutch national. He holds a Master degree in Business Economics and Administration, and has done post graduation in Executive Master of Finance and Control from the University of Amsterdam, the Netherlands. Mr Louwman has vast experience and knowledge in the field of Financial Controls and Planning, Business Excellence, and Economic Resources Planning. Mr. Louwman joined Royal Philips Electronics N.V., in 1995 as Controller – New Business Project at its headquarters located in Eindhoven, the Netherlands. Since then Mr. Louwman has held various senior positions in Finance and Accounting discipline in various business units in Eindhoven/Amsterdam. Before joining Philips Electronics India Limited, Mr. Louwman was Senior Vice President and Sector Group Controller of Consumer Lifestyle at Philips headquarter in Amsterdam and responsible for financial affairs of Consumer Lifestyle Sector worldwide. Prior to this he was Vice President and Product Division Group controller for Domestic Appliance and Personal care Unit.

Having regard to his varied experience and abilities the Board of Directors considered, Mr. Jan Hein Louwman as highly suitable for the post of Chief Financial Officer of the Company and they have accordingly appointed him as a Director and also as a whole-time Director of the Company for a period of 3 years with effect from April 1, 2010.

The appointment of and the remuneration and perquisites payable to Mr. Louwman as a whole-time Director of the Company is subject to the approval of the Central Government under Section 269 of the Companies Act, 1956 read with Schedule XIII thereto. The Company is in the process of making an application in this respect.

The remuneration and perquisites of Mr. Jan Hein Louwman are set out in the draft Agreement referred to in the resolution at Item No. 6 of the Notice and are subject to the approval of the shareholders of the Company under Sections 269 and Section 309 of the Companies Act, 1956 read with Schedule XIII thereto.

The material terms of the said Agreement are as follows:

1. The Agreement is for a period of three years from the date of appointment i.e. from April 1, 2010 up to March 31, 2013.

2. Mr. Louwman shall be entitled to the following remuneration and benefits/perquisites from the Company provided that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the power conferred by this Resolution), is authorized to increase, reduce, alter or vary the remuneration and perquisites as such time(s) and in such manner as the Board, may deem fit:

   a. **Consolidated Salary:** Rs 12,21,630/- per month or such higher amount as may be approved by the Board of Directors or any Committee thereof.

   b. **Variable Performance Linked Bonus:** Not exceeding one and half times the annual Consolidated Salary, payable annually, as may be approved by the Board of Directors or any Committee thereof.

   c. **Perquisites:**

      i. In addition to the aforesaid Consolidated Salary and Variable Performance Linked Bonus, Mr. Louwman shall also be entitled to perquisites and allowances including but not restricted to accommodation (furnished or otherwise) or house rent allowance in lieu thereof; medical reimbursement and leave travel concession for self and family; club fees; medical insurance; personal accident insurance; stock options; and such other perquisites and allowances in accordance with the Rules of the Company as amended from time to time.

      ii. The perquisites and allowances, as mentioned above, shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone with fax at residence shall not be included in the computation of perquisites.

iii. Company's contribution to Provident Fund and Pension/Superannuation Fund not exceeding 27% of the Consolidated Salary or such other percentage as may be permitted in law from time to time to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable as per the Rules of the Company and encashment of leave as per the Rules of the Company at the end of the tenure shall not be included in the computation of perquisites

PROVIDED, however, that the overall remuneration including perquisites payable to Mr. Louwman together with the other whole-time Directors of the Company shall be within the limits specified under Sections 198, 269, 309 of the Act including Schedule XIII of the Act, that is ten per cent of the net profits of the Company in any financial year.

3. **Minimum Remuneration:**

Notwithstanding anything hereinabove, where in any financial year during the terms of office of Mr. Louwman, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of Consolidated Salary, Variable Performance Linked Bonus, and Perquisites as Minimum Remuneration. This is subject to approval of the Central Government, if required.

4. **Reimbursement of expenses incurred on joining duty and returning to home country after completion of tenure:**

Actual expenses incurred on travel and on packing, forwarding, loading or unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with moving of personal effects for self and family for joining duty in India may be allowed in case these have not been claimed from the previous employer. After completion of the tenure such expenses may also be allowed if Mr. Louwman is finally leaving the employment of the Company. In other cases, where Mr. Louwman is joining another branch of the same/related multinational company, the branch to which he is transferred should bear these expenses.

5. **Other material terms:**

Each party has the right of terminating the Agreement by giving to the other three calendar months' notice in writing

The Resolution set out at Item No. 5 & 6 of the accompanying Notice is necessary in view of the provisions of Section 269, 309, and other applicable provisions of the Act including Schedule XIII thereof. Members are requested to approve the resolution.

None of the Directors of your Company, other than Mr. Jan Hein Louwman is interested in the resolution at Item No. 5 & 6.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms of the draft Agreement and Memorandum of Concern or Interest under Section 302 of the Act.

The draft Agreement referred to in the resolution at Item No. 6 of the accompanying Notice will be open for inspection by the members at the Registered Office of the Company between the hours of 10 a.m. and 12 noon on any working day except Saturday.

Item No. 7

At the Annual General Meeting held on May 16, 1996, the shareholders had authorized the Directors to borrow monies for the purposes of the Company's business, not exceeding Rs 4,000 million (Rupees four thousand million). In the coming years the Company is looking for expanding its current business operations especially in Lighting and Healthcare Sector, by strengthening its manufacturing base in India. The Company is also exploring the possibilities of higher inorganic growth by way of acquisitions and strategic alliance across all Sectors. In order to augment its long term resources for its expansion and acquisition program and working capital requirement which will increase as a result of anticipated enlarged operations and business of the Company, the Board feels that its existing borrowing power limited to Rs 4,000 million is not sufficient to meet the immediate financial needs and long term financial requirement of the Company.

To meet the exigencies of the Company's increase business operation, and avail of future opportunities as well as augmenting its long term resources for working capital, it is proposed to seek the approval of the shareholders for increasing the borrowing limit from Rs 4,000 million to Rs 10,000 million and to authorize the Directors to borrow up to a maximum of Rs 10,000 million as stated in the resolution at Item No. 7 of the accompanying Notice.

Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors of the Company shall not borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, unless the Company in general meeting authorizes the Board of Directors to do so. Hence the resolution at Item No. 7 of the accompany Notice.

None of the Directors of the Company is in any way concerned or interested in this resolution.

By the Order of the Board

R J Wani
Company Secretary

Gurgaon, Date: March 30, 2010

DIRECTORS' REPORT

for the Financial Year Ended December 31, 2009.

Your Directors submit their report and audited accounts for the year ended December 31, 2009

1. OUTLOOK

Against the backdrop of a global financial meltdown, the Indian economy proved to be resilient. Nevertheless, the construction sector in India experienced a direct impact from the global slowdown and industry growth rates were impacted during the first half of 2009. This affected our Professional Lighting demand in the first half of the year, which saw negative growth rates. However, your company's success in bagging a series of Infrastructure projects helped in reversing the trend in the second half of 2009. Healthcare demand remained robust through the year – and the share of business from Government saw a quantum increase. The Consumer business – both in Lighting and Consumer Lifestyle remained robust, with double-digit growth in Lighting led by the continued demand for energy efficient lamps. The growth in Consumer Lighting was also aided and assisted by our entry into Modular Switches and the growth of Consumer Luminaires with our investment and expansion of Light Lounges. Demand in Consumer categories in Lifestyle remained robust with double-digit growth in our Health & Wellbeing segments of Domestic Appliances and Personal Care. A conscious choice to improve the profitability of the TV business led to phasing out a number of screen sizes and thereby impacting our growth. The robust demand seen in the second half of 2009 across Lighting, Consumer Lifestyle and Healthcare has continued into the first quarter of 2010. On the cost base, rising inflation, the increase in commodity prices and the possible hardening of interest rates could have an impact on demand and margins. The rising rupee would ease the burden by scaling back the cost of imports.

The Lighting and Healthcare businesses posted robust top-line growth and an increase in respective market share. The profitability of these businesses improved substantially over the previous year. Both the acquired companies, Alpha X-Ray Technologies (India) Private Ltd. and Meditronics Healthcare Private Ltd., enabled us to build a strong go-to-market channel and product portfolio in the Cardiovascular and X-Ray value spaces. Operating margins for the Company were adversely impacted by the mix and integration of the acquired companies. The Philips Innovation Campus (PIC), Bangalore, increased its footprint by expanding its strength in Healthcare and adding capacity for IT/ERP applications. Going forward, PIC will support the group by adding competencies in the areas of Lighting, value space in Healthcare and electro-mechanical capability.

2. MERGER

Your Directors are pleased to announce the merger of Alpha X-Ray Technologies (India) Private Limited ('Alpha') and Meditronics Healthcare Private Limited ('Meditronics') with Philips Electronics India Limited ('PEIL') under Section 391 and 394 of the Companies Act, 1956 effective from March 26, 2010, with the Appointed Date of April 1, 2009. Consequently the figures for the current year reflect the consolidated results of Alpha and Meditronics with PEIL for the nine months from April to December 2009 and therefore are not comparable to those of the previous year. The merger accounting has been done on the pooling of interests method as prescribed by the Institute of Chartered Accountant of India. The difference between the amount paid for acquisition and the paid up share capital of Alpha and Meditronics has been reflected under the head "General Reserve". The merger will facilitate the integration and consolidation of our Healthcare business in India and enable us to operate more efficiently and effectively.

3. FINANCIAL PERFORMANCE

2.1 RESULTS

Rs. Mln.

	2009	2008
Gross income	**32,981**	31,966
Operating profit	**1,688**	1,900
Exceptional Item (net)	**162**	206
Profit before tax	**1,850**	2,106
Fringe Benefit Tax	**(24)**	(42)
Provision for current tax	**(694)**	(769)
Provision for deferred tax – Release/(Charge)	**43**	56
Profit after tax	**1,175**	1,351
Transfer to General Reserve	**118**	136

2.2 SECTORWISE SALES

Rs. Mln.

	2009	2008
Lighting	16,775	14,954
Consumer Lifestyle	9,070	10,244
Healthcare	4,399	3,583
Innovation Campus	2,311	2,432
Others	101	143
Total	32,656	31,356

Sales for the year ended December 31, 2009, increased by 4%. The Lighting Sector, which grew by 12%, and the Healthcare Sector, which grew by 22%, were the strong performers of 2009. Operating profit during the year dropped by Rs 212 million largely due to lower sales and eroding margin in the Consumer Lifestyle Sector. Exceptional items for the year include profits of Rs 342 million from the sale of property, charge of Rs 175 million towards restructuring expenses of the Consumer Lifestyle Sector and a charge of Rs 5 million under the Employees' Voluntary Retirement Scheme.

2.3. FINANCE & ACCOUNTS

Your Company delivered a positive cash flow from operations, through better realisation and working capital management. During the year, the Company spent Rs 1,424 million on buying back 5,883,479 equity shares, and Rs 729 million for acquiring Alpha X-Ray Technologies (India) Private Limited and Meditronics Healthcare Private Limited. All the above payments were made from internal accruals. The balance cash surplus was invested in financial instruments in accordance with Company policy. On January 4, 2010, the Company transferred the Data Centre Operation and System Application support activities to M/s T-Systems Information and Communication Technology India Private Limited at an aggregate consideration of Rs 41.9 million.

4. DIVIDEND

Your Directors recommend payment of Rs 2.0 per share as dividend on the fully paid equity shares for the financial year ended December 31, 2009. This will absorb Rs. 115 million as dividend and Rs. 20 million as dividend tax.

5. BUSINESS PERFORMANCE

The Notes to the Profit and Loss Account for the year provide segment results. The required disclosure is made below for the Lighting, Consumer Lifestyle, Innovation Campus (Software), and Healthcare Sectors.

LIGHTING

The Sector grew by 12%, the seventh consecutive year of double-digit growth despite a sluggish first six months due to the difficult economic environment and the general election. The growth was driven by our continued channel expansion in the Consumer segment and increased share acquisition in the professional segment. Automotive and Consumer Luminaries businesses registered the highest ever growth.

A New Product Category, MODULAR SWITCHES, was launched and met with success in the market place. New products in all categories were introduced. Investments in channels such as rural and replacements were further leveraged to improve reach and sales. In the professional segment, the Sector got the maximum share of the 2010 Commonwealth Games business; (a sizeable amount of Road and Airport Lighting business). Inroads were also made into the Retail and LED segments. Manufacturing capacity in both factories at Mohali and Vadodara were further enhanced to serve the needs of the local and global market. Both factories won CII awards for being energy-efficient units. The Vadodara unit also won the CII sustainability award and the Mohali unit was certified as an OHSAH BS18001 Compliant Unit (Occupational Health and Safety assessment series). Our industrial footprint has been realigned to reduce cost and improve quality.

In 2010, the Sector will focus more on the B2B sector through segment based marketing, in line with the global strategy and will rely more on lighting solutions to increase its market presence. The Business intends to reap the benefits of the intended focus on LEDs, energy-saving products, new product categories viz. modular switches and Consumer Luminaries to grow and improve its market share.

CONSUMER LIFESTYLE

In 2009 the sector largely focused on strengthening market share in key categories such as DVDs, kitchen appliances and personal care segments, and on building talent, competencies and processes, to drive Sustainable Profitable growth through portfolio choices.

The Consumer Lifestyle Sector improved its market shares in the "Health and Wellbeing" categories – our strategic focus area. These categories enjoyed a growth of 18% in 2009 on the back of 19% growth in Domestic Appliances, 37% growth in Personal Care and 13% growth in Accessories. In Domestic Appliances, growth was aided by strong performances in lead categories viz., mixer grinders, juicers and irons as well as gains from Modern Retail. For the second year in a row, our Intelligent Water Purifier won the "Water Digest Award" for the Best Domestic Water Purifier in UV.

In the Audio Video Multimedia (AVM) category, we regained our market leadership position in DVDs after almost four years and ended the year with a market share of 23.9%. Our Home Theatres category grew by 13% while the Mainstream Audio segment declined by 25% in line with market developments. Under the new product category, your Company launched Blu Ray players and Blu Ray Home Theatre Systems in India. The TV portfolio was reduced by 30% to improve overall profitability and this led to an overall decline of 10% in 2009 for the sector.

Going forward, Consumer Lifestyle will be reshaping its portfolio with focused profitable growth plans in categories such as kitchen appliances, garment care, home theatres, Blu Ray players and personal care products. We will leverage the rapidly growing Mobility Channel for our accessories products and Go-Gears. In addition, we plan to launch Mother and Child Care products in mid-2010.

HEALTH CARE

The Healthcare business operates in the Diagnostic Imaging segment, which includes CT, MRI, X-rays, Cardiovascular Systems, Nuclear Medicine, PET-CT and Ultrasound Imaging Systems. The business is also a significant player in patient monitoring/critical care. In 2009, the sector recorded a growth of 22% across all the segments, winning major contracts across its product range. A significant portion of the revenues (about 30% of the overall business) were generated from Government institutions during the year. The sector consolidated its focus on key accounts management and was able to penetrate some of the competitors' clients. The Customer Support business complemented the key accounts management agenda and contributed its share towards building a long-term and sustainable partnership with strategic private players.

The Healthcare sector witnessed heightened activity in business financing during the year. Customers were supported with innovative business funding models by health care players. Popular funding models being used included the on-balance sheet funding, pay per use, public private partnership, long-term funding support through export credit agencies and funding in foreign currencies. Philips Healthcare took a strong lead and offered customised solutions to strategic and key customers. During 2009, your Company successfully completed the first pay per use contract through PHS solutions. The Healthcare organisation in India is also successfully synergised with the Respironics business model and is in the process of establishing the sales and operations footprint here.

INNOVATION CAMPUS (PIC)

In 2009, PIC has further strengthened their competence in software architectures, serviceability, viewing, platform and IT Support. PIC also expanded their competences in the electrical and mechanical area. The Healthcare business successfully went through a series of audits - CMMI L3(sw) certification, FDA readiness and ISO 13485 surveillance audit. Consumer Lifestyle also successfully went through CMMI L3 (sw) certification. As a part of the global initiative (SHAPE project), IT Application has geared up to provide second and third line business applications as well as maintenance support for Philips users across the world. The PIC team has made a major contribution to cost savings at the global level.

The outlook for 2010 remains positive with expected growth in the Healthcare business and IT Applications group, including a new initiative taken for Lighting R&D projects in PIC.

Sales (Export in Foreign Currency) amounted to Rs. 2.3 billion in 2009 (Rs. 2.4 billion in 2008). PIC's average employee strength during 2009 was 879 Full Time Equivalents (FTE) (887 FTE in 2008). During the year personnel in the Healthcare and IT Application businesses were further increased and personnel in Consumer Lifestyle business were marginally reduced.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

7. CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to sustainability and strives to help disadvantaged communities lead better lives by making them self-sustaining through our healthcare and well-being initiatives. The Company has been able to make significant contributions in the economic, environment and social areas. In 2009, your Company launched sustainability programmes such as project SimplyHealthy@Schools, and project MAMTA. Project SimplyHealth@School is a part of global initiative that focuses on spreading awareness on "Health and Wellbeing" through interactive sessions with over 800 school children. Project MAMTA takes a women-centric approach to enhancing maternal and child health in the urban poor population. Other units at Philips also initiated various sustainability programmes during the year. The Company's Mohali Light Factory and Vadodara Light Factory initiated various projects with the help of non-government organisations such as 'Sparsh and Samvedna', 'Arogya Kiran' and 'UTTAN' which focus on rural and social uplift, and 'Bal Vikas' which focuses on child development, education and social uplift of children in nearby villages.

Philips Innovation Campus reaches out to sections of society through its various community-based initiatives. A dedicated team of 97 employees called Community Involvement Team (CIT) care for, involve and touch the lives of many people through their activities. Their efforts have made a difference to the lives of 5,345 people in 2009 alone. PIC has participated in the flood rehabilitation program through an NGO in the North Karnataka region, which was severely affected by floods. Contributions from employees and Philips would provide about 40 dwelling units to the affected families.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employee relations were cordial during the year. The Company continues to invest in the development of its employees through various developmental initiatives.

As part of our people development efforts, the learning and development needs of employees were identified and addressed on an ongoing basis. In addition to ongoing development programmes, the focus was on identifying and developing talent through a structured talent development process, including development centres and leadership development programmes. Our presence at the premier management campuses has been further strengthened. Project "Capability Building Recognition and Engagement" ('CARE') launched in 2008 was recognised as a global best practice. The initiative aims to build the capabilities and engagement of frontline sales and service employees. The programme will include specific Sales Capability Building projects, recognition by way of Awards and Communication programmes.

Information under Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, is provided in the Annexure to this report.

10. ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH & SAFETY

Your Company is committed to implementing the Philips Sustainability Policy and is striving to continuously improve its contribution to the environmental, economic and social aspects of sustainability.

Both the manufacturing units of your Company are actively involved in implementing the Philips Eco-Vision III (2006-2009) programme. Both the manufacturing units have established and are maintaining ISO-14001 certified environmental management systems. During 2009 these units consumed 805,694 GJ of energy and 194,526 KL of water, generated 7,371 tons of waste and emitted 260 tons of various chemical substances. Hundred per cent of the generated waste was recycled.

Your company has also initiated several programmes to improve the health and safety of employees working in the manufacturing units and offices. The Mohali Light Factory (MLF) has obtained OHSAS 18000 certificate for Health & Safety Management in December 2009. During 2009, MLF bagged the Excellence in Energy Management award 2009 by CII. The Vadodara Light factory (VLF) has received two awards from CII viz. Commendation for Significant Achievement in sustainability and Excellent Energy Efficient Unit. The unit is also in the final stage of OHSAS 18000 certification.

On energy consumption, Philips Innovation Campus (PIC) achieved a 13% decrease in average consumption from 13,260 Kwh / FTE / year in 2008 to 11,478 Kwh / FTE / year in 2009, by optimising space utilisation and introducing other energy conservation measures. In line with the global Philips initiatives, PIC has kept pace with its commitment to a greener workplace.

11. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

i) in the preparation of the annual accounts, applicable accounting standards have been followed;

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 December 31, 2009 and of the profit of the Company for the year ended December 31, 2009;

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.

The Company's Internal Auditors have conducted periodic audits to provide reasonable assurance that established policies and procedures were followed. The Audit Committee constituted by the Board meets regularly with internal and external auditors to review internal control and financial reporting.

12. DIRECTORS

Mr. Alexius Collette informed the board of his intention to relinquish his Directorship with effect from April 1, 2010, following his retirement from the Company. Mr Cornalis J M Reuvers informed the Board of his intention to resign as a Director with effect from April 1, 2010, following his transfer to a new assignment based in Amsterdam. The Board accepted the letters of resignation from Mr. Collette and Mr. Reuvers at the Board meeting held on March 11, 2010. The Board records its appreciation of the valuable contributions made by Mr. Collette and Mr. Reuvers to the Board's deliberations.

At the meeting held on March 11, 2010, the Board appointed Mr. Jan Hendrik Gerardus Louwman as a Director in the vacancy to be caused by the resignation of Mr. C J M Reuvers with effect from April 1, 2010. The appointment of Mr. Louwman as a director is subject to the approval of the Central Government. Notice have been received from a member pursuant to Section 257 of the Companies Act, 1956, intimating his intention to move a resolution for the appointment of Mr. Louwman as a Director of the Company. Mr. Venkataramani retires by rotation at the ensuing Annual General Meeting. The Board recommends his re-appointment.

13. AUDITORS

Messrs. B S R & Co. retire as auditors of the Company and, being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment for the ensuing year.

14. COST AUDITORS

The Central Government has directed your Company to carry out an audit of the Company's cost accounts in respect of electric lamps and fluorescent tubes, pursuant to the provisions of Section 233B of the Companies Act, 1956. Accordingly, your Directors have approved the appointment of Messrs. M/s Nanabhoy & Company, a firm of cost ccountants, to conduct the audit for the year ending December 31, 2010.

15. GENERAL

Your Directors acknowledge the close cooperation and support your Company has received during the year from employees, members, its parent company Koninklijke Philips Electronics N.V., its bankers and business partners including suppliers, co-makers and the trade.

On behalf of the Board

S. M. Datta
Chairman

Gurgaon, Haryana
March 30, 2010

ANNEXURE TO DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956.

Research & Development (R & D) : January - December 2009

1.	Specific areas in which R & D is carried out by the Company	The Company's management believes that continuous effort to establish a strong performance in the fields of R & D vis-a-vis product and process development and import substitution are of paramount importance to preserve and strengthen the competitive position the Company holds in various product segments. The Company's R & D laboratories have been instrumental in providing the Company with a sustainable competitive advantage through application of Science and Technology. The specific areas in which R & D is carried out include: (1) Design with LED Lighting- the power driver with high efficiency, the optical system with Higher and Higher light output ratio, the heat management for a better life class and reliability (2) Development of knowhow of Luminaires driven by alternate energy sources i.e. Solar (3) Development of optimal luminaires for TL5/CFL lamps for home application
2.	Benefits derived as a result of R & D	18 new products for consumer/Indoor and outdoor application involving high performance Electronic Ballasts and energy efficient lamps like PLL/TL5/CDMTT
3.	Future plan of action	Have a roadmap for 2010-2012 with high emphasis on LED Lighting for all application, Solar street Lighting for complete range
4.	Expenditure on R & D	a. Capital — 1 b. Recurring — 53 c. Total — 54 d. Total R & D expenditure as % of total turnover — 0.17

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	The technology for using solar power as driver to LED based luminaires from Europe.	
2.	Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution	Attainment of higher customer satisfaction / better environmental scoring / growth and profitability in business.	
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	Technology imported	Year of commencement of production
		Nil	Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

			Rs. Mln
Foreign exchange earned			3,062
Foreign exchange used:			
i.	Import of capital goods	248	
ii.	Import of raw materials, piece parts & spares	726	
iii.	Import of software	2	
iii.	Other expenditure	2,416	3,392

ENERGY CONSERVATION MEASURES

The following energy conservation measures were implemented during January / December 2009

1. Adopted strategy to drive the market for energy efficient HF gears and energy saving TL5 / CFL Lamps. Road map is aligned to this strategy.
2. Sintering Oven –NG/Blower on PID Controller closed Loop system for VTL-2.
3. Rationalization of Chiller considering pump in Furnace Utility.
4. Throat Cooling Blower f/c on VFD.
5. Up gradation of Cullet & batch Bucket Elevators.
6. 1MW generation increased from Average 20000 units per day to 21000 units per day.
7. Up gradation of miller mixer drive mechanism.
8. Utilization of VAPH system for Water coolers.
9. Canteen hot water on Solar System.
10. Optimized utilization of AHU-8.
11. Thermal Efficiency Improvement of Pumping Oven VTL-5.
12. Modification of Compressed Air pipe line to reduce Pressure Drop.
13. Square hole Burner implementation.
14. Reduction of NG Consumption in Glass Furnace.
15. Cooling tower pump optimization.
16. Replacement of 55 KW motor with 45 KW Motor on Air Blowers in Engine Room.
17. Extension of Solar water system in canteen.
18. Provision of Natural Lighting in VTL Hall.
19. False Ceiling in CFL Quality Lab to reduce AC Load.
20. Electrical Energy consumption reduction by replacing Leybold Pumps with 10 Fold Pump on CFL Lines.
21. Improvement of Sintering m/c Insulation during T-5 Change over.
22. Rain Harvesting (Bore well) (Lamp Factory Area).

POWER & FUEL CONSUMPTION AT GLASS FACTORIES

Particulars	Unit	**2009**	2008
Electricity			
a. Purchased			
Unit	000 kwh	2,627.39	20,802.88
Rate	Rs/kwh	6.06	4.61
Total	Rs.000	15,914.09	95,844.23
b. Own generation			
Unit	000 kwh	1,514.39	1,508.70
Rate	Rs/kwh	2.24	3.17
Total	Rs.000	3,391.28	4,777.38
Total electricity	000 kwh	4,141.79	22,311.58
Cost	Rs.000	19,305.37	100,621.62
LPG/Propane/Natural Gas			
Unit	Tonnes/M3	6,047,719.85	5,634,950.84
Rate	Rs./Tonne/M3	7.39	24.73
Total	Rs.000	44,683.35	139,377.67
Furnace oil			
Unit	KL	429.55	2,297.73
Rate	Rs./KL	15,302.30	27,093.91
Total	Rs.000	6,573.03	62,254.49

Consumption per kg. of glass production

		2009	2008
Product	Unit	**TL SHELLS / GLS**	TL SHELLS / GLS
Electricity	KWH	0.13	0.29
Furnace oil	LTR	0.01	0.03
LPG/Propane/Natural Gas	TONNE/M3	0.19	0.07

Auditors' Report to the Members of Philips Electronics India Limited

1. We have audited the attached Balance Sheet of Philips Electronics India Limited ('the Company') as at 31 December 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

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

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

   (c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (e) on the basis of written representations received from the directors of the Company as at 31 December 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act; and

   (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31 December 2009;

      (ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **B S R & Co.**
Chartered Accountants

Vikram Advani
Partner
Membership No.: 091765

Place : Gurgaon
Date : March 30, 2010

Annexure to the Auditors' Report

(Referred to in our report of even date)

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

(b) The Company physically verifies its assets over a three year period so as to cover all assets over a three year period, except for certain assets which are verified on the basis of third party confirmations. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this policy, the Company has physically verified certain fixed assets during the year. No material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

(ii) (a) The inventory, excluding materials in transit, has been physically verified by the management during the current year. Inventories with the third parties have either been physically verified by the management or confirmed based on certificates/statements of accounts received from such parties. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventory. Discrepancies identified on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialized requirements and similarly certain goods and services sold are for the specialized requirement of the buyer and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

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

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of Electric Lamps and Fluorescent Tubes and are of the opinion that prima facie, the

Annexure to the Auditors' Report (Continued)

prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. There are no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 December 2009 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund during the year.

(b) According to the information and explanations given to us, there are no dues of Wealth tax and Customs duty which have not been deposited on account of any dispute. The dues of Income tax, Sales tax, Service tax and Excise duty as disclosed in Appendix I have not been deposited by the Company on account of disputes.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company did not have any outstanding debentures during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not obtained any term loans during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) As per information and explanations given to us, the Company has not made any preferential allotment of shares.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

Annexure to the Auditors' Report (Continued)

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**
Chartered Accountants

Vikram Advani
Partner
Membership No.: 091765

Place : Gurgaon
Date : March 30, 2010

Appendix I to Annexure to the Auditors' Report

(Rs in Mln)

Name of the Statute/ Period to which the amount relates	Nature of dues	Forum where dispute is pending		
		Appellate authority upto Commissioner (Appeals)	Tribunal	High Court
Central Excise Act, 1944				
2008-09	Excise duty including interest and penalty where applicable	—	—	—
2007-08		—	—	—
3-7 years		—	66.44	—
Above 7 years		—	135.12	5.00
Service Tax, Finance Act 1994				
2008-09	Service tax including interest and penalty where applicable	—	—	—
2007-08		—	—	—
3-7 years		38.70	—	—
Above 7 years		—	—	—
Central Sales Tax Act, 1956 and Individual State Sales Tax Act				
2008-09	Sales tax including interest and penalty where applicable	—	—	—
2007-08		—	—	—
3-7 years		104.70	10.10	41.80
Above 7 years		14.30	212.50	12.40
Income Tax Act, 1961				
2008-09	Income tax including interest and penalty where applicable	—	—	—
2007-08		—	—	—
3-7 years		254.40	—	—
Above 7 years		—	—	—

PHILIPS ELECTRONICS INDIA LIMITED

Profit and Loss Account for the year ended December 31, 2009

Amounts in Rs. Mln

	Notes	Year ended December 31, 2009		Year ended December 31, 2008	
INCOME					
Sales and income from operations (gross)	1	32,844		31,517	
Less: Excise duty recovered		317		513	
Sales and income from operations (net)		32,527		31,004	
Other income	2	137		449	
			32,664		31,453
EXPENDITURE					
Material cost	3	18,980		18,620	
Expenses	4	11,238		10,312	
Interest		51		56	
Depreciation / amortisation		707		565	
		30,976		29,553	
			30,976		29,553
OPERATING PROFIT			1,688		1,900
Exceptional items	12		162		206
PROFIT BEFORE TAX			1,850		2,106
Fringe benefit tax	18		(24)		(42)
Provision for current tax	18		(694)		(769)
Deferred tax - Release / (Charge)	18		43		56
PROFIT AFTER TAX			1,175		1,351
Balance brought forward			2,762		1,695
Available for appropriation			3,937		3,046
Transfer to General Reserve		118		136	
Proposed equity dividend		115		127	
Tax on proposed equity dividend		20		21	
Balance carried forward		3,684	3,937	2,762	3,046
Basic and diluted earnings per equity share of Rs.10 each (in Rs.)	16				
— Before exceptional items			18.23		17.55
— After exceptional items			18.97		19.71

The statement of accounting policies and notes 1-19 to the Profit and Loss Account form an integral part of the accounts.

In terms of our report of even date

For B S R & Co.
Chartered Accountants

VIKRAM ADVANI
Partner
Membership No.: 091765

Gurgaon, Haryana, March 30, 2010

For and on behalf of the Board

Chairman	S.M.DATTA
Managing Director	MURALI SIVARAMAN
Director	C.J.M.REUVERS
Secretary	R.J.WANI

Balance Sheet as at December 31, 2009

Amounts in Rs. Mln

	Notes	As at December 31, 2009		As at December 31, 2008	
SOURCES OF FUNDS					
Shareholders' funds					
Share Capital	1	575		634	
Reserves and surplus	2	7,476		8,197	
			8,051		8,831
Loan funds					
Secured loans	3	105		114	
Unsecured loans	4	45		46	
			150		160
			8,201		8,991
APPLICATION OF FUNDS					
Fixed assets	5				
Gross block		7,783		6,310	
Less: Depreciation/amortisation		4,496		3,985	
Net block		3,287		2,325	
Capital work-in-progress		176	3,463	500	2,825
Investments	6		5		442
Deferred tax assets - net	7		352		296
Current assets, loans and advances					
Inventories	8	3,608		2,849	
Sundry debtors	9	3,167		2,979	
Cash and bank balances	10	4,251		5,060	
Loans and advances	11	2,439		2,033	
		13,465		12,921	
Less: Current liabilities and provisions					
Liabilities	12	7,743		6,382	
Provisions	13	1,341		1,111	
		9,084		7,493	
Net current assets			4,381		5,428
			8,201		8,991

The statement of accounting policies and notes 1-16 to the Balance Sheet form an integral part of the accounts.

	In terms of our report of even date	For and on behalf of the Board	
	For B S R & Co. Chartered Accountants	Chairman	S.M.DATTA
		Managing Director	MURALI SIVARAMAN
	VIKRAM ADVANI	Director	C.J.M.REUVERS
	Partner	Secretary	R.J.WANI
Gurgaon, Haryana, March 30, 2010	Membership No.: 091765		

STATEMENT OF ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared and presented under historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles followed in India ('Indian GAAP') and the relevant provisions of the Companies Act, 1956 and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

2. REVENUE RECOGNITION

Sales are recorded net of trade discounts, rebates, sales tax but include excise duty.

Sales of goods / equipments are recognized on transfer of risks and rewards of ownership in the goods to the customers / completion of installation.

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

Revenues from software development and accounting services are billed to clients on cost plus basis as per the terms of the specific contracts and are recognized based on software developed. Cost and earnings in excess of billings are classified as unbilled revenue.

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

3. INTANGIBLE ASSETS

Intangible assets are amortized on the straight line basis based on the useful lives, which, in management's estimate represent the period during which economic benefit will be derived from their use. The period of amortization for intangible assets is as (a) Goodwill – 60 months, (b) Software – 36 months, (c) Brands – 60 months and (d) Non-compete fees – 36 months.

4. FIXED ASSETS AND DEPRECIATION

Fixed assets are valued at cost. Depreciation is provided on the original cost on a straight line method at the rates given in Schedule XIV of the Companies Act, 1956, (as amended vide notification GSR 756 [E] dated 16.12.1993) except in case of following class of assets for which higher depreciation, at the rates mentioned, is provided:

(a) CE-test and measuring instruments 15%, (b) soda lime glass furnace 22.22%-24%, (c) press tools and moulds – 20%-40%, (d) furniture and fittings 7%-30.8%, (e) room air conditioners 7%-14%, (f) office machinery 7%-34.7%, (g) computers 20%-50%, (h) cars 12%-45% and (i) feeder line 20%.

Life class of the assets acquired on amalgamation, are aligned to those followed by the company and accordingly rates are adjusted except for few assets acquired from erstwhile Philips Software Centre Limited (PSCL), which are charged over and above the rates followed by the Company; these are in respect of lease hold improvements 20%, plant and machinery, furniture and fixtures, vehicles 33.33%. Assets costing less than Rs.5000 are fully depreciated in the year of purchase.

5. LEASES

Operating lease payments are recognized as an expense in the Profit and Loss Account on straight line basis over the period of the lease.

Assets acquired under finance lease from April 1, 2001 are capitalised at the lower of their fair value and the present value of the minimum lease payments at the inception of lease. Assets obtained on finance lease are depreciated over the lease period.

Assets given out on financial leases are recognised as receivable at an amount equal to the net investment in the lease. The rentals received on such leases are apportioned between the financial charge using the implicit rate of return, which is recognized as income and against principal outstanding, which is reduced from the amounts receivable.

6. IMPAIRMENT OF ASSETS

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

7. INVENTORIES

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

8. INVESTMENTS

Long-term investments are stated at cost less any decline, other than temporary, in value, determined on an individual investment basis.

9. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the books of the Company at standard exchange rates fixed every month on the basis of a review of the actual exchange rates. The difference between the actual rate of settlement and the standard rate is charged or credited to Profit and Loss Account.

In respect of current assets and current / long-term liabilities, the overall net loss or gain, if any, on conversion at the exchange rates prevailing on the date of the Balance Sheet is charged to revenue.

The premium or discount arising at the inception of forward exchange contracts, which are not intended for trading or speculation purposes, are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in Profit and Loss Account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contracts is recognised as income or as expense for the period.

Forward contracts which are not covered by Accounting Standard (AS) 11 are measured using "Mark to Market" principle with resulting net losses thereon being recorded in the Profit and Loss Account.

10. REPLACEMENT GUARANTEE

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

11. RETIREMENT BENEFITS

Liability for defined benefit plan is provided on the basis of actuarial valuation carried out by an independent Actuary at year end using the projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss Account. Company's contributions to defined contribution plans are charged to Profit and Loss account as incurred. Termination benefits are recognized as and when incurred.

12. PROVISIONS AND CONTINGENCIES

A provision is recognized when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

13. TAXATION

Income-tax expense comprises current tax and deferred tax charge or release. Current tax is determined as the amount of tax payable in respect of taxable income for the period. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

For and on behalf of the Board

Chairman	S.M.DATTA
Managing Director	MURALI SIVARAMAN
Director	C.J.M.REUVERS
Secretary	R.J.WANI

Gurgaon, Haryana, March 30, 2010

Notes to Profit and Loss Account

Amounts in Rs. Mln

1. SALES AND INCOME FROM OPERATIONS

Sales of goods / services (gross)	Unit	Year ended December 31, 2009 Quantity	Rs.	Year ended December 31, 2008 Quantity	Rs.
Lamps	pcs in '000	431,909	10,430	371,118	8,778
Television receivers	pcs in '000	353	2,347	438	3,340
Radio sets, tape recorders, compact / digital video disc players / systems / combination sets	pcs in '000	2,607	4,058	2,997	4,592
Software development services			2,311		2,432
Fittings	pcs in '000	8,365	4,230	7,259	4,123
Domestic appliances	pcs in '000	2,215	2,420	1,958	1,953
Services			1,123		948
Diagnostic imaging equipments	pcs	1,174	2,349	507	1,926
Accessories for fittings	pcs in '000	17,844	1,029	18,542	999
Accessories for radio sets and tape recorders	pcs in '000	510	245	463	192
Patient monitoring equipments	pcs	6,740	957	7,340	828
Glass shells	pcs in '000	177,923	160	95,408	108
Electronic HF ballasts	pcs in '000	3,388	555	3,002	686
Others			442		451
			32,656		31,356
Income from operations					
Liabilities no longer required written back			9		12
Export incentives			9		6
Hire charges of tools			11		11
Surplus on disposal of fixed assets - net			1		—
Insurance and other claims			9		21
Service tax credit availed for prior years			110		63
Others * (* Includes Fringe Benefit Tax recovery Rs.3)			39		48
			188		161
			32,844		31,517

2 OTHER INCOME

	2009 Rs.	2008 Rs.
Interest on advances, current accounts and deposits - gross [tax deducted thereon **Rs.30** (2008 - Rs.101)]	137	448
Income from other investments		1
	137	449

Notes to Profit and Loss Account

Amounts in Rs. Mln

	Year ended December 31, 2009		Year ended December 31, 2008	
3. MATERIAL COST				
Stocks as at beginning				
Raw materials and piece parts	137		111	
Finished goods	2,123		1,581	
Excise duty on finished goods	34		30	
Work-in-progress	261	2,555	229	1,951
Add: Acquired on Amalgamation *				
Raw materials and piece parts	89		—	
Finished goods	9		—	
Work-in-progress	—	98	—	—
Add : Purchases				
Raw materials and piece parts	2,742		1,793	
Finished goods	16,848	19,590	17,431	19,224
		22,243		21,175
Less : Stocks as at end				
Raw materials and piece parts	421		137	
Finished goods	2,558		2,123	
Excise duty on finished goods	12		34	
Work-in-progress	272	3,263	261	2,555
		18,980		18,620

* Refer Note 15 to Profit and Loss Account

Raw materials and piece parts consumed

	Unit	Quantity	Rs.	Quantity	Rs.
Piece parts	pcs in '000	2,101,217	1,252	2,112,965	849
Chemicals, gases, paints			349		197
Packing materials			362		257
Others			586		458
			2,549		1,761

Notes to Profit and Loss Account

Amounts in Rs. Mln

Purchases		Year ended December 31, 2009		Year ended December 31, 2008	
Raw materials and piece parts	**Unit**	**Quantity**	**Rs.**	Quantity	Rs.
Piece parts	pcs in '000	2,097,823	1,430	2,177,614	865
Chemicals, gases, paints			340		222
Packing materials			369		262
Others			603		444
			2,742		1,793

Finished goods					
Class of goods	**Unit**	**Quantity**	**Rs.**	Quantity	Rs.
Radio sets, tape recorders, compact / digital video disc players / systems / combination sets	pcs in '000	2,560	2,883	3,205	2,831
Accessories for radio sets and tape recorders	pcs in '000	449	144	543	224
Television receivers	pcs in '000	370	1,771	439	2,210
Domestic appliances	pcs in '000	2,286	1,457	1,914	1,943
Lamps	pcs in '000	73,538	3,281	61,369	3,048
Fittings	pcs in '000	8,938	3,388	7,079	2,661
Accessories for fittings	pcs in '000	17,532	938	18,230	1,053
Electronic HF ballasts	pcs in '000	3,504	438	3,138	329
Patient monitoring equipments	pcs	6,805	1,235	7,415	1,147
Diagnostic imaging equipments	pcs	520	936	534	1,429
Installations			—		5
Service consumables			203		141
Others			174		410
			16,848		17,431

Notes to Profit and Loss Account

Amounts in Rs. Mln

Stocks as at

Raw materials and piece parts	Unit	Year ended December 31, 2009 Quantity	Rs.	Year ended December 31, 2008 Quantity	Rs.	Year ended December 31, 2007 Quantity	Rs.
Piece parts	pcs in '000	141,482	266	143,650	38	78,900	22
Chemicals, gases, paints			46		55		30
Packing materials			17		10		5
Others			92		34		54
			421		137		111

Finished goods

Class of goods	Unit	Quantity	Rs.	Quantity	Rs.	Quantity	Rs.
Radio sets, tape recorders, compact / digital video disc players / systems / combination sets	pcs in '000	254	331	301	328	281	216
Accessories for radio sets and tape recorders	pcs in '000	151	25	205	97	43	10
Television receivers	pcs in '000	59	504	42	479	47	283
Domestic appliances	pcs in '000	306	38	235	228	302	212
Lamps	pcs in '000	35,173	865	17,352	441	16,147	372
Fittings	pcs in '000	892	292	383	130	563	113
Accessories for fittings	pcs in '000	1,132	46	1,200	89	1,509	70
Electronic HF ballasts	pcs in '000	244	36	183	24	102	17
Patient monitoring equipments	pcs	538	67	473	97	398	53
Diagnostic imaging equipments	pcs	299	189	76	103	49	61
Service consumables			119		115		140
Others			58		26		64
			2,570		2,157		1,611

Notes to Profit and Loss Account

Amounts in Rs. Mln

4. EXPENSES

	Year ended December 31, 2009	Year ended December 31, 2008
Salaries, wages, bonus and commission	**2,888**	2,647
Contribution to pension and provident funds	**158**	147
Staff welfare	**265**	225
Rent	**411**	367
Rates and taxes	**220**	208
Excise duty	**93**	63
Power and fuel	**456**	509
Insurance	**57**	57
Repairs and maintenance of buildings	**73**	75
Repairs and maintenance of plant and machinery	**178**	131
Auditors' fees and expenses	**14**	16
Travelling and conveyance	**492**	667
Publicity	**1,208**	870
Packing, freight and transport	**424**	392
Communication and IT costs	**762**	520
Provision for doubtful debts and advances	**80**	37
Replacement guarantee	**412**	260
Management support services	**1,630**	1,303
Research and development services	**300**	341
Miscellaneous	**1,117**	1,477
	11,238	10,312

(a) Remuneration to managing director and other directors as fees, salaries, commission and other emoluments including **Rs.3.6** (2008 - Rs.3.9) contribution to pension fund and release of **Rs.7.5** (2008 - Rs.3.5) relating to prior year is **Rs.76** (2008 - Rs.114). These figures exclude gratuity and leave encashment provisions which are actuarially determined on an overall basis.

(b) Excise duty recovered through sales is disclosed as a reduction from sales and excise duty in opening and closing stock of finished goods is disclosed separately in Note 3 to Profit and Loss Account. The excise duty not recovered from sales is disclosed as "excise duty" expense above.

(c) Rental expenses are net of recovery - **Rs.52** (2008 - Rs.37)

(d) Repairs and maintenance of plant and machinery includes stores and spare parts consumed - **Rs.127** (2008 - Rs.83).

(e) Audit fees and expenses include fees - **Rs.7** (2008 - Rs.5.5), tax audit fees - **Rs.2** (2008 - Rs.2), taxation matters - **Rs.2.5** (2008 - Rs.7.2), other matters - **Rs.1.4** (2008 - Rs.0.8) and expenses - **Rs.0.6** (2008 - Rs.0.9).

(f) Miscellaneous include consultancy - **Rs.241** (2008 - Rs.288), cash discount on sales - **Rs.108** (2008 - Rs.109), undepreciated value of fixed assets written off / provided for - **Rs.19** (2008 - Rs.163), exchange loss (net) - **Rs.53** (2008 - loss (net) Rs.195), lease rental towards non-cancellable operating lease for vehicles - **Rs.6** (2008 - Rs.14) and donation - **Rs.8** (2008 - Rs.9).

(g) Pursuant to the agreement entered into by the Company with Koninklijke Philips Electronics N.V.("KPENV"), the Company has incurred **Rs.1,630** (2008 - Rs.1,303) towards the support services provided by KPENV and **Rs.300** (2008 - Rs.341) for accessing the benefit resulting from common research and development programmes.

(h) Maximum obligations on long-term non-cancellable operating lease for office premises and vehicles are - payable within 1 year - **Rs.307** (2008 - Rs.250) and payable between 1-5 years - **Rs.281** (2008 - Rs.323).

5 Revenue expenditure on research and development - **Rs.53** (2008 - Rs.36)

Notes to Profit and Loss Account

Amounts in Rs. Mln

6 CAPACITY AND PRODUCTION

Class of goods	Unit	Year ended December 31, 2009 Licensed Capacity	Installed Capacity	Production*	Year ended December 31, 2008 Licensed Capacity	Installed Capacity	Production*
Lamps	pcs in '000	762,920	449,707	385,422	511,171	322,614	313,026
Glass shells	pcs in '000	668,000	566,636	534,889	146,230	471,960	419,756
Filaments	pcs in '000	750,000	657,450	563,051	750,000	450,000	480,557
Molybdenum wire	kgs	12,000	12,000	76	12,000	12,000	1,294
Diagnostic imaging equipments	pcs	NA	1,141	857	-	-	-

Licensed capacity excludes permissible increases as per various Government schemes. For delicensed industries, it includes registered capacities as per Industrial Entrepreneurs' Memoranda filed with Government where commercial production against the same has commenced. Installed capacity is on single shift basis except for some items of electronic components, lamps and lamp components and is as certified by management and has not been verified by the auditors, as it is a technical matter.

* Figures do not include wastages and internal consumption.

7 RELATED PARTY TRANSACTIONS

(a) Names of companies where control exists:

Holding Company : Koninklijke Philips Electronics N.V

Subsidiary Companies : Alpha X-Ray Technologies (India) Private Limited (AXTPL)*
Meditronics Healthcare Private Limited (MHPL)*

* Ceased to be Subsidiary companies with effect from April 1, 2009.

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

Overseas Fellow Subsidiary Companies:

Feidong Lighting Company Limited
Feixin Lighting Co., Ltd.
Genlyte Thomas Group LLC
Lumec Inc.
Massive AG
MASSIVE Hungária Villamosipari Termelö Kft.
NARVA Speziallampen GmbH
Philips & Yaming Lighting Co., Ltd.
Philips (China) Investment Company, Ltd.
Philips Automotive Lighting Hubei Co., Ltd.
Philips Chilena SA
Philips Consumer Lifestyle B.V.
Philips Consumer Luminaires Shenzhen Co. Ltd.
Philips da Amazônia Indústria Eletrônica Ltda.
Philips Danmark A/S
Philips Domestic Appliances and Personal Care Company of Zhuhai SEZ, Ltd.
Philips Electronics (Thailand) Ltd.
Philips Electronics and Lighting, Inc.
Philips Electronics Hong Kong Limited
Philips Electronics Korea Ltd.
Philips Electronics Middle East & Africa BV
Philips Electronics Nederland BV
Philips Electronics North America Corporation
Philips Electronics Singapore Pte Ltd.
Philips Electronics UK Limited
Philips Electronics Vietnam Limited
Philips Eletrônica do Nordeste S.A.

Overseas Fellow Subsidiary Companies:

Philips Export B.V.
Philips France
Philips Holding USA Inc.
Philips Industries Hungary Electronical Mechanical Manufacturing & Trading Limited Liability Company
Philips Innovative Applications
Philips International BV
Philips Lighting Bielsko Sp.z.o.o.
Philips Lighting BV
Philips Lighting Electronics (Shanghai) Co., Ltd.
Philips Lighting Luminaires (Shanghai) Co., Ltd.
Philips Lighting Malaysia Sdn. Bhd.
Philips Lighting Poland SA
Philips Medical Systems (Cleveland), Inc.
Philips Medical Systems DMC GmbH
Philips Medical Systems Nederland BV
Philips Medical Systems Technologies Ltd.
Philips Medizin Systeme Böblingen GmbH
Philips South Africa (Proprietary) Limited
Philips Taiwan Ltd.
Philips Technologie GmbH
Philips Ultrasound, Inc.
Philips Warehouse & Services BV
PT Philips Indonesia
Respironics, Inc.
Turk Philips Ticaret Anonim Sirketi
VMI Indústria e Comércio Ltda.

(ii) Names of the Employee Trusts with whom transactions have taken place during the year:

Philips Electronics India Ltd Management Staff Provident Fund Trust
Philips India Ltd Superannuation Fund.

(b) Names of Directors with whom transctions have taken place during the year:

(1) Executive Directors:
(a) Mr. Murali Sivaraman
(b) Mr. Cornelis J.M.Reuvers
(c) Mr. Alexius Collette

(2) Non-Executive Directors:
(a) Mr. S.M.Datta
(b) Mr. S.Venkataramani

Notes to Profit and Loss Account

Amounts in Rs. Mln

(c) NATURE OF TRANSACTIONS	Year ended December 31, 2009					Year ended December 31, 2008				
	Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Key Managerial Personnel	Employee Trusts	Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Key Managerial Personnel	Employee Trusts
PURCHASES										
Goods	-	-	6,565	-	-	-	-	6,027	-	-
Fixed assets	-	-	97	-	-	-	-	165	-	-
Services	1,761	-	591	-	-	1,483	-	381	-	-
Others	31	-	-	-	-	38	-	-	-	-
SALES										
Goods	-	-	128	-	-	-	-	49	-	-
Services	138	-	2,595	-	-	107	-	2,719	-	-
DEPUTATION OF PERSONNEL										
Charge	-	-	9	-	-	-	-	4	-	-
Recovery	-	-	14	-	-	-	-	29	-	-
MANAGERIAL REMUNERATION										
Mr.Murali Sivaraman	-	-	-	23	-	-	-	-	27	-
Mr.Cornelis J.M.Reuvers	-	-	-	33	-	-	-	-	33	-
Mr.S.Venkataramani	-	-	-	1	-	-	-	-	21	-
Mr.Vineet Kaul	-	-	-	-	-	-	-	-	16	-
Mr.Alexius Collette	-	-	-	18	-	-	-	-	17	-
Mr.S.M.Datta	-	-	-	1	-	-	-	-		
FINANCE										
Dividend paid	122	-	-	-	-	136	-	-	-	-
Interest paid	-	-	1	-	-	-	-	2	-	-
Equity buy back	1,405	-	-	-	-	1,737	-	-	-	-
Interest received	-	1	-	-	-	-		-	-	-
Inter corporate deposits	-	30	-	-	-	-	20	-	-	-
Contributions to Employees' Benefit Plans	-	-	-	-	218	-	-	-	-	193
OUTSTANDINGS										
Payable	196	-	1,778	-	18	263	-	1,388	-	17
Receivable	53	-	108	-	-	20	20	625	-	-

Notes to Profit and Loss Account

Amounts in Rs. Mln

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions 2009*	2008*
(i) Fellow subsidiary Companies:			
Philips & Yaming Lighting Co., Ltd.	Purchase of goods	**776**	863
Philips Electronics Singapore Pte Ltd	Purchase of goods	**1,278**	1,160
Philips Electronics Hong Kong Limited	Purchase of goods	**2,462**	2,283
Philips Innovative Applications	Purchase of fixed assets	**22**	-
Philips Lighting Poland SA	Purchase of fixed assets	**19**	-
Philips Lighting BV	Purchase of fixed assets	**48**	148
Philips International BV	Purchase of services	**-**	226
Philips Electronics Nederland BV	Purchase of services	**522**	45
Philips Electronics Singapore Pte Ltd	Sale of goods	**42**	33
Philips Consumer Lifestyle B.V.	Sale of goods	**18**	-
Philips Export B.V.	Sale of goods	**13**	-
PT Philips Indonesia	Sale of goods	**14**	-
Philips International BV	Sale of services	**-**	2,447
Philips Electronics Nederland BV	Sale of services	**2,331**	-
Philips Consumer Lifestyle B.V.	Sale of services	**8**	-
Respironics, Inc.	Sale of services	**12**	-
Philips Electronics Nederland BV	Deputation charge	**4**	3
Philips Electronics Singapore Pte Ltd	Deputation charge	**1**	1
Philips Electronics UK Limited	Deputation charge	**3**	-
Philips Electronics North America Corporation	Deputation recovery	**-**	6
Philips Electronics Singapore Pte Ltd	Deputation recovery	**2**	4
Philips International BV	Deputation recovery	**-**	6
Philips Consumer Lifestyle B.V.	Deputation recovery	**2**	4
Philips Electronics Hong Kong Limited	Deputation recovery	**2**	3
Philips Electronics UK Limited	Deputation recovery	**4**	-
Philips Electronics Hong Kong Limited	Payable	**407**	390
Philips Electronics Nederland BV	Payable	**228**	-
Philips Electronics Singapore Pte Ltd	Payable	**-**	148
Philips Ultrasound, Inc.	Payable	**45**	179
Philips Holding USA Inc.	Payable	**-**	46
Philips Electronics Hong Kong Limited	Receivable	**37**	71
Philips International BV	Receivable	**-**	486
Philips Electronics Singapore Pte Ltd.	Receivable	**16**	-
Philips Consumer Lifestyle B.V.	Receivable	**21**	-
Philips Holding USA Inc.	Interest	**-**	2
Philips Ultrasound, Inc.	Interest	**1**	-
(ii) Names of the Employee Trusts:			
Philips Electronics India Ltd Management Staff Provident Fund Trust	Contributions	**185**	164
Philips India Ltd Superannuation Fund.	Contributions	**33**	29
Philips India Ltd Superannuation Fund.	Payable	**2**	2
Philips Electronics India Ltd Management Staff Provident Fund Trust	Payable	**16**	15

* represents transactions with parties which comprise more than 10% of aggregate value of transactions.

PHILIPS ELECTRONICS INDIA LIMITED

Notes to Profit and Loss Account

Amounts in Rs. Mln

8 INFORMATION ABOUT BUSINESS SEGMENTS

Description	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008
(A) PRIMARY SEGMENT INFORMATION:		
(1) SEGMENT REVENUE		
a. Lighting	16,546	14,560
b. Consumer Lifestyle	9,066	10,260
c. Software development services	2,397	2,434
d. Healthcare	4,397	3,596
e. Other segments	11	50
TOTAL	32,417	30,900
(2) INTER SEGMENT REVENUE		
a. Lighting	-	-
b. Consumer Lifestyle	-	-
c. Software development services	-	-
d. Healthcare	-	-
e. Other segments	-	-
TOTAL	-	-
(3) Other unallocable income	110	104
NET SALES AND INCOME FROM OPERATIONS (1+3)	32,527	31,004
(4) SEGMENT RESULT		
a. Lighting	1,976	1,741
b. Consumer Lifestyle	145	526
c. Software development services	300	314
d. Healthcare	(13)	(94)
e. Other segments	(17)	7
TOTAL	2,391	2,494
(5) Interest	(51)	(56)
(6) Other unallocable expenditure net of income	(652)	(538)
(7) OPERATING PROFIT (4+5+6)	1,688	1,900
(8) Exceptional items		
a. Lighting	-	-
b. Consumer Lifestyle	(175)	47
c. Software development services	-	-
d. Healthcare	-	-
e. Other segments	(1)	-
f. Other unallocable	338	159
TOTAL	162	206
(9) PROFIT BEFORE TAX	1,850	2,106
(1) Fringe benefit tax	(24)	(42)
(2) Provision for tax	(694)	(769)
(3) Provision for deferred tax	43	56
(10) PROFIT AFTER TAX	1,175	1,351

Description	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008
OTHER INFORMATION		
(11) SEGMENT ASSETS		
a. Lighting	7,116	5,165
b. Consumer Lifestyle	2,615	2,865
c. Software development services	500	1,027
d. Healthcare	2,463	1,531
e. Other segments	10	20
f. Other unallocable	3,647	5,167
TOTAL	16,351	15,776
(12) SEGMENT LIABILITIES		
a. Lighting	4,119	2,888
b. Consumer Lifestyle	1,205	1,155
c. Software development services	389	384
d. Healthcare	2,315	1,911
e. Other segments	16	55
f. Other unallocable	1,040	1,100
TOTAL	9,084	7,493
(13) CAPITAL EXPENDITURE		
a. Lighting	786	299
b. Consumer Lifestyle	34	33
c. Software development services	62	96
d. Healthcare	25	16
e. Other segments	1	-
f. Other unallocable	368	92
TOTAL	1,276	536
(14) DEPRECIATION/AMORTISATION		
a. Lighting	(279)	(242)
b. Consumer Lifestyle	(35)	(33)
c. Software development services	(67)	(80)
d. Healthcare	(79)	(9)
e. Other segments	(2)	(1)
f. Other unallocable	(245)	(200)
TOTAL	(707)	(565)
(15) Non-cash expenses other than depreciation/amortisation		
a. Lighting	(15)	(185)
b. Consumer Lifestyle	(6)	(10)
c. Software development services	(1)	(28)
d. Healthcare	(63)	(25)
e. Other segments	-	-
f. Other unallocable	-	(3)
TOTAL	(85)	(251)

Description	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008
(B) SECONDARY SEGMENT INFORMATION:		
Revenue		
a. Within India	29,860	27,889
b. Outside India	2,667	3,115
TOTAL	32,527	31,004
Assets		
a. Within India	16,194	15,102
b. Outside India	157	674
TOTAL	16,351	15,776
Capital Expenditure		
a. Within India	1,276	536
b. Outside India	-	-
TOTAL	1,276	536

Segment figures of "Healthcare" for the current year includes erstwhile AXTPL and MHPL added on amalgamation and hence are not comparable with those of prior year. (Refer Note 15 to Profit & Loss Account)

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

(1) Revenue and assets within India.

(2) Revenue and assets outside India.

Notes to Profit and Loss Account

Amounts in Rs. Mln

(C) OTHER DISCLOSURES:

Inter segment revenue / result:

— Inter-segment revenue has been recognised at competitive prices.

— Allocation of corporate expenses to other segments is at cost.

— All profits / losses on inter segment transfers are eliminated at Company level.

Types of products and services in each business segment:

Business Segments	Type of products / services
a. Lighting	Lamps, Glass shells, Fittings, Accessories for fittings, Electronic HF Ballasts and Modular Switches
b. Consumer Lifestyle	Radio sets, tape recorders, compact /digital video disc players/ systems and combination sets, Accessories for radio sets and tape recorders, Television receivers and Domestic Appliances.
c. Software development services	Development of embedded software.
d. Healthcare	Medical electronics equipment.
e. Other segments	Philips Design

		Year ended December 31, 2009		Year ended December 31, 2008	
9.	CONSUMPTION OF RAW MATERIALS, PIECE PARTS AND SPARES	% of total consumption	Rs.	% of total consumption	Rs.
	Raw materials and piece parts:				
	Imported	**33.6**	**856**	35.3	621
	Indigenous	**66.4**	**1,693**	64.7	1,140
	Spares:				
	Imported	**22.0**	**28**	47.0	39
	Indigenous	**78.0**	**99**	53.0	44
10	IMPORTS AT C.I.F.				
	Raw materials and piece parts		**698**		804
	Spares		**28**		29
	Capital goods		**248**		342
	Software		**2**		-
11	INCOME AND EXPENDITURE IN FOREIGN EXCHANGE				
	Income				
	Exports at F.O.B. including **Rs.11** (2008 - Rs.96) through rupee trade arrangements		**482**		418
	Service revenue, etc.		**2,580**		2,671
	Expenditure				
	Management support service fees		**1,486**		1,175
	Research and development service fees		**275**		308
	Consultation fees and professional charges, etc		**502**		321
	Others		**153**		195

12 EXCEPTIONAL ITEMS INCLUDE:

(a) **Rs.342** (2008 - Rs.142) - Profit on sale of property.

(b) Pursuant to restructuring of "Consumer Lifestyle" segment operations, the Company has provided for, (i) **Rs.46** (2008 – Rs.Nil) on account of inventory write down to the realizable value and (ii) **Rs.129** (2008 - Rs.Nil) being expenses in connection with restructuring.

(c) **Rs.5** (2008 - Rs.Nil) - Employees' Voluntary Retirement Scheme.

(d) **Rs. Nil** (2008 - Rs.47) Net surplus on divestment of business relating to "Set Top Boxes" to PACE Micro Technology (India) Private Limited

(e) **Rs. Nil** (2008 - Rs.17) - Write back of provision created for divestment of business relating to "Financial Services" in 2007.

Notes to Profit and Loss Account

Amounts in Rs. Mln

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

(a) Forward contracts outstanding as at 31 December 2009

	USD Currency				Euro Currency			
Details	As at Dec 31, 2009		As at Dec 31, 2008		As at Dec 31, 2009		As at Dec 31, 2008	
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-
Payables	593.90	8,843.23	672.12	9,812.92	-	-	41.74	609.40

(b) Foreign exchange currency exposures not covered by Forward Contracts as at December 31, 2009

Details	As at Dec 31, 2009		As at Dec 31, 2008		As at Dec 31, 2009		As at Dec 31, 2008	
	USD Exposure				Euro Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	91.27	1,956.94	78.06	1,606.15	7.50	111.72	25.76	376.17
Payables	1,202.60	25,784.76	301.60	7,593.00	576.54	8,584.66	71.45	1,043.19

Details	SGD Exposure				JPY Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-
Payables	5.05	151.75	4.01	118.55	-	-		8.75

Details	AUD Exposure				GBP Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-	-	-	-	-
Payables	2.77	65.97	1.21	36.00	3.55	47.21	0.61	8.69

Details	HKD Exposure			
	INR	FC (in 000s)	INR	FC (in 000s)
Receivables	-	-	-	-
Payables	0.18	29.87	0.23	37.18

(c) Exchange loss in respect of forward exchange contracts to be recognised in subsequent accounting periods - **Rs.Nil** (2008 - loss - Rs.13).

(d) Pursuant to announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives, the Company has recognised "Mark-to-Market" (MTM) losses - **Rs.4** (2008 - Rs. Nil) on forward contracts outstanding as at December 31, 2009.

Notes to Profit and Loss Account

Amounts in Rs. Mln

14 EMPLOYEES' SHARE-BASED PAYMENTS:

Certain employees of the company are eligible for stock options granted by the Holding Company ("KPENV"). In conformity with the guidance note on "Accounting for Employee Share-based Payments" notified in the Companies (Accounting Standards) Rules. 2006 in respect of the grants made on or after 01 April 2005, the following disclosures are made:

(a) **Method adopted for valuation:**

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

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

As from 2003 onwards, the Holding Company (KPENV) issued restricted share rights that vest in equal annual installments over a three-year period. Restricted shares are KPENV'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.

(c) **Number and exercise price of Stock Options (EUR)**

Grant Date	Exercise Price (in Euros)	Outstanding as at 01.01.2009	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31.12.2009	Exercisable
February 17, 2000	42.03	10,500	-	-	-	-	10,500	10,500
April 19, 2000	45.90	8,400	-	-	(3,500)	-	4,900	4,900
October 17, 2000	42.90	21,200	-	(4,347)	132	-	16,985	16,985
February 8, 2001	37.60	25,813	-	(4,375)	(3,500)	-	17,938	17,938
April 17, 2001	29.14	22,322	-	(4,291)	1,663	-	19,694	19,694
October 16, 2001	24.35	5,250	-	-	-	-	5,250	5,250
February 7, 2002	30.17	30,720	-	(4,800)	(3,840)	-	22,080	22,080
April 16, 2002	34.78	26,484	-	(6,504)	696	-	20,676	20,676
April 15, 2003	16.77	17,775	-	(2,790)	(2,124)	-	12,861	12,861
April 13, 2004	24.13	23,095	-	(3,510)	(2,629)	-	16,956	16,956
April 18, 2005	19.41	28,242	-	(3,438)	(1,944)	-	22,860	22,860
October 17, 2005	21.64	1,197	-	-	-	-	1,197	1,197
April 18, 2006	26.28	33,084	-	(2,709)	711	-	31,086	31,086
April 16, 2007	30.96	33,633	-	(3,078)	(216)	-	30,339	-
October 15, 2007	30.33	-	-	-	720	-	720	-
January 21, 2008	24.18	23,800	-	-	-	-	23,800	-
April 14, 2008	23.11	40,248	-	(2,556)	2,979	-	40,671	-
July 14, 2008	20.67	-	-	-	1,800	-	1,800	-
April 14, 2009	12.63	-	33,600	-	-	-	33,600	-
		351,763	**33,600**	**(42,398)**	**(9,052)**	**-**	**333,913**	**202,983**
Prior Year		316,986	64,048	(29,716)	678	(233)	351,763	220,998

(d) **Number and exercise price of Stock Options (USD)**

Grant Date	Exercise Price (in USD)	Outstanding as at 01.01.2009	Grants	Cancellation	Transfer in / (out)	Exercise	Outstanding as at 31.12.2009	Exercisable
April 19, 2000	43.05	4,113	-	(3,500)	(613)	-	-	-
February 8, 2001	34.50	350	-	-	(350)	-	-	-
April 17, 2001	25.68	10,413	-	(6,563)	(4,988)	1,138	-	-
July 17, 2001	24.63	-	-	-	(788)	788	-	-
April 16, 2002	30.70	15,120	-	(2,880)	(14,400)	2,880	720	720
April 15, 2003	18.11	4,302	-	(3,636)	(3,177)	2,511	-	-
April 13, 2004	28.78	2,700	-	(2,700)	-	-	-	-
April 18, 2005	25.28	1,503	-	(1,503)	-	-	-	-
April 18, 2006	32.25	3,006	-	(3,006)	-	-	-	-
		41,507	**-**	**(23,788)**	**(24,316)**	**7,317**	**720**	**720**

Notes to Profit and Loss Account

Amounts in Rs. Mln

(e) Number and weighted average fair value of Restricted Shares:

Grant Date	Weighted average grant-date fair value of the share (in Euros)	Outstanding as at 01.01.2009	Grants	Cancellation	Transfer in / (out)	Delivered	Outstanding as at 31.12.2009
April 18, 2006	25.05	3,310	-	(231)	357	(3,436)	-
April 16, 2007	29.30	7,474	-	(632)	(72)	(3,399)	3,371
October 15, 2007	28.51	-	-	-	240	(161)	79
January 21, 2008	22.54	2,100	-	-	-	(700)	1,400
April 14, 2008	21.47	13,416	-	(852)	993	(4,519)	9,038
July 14, 2008	18.59	-	-	-	600	(200)	400
April 14, 2009	11.27	-	9,000	-	-	-	9,000
		26,300	**9,000**	**(1,715)**	**2,118**	**(12,415)**	**23,288**
Prior year		21,252	15,516	(366)	537	(10,639)	26,300

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

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

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

(g) Details and Key Assumptions of Options Pricing Model used for Fair Valuation of Options granted during the year:

1. Exercise Price	The stock price of the share at the moment of grant
2. Average Life time	6.5 Years
3. Expected Volatility	32% (Determined on the basis of 5 year historical stock price)
4. Risk free interest rate	2.88%
5. Yield factor	0.043

(h) Expense recognised on account of "Employee Share-Based Payment" is **Rs.31** (2008 - Rs.38) and carrying liability as at **31.12.2009** is **Rs.99** (31.12.2008 - Rs.80).

15 **Amalgamation of Alpha X-Ray Technologies (India) Private Limited (AXTPL) and Meditronics Healthcare Private Limited (MHPL) with the Company**

(a) Pursuant to the Scheme of Amalgamation of the erstwhile Alpha X-Ray Technologies (India) Private Limited (AXTPL) and Meditronics Healthcare Private Limited (MHPL) with the Company as sanctioned by the Hon'ble High Court Mumbai on February 26, 2010 and filed with the Registrar of Companies on March 26, 2010, the undertakings of AXTPL and MHPL were transferred to and vested in the Company on going concern basis from appointed date April 1, 2009. Accordingly, the Scheme has been given effect to in these accounts.

(b) AXTPL and MHPL are well established manufacturers and sellers of Cardiovascular X-Ray systems and General X-Ray machines.

(c) The amalgamation has been accounted for under the "Pooling of Interests" method as prescribed by Accounting Standard (AS) 14 on "Accounting for Amalgamations" notified in the Companies (Accounting Standards) Rules. 2006. Accordingly, the assets, liabilities and reserves of erstwhile AXTPL and MHPL as at April 1, 2009 have been taken over at their book values.

(d) As provided in the Scheme of Amalgamation, 957,600 and 5,000,000 equity shares of Rs.10/- each held in AXTPL and MHPL respectively stand cancelled.

(e) Net deficit of Rs.888 between the "Investments in AXTPL and MHPL" Rs.947 and "Nominal value of Equity Share Capital in AXTPL and MHPL" Rs.59 has been debited to "General Reserve".

(f) In view of the aforesaid amalgamation with effect from April 1, 2009, the figures for the current year are not comparable to those of the prior year.

Notes to Profit and Loss Account

				Amounts in Rs. Mln	
16	**Earnings per share**			**2009**	2008
	Calculation of earnings per share				
	(a)	Number of shares at the beginning of the year		**63,400,721**	70,260,733
		(i)	Total number of equity shares outstanding at the end of the year	**57,517,242**	63,400,721
		(ii)	Equity shares outstanding for three months	**57,517,242**	63,400,721
		(iii)	Equity shares outstanding for nine months	**63,400,721**	70,260,733
		(iv)	Weighted average number of equity shares outstanding during the year	**61,929,851**	68,545,730
			Operating profit	**1,688**	1,900
			Fringe benefit tax	**(24)**	(42)
			Provision for tax on the above	**(535)**	(655)
	(b)	**Profit after tax and before exceptional items**		**1,129**	1,203
		Exceptional items net of tax		**46**	148
	(c)	**Profit after tax attributable to equity share holders**		**1,175**	1,351
	(d)	**Basic and diluted earnings per share before exceptional items (b/a (iv)) (in Rs.)**		**18.23**	17.55
	(e)	**Basic and diluted earnings per share after exceptional items (c/a (iv)) (in Rs.)**		**18.97**	19.71

17 Dividend remitted for **January - December 2008 - Rs.122** (January - December 2007 - Rs.136) on **61,094,012** equity shares to 2 non-resident shareholders.

18 Fiscal year for the Company being the year ending March 31, 2010, the ultimate tax liability will be determined on the basis of the results for the period April 1, 2009 to March 31, 2010.

19 Prior year's figures have been regrouped, recast and restated where necessary to conform to the current year's classification.

For and on behalf of the Board

	Chairman	S.M.DATTA
	Managing Director	MURALI SIVARAMAN
	Director	C.J.M.REUVERS
Gurgaon, Haryana March 30, 2010	Secretary	R.J.WANI

Notes to Balance Sheet

Amounts in Rs. Mln

		December 31, 2009	December 31, 2008
1	**SHARE CAPITAL**		
	Authorised		
	92,000,000 equity shares of Rs.10 each	**920**	920
	20,000,000 non convertible cumulative redeemable preference shares of Rs.10 each	**200**	200
		1,120	1,120
	Issued and subscribed		
	63,400,721 (31.12.2008 - 70,260,733) equity shares of Rs.10 each, fully paid up	**634**	703
	Less: 5,883,479 (31.12.2008 - 6,860,012) equity shares of Rs.10 each bought back and extinguished during the year in accordance with Sec 77A of the Companies Act, 1956 (Refer note 2 below)	**59**	69
	Add: Forfeited shares (amount paid up)		
	57,517,242 (31.12.2008 - 63,400,721) equity shares of Rs.10 each fully paid up	**575**	634

(1) Of the above:

(a) **55,290,182** (31.12.2008 - 61,094,012) equity shares are held by Koninklijke Philips Electronics N.V.("KPENV"), the holding company.

(b) **24,757,798** equity shares were allotted without payment being received in cash, comprising of **21,875** equity shares allotted pursuant to a contract and **24,735,923** equity shares allotted pursuant to the schemes of amalgamation in earlier years.

(c) **16,366,000** bonus shares were issued as fully paid up by capitalisation of reserves in prior years.

(2) Pursuant to Board of Directors' meeting held on March 13, 2009 and members' approval at the Company's Annual General Meeting held on June 12, 2009, the Company during the year, bought back and extinguished **5,883,479** equity shares at a price of **Rs.242/-** per equity share.

During the year 2008, the Company bought back and extinguished 6,860,012 equity shares at a price of Rs.260/- per equity share.

		December 31, 2009	December 31, 2008
2	**RESERVES AND SURPLUS**		
	Capital reserve - amalgamation	**168**	168
		168	168
	Capital reserve - others - (refer note 1 below)	**1**	1
		1	1
	Capital redemption reserve	**169**	100
	Add: Transfer from General reserve (refer note 4 below)	**59**	69
		228	169
	Capital subsidy - (refer note 2 below)	**9**	9
		9	9
	Securities premium	**679**	679
	Add: On Amalgamation (refer note 5 below)	**474**	-
		1,153	679
	General reserve - as at beginning	**4,409**	6,057
	Add: On amalgamation (refer note 5 below)	**18**	-
	Less: Net Deficit arising on Amalgamation (refer Note 15 to Profit and Loss Account)	**888**	-
	Less: Utilised for buy back of equity shares in accordance with Sec 77 A of the Companies Act, 1956 (refer note 3 below)	**1,365**	1,715
	Less: Transfer to capital redemption reserve in accordance with Sec 77AA of the Companies Act, 1956 (refer note 4 below)	**59**	69
	Add: Transfer from Profit and Loss Account	**118**	136
		2,233	4,409
	Profit and Loss Account	**3,684**	2,762
		7,476	8,197

(1) Represents excess amounts received by the erstwhile Philips Medical Systems India Limited (PMSIL) from Philips Medical Systems International BV, which have arisen on account of the change in method of foreign exchange conversion prescribed by the Reserve Bank of India. An application to the Reserve Bank of India had been filed by the erstwhile PMSIL for approval to retain these amounts. Such approval is awaited as at date.

(2) Pertains to land subsidy - **Rs.6** and investment incentive - **Rs.3** received from Punjab State Government.

(3) Pursuant to Board of Directors' meeting held on March 13, 2009 and members' approval at the Company's Annual General Meeting held on June 12, 2009, the Company, during the year, bought back and extinguished 5,883,479 equity shares at a price of Rs.242/- per equity share. The difference between the nominal value and the amount spent for buy back, amounting to **Rs.1365** has been appropriated from General Reserve.

During the year 2008, the difference between the nominal value and the amount spent for buy back, amounting to Rs.1715 has been appropriated from General Reserve.

(4) The Company has transferred **Rs.59** (31.12.2008 - Rs.69) representing the nominal value of shares bought back, from General Reserve to Capital Redemption Reserve in accordance with Section 77 AA of the Companies Act, 1956.

(5) Taken over / arising from amalgamation. Refer Note 15 to Profit and Loss Account.

Notes to Balance Sheet

Amounts in Rs. Mln

		December 31, 2009	December 31, 2008
3	**SECURED LOANS**		
	Finance lease from Financial Institutions	**105**	114
		105	114

Finance lease is secured by underlying assets (Vehicles).

The total minimum lease liability for assets obtained on finance lease basis is **Rs.122** (31.12.2008 - Rs.134) which includes interest of **Rs.17** (31.12.2008 - Rs.20). The maturity profile of finance lease obligation is as follows:

	December 31, 2009	December 31, 2008
Minimum lease payments		
Payable within 1 year	**56**	56
Payable between 1-5 years	**66**	78
Present value		
Payable within 1 year	**47**	46
Payable between 1-5 years	**58**	68

		December 31, 2009	December 31, 2008
4	**UNSECURED LOANS**		
	Others:		
	External Commercial Borrowings *	**23**	25
	Interest accrued and due	**22**	21
		45	46

* Relates to foreign currency loan of USD 500,000 taken from ATL International Inc, USA towards funding working capital requirements. The said loan bears an interest at LIBOR plus 2% per annum. The Company intends to repay the said loan after necessary approval from Reserve Bank of India.

5 FIXED ASSETS

	Gross block at cost					Depreciation / amortisation					Net block	
	As at beginning	Additions on Amalgamation*	Additions	Disposals and adjustments	As at end	As at beginning	Additions on Amalgamation*	For the year	On disposals and adjustments	As at end	As at 31.12.2009	As at 31.12.2008
					(1+2+3-4)					(6+7+8-9)	(5-10)	(1-6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Intangibles												
- Software	22	-	2	4	20	22	-	2	4	20	-	-
- Non-compete fees	-	-	150	-	150	-	-	40	-	40	110	-
- Goodwill	-	165	-	-	165	-	5	25	-	30	135	-
- Brands	-	230	-	-	230	-	6	35	-	41	189	-
Land	27	5	-	-	32	-	-	-	-	-	32	27
Buildings	677	13	96	4	782	191	1	23	2	213	569	486
Leaseholds												
- Land		13	-	-	13				-		13	
- Improvements	530	-	81	-	611	238	-	119	-	357	254	292
- Other assets	184	-	50	43	191	73	-	44	27	90	101	111
Machinery and equipment	4,538	11	832	** 300	5,081	3,259	5	367	** 225	3,406	1,675	1,279
Furniture and fittings	320	4	65	** (106)	495	192	1	50	** (47)	290	205	128
Vehicles	12	4		3	13	10		2	3	9	4	2
	6,310	**445**	**1,276**	**248**	**7,783**	**3,985**	**18**	**707**	**214**	**4,496**	**3,287**	**2,325**
Prior year	6,800	-	536	1,026	6,310	4,210	-	565	790	3,985	2,325	

(a) Buildings at cost or valuation include (a) **Rs.Nil** (31.12.2008 - Rs.0.01) representing **Nil** (31.12.2008 - 15) shares at cost in various co-operative housing societies and (b) property held for sale at net book value - **Rs.2** (31.12.2008 - Rs.5).

(b) Disposals and adjustments of gross block and depreciation include

(i) **Rs.Nil** (31.12.2008 - Rs.33) and **Rs. Nil** (31.12.2008 - Rs.28) on account of divestment of business relating to "Set Top Boxes" for the prior year and

(ii) **Rs.Nil** (31.12.2008 - Rs.498) write off of assets relating to "Glass Furnace Factory" at Mohali and **Rs.Nil** (31.12.2008 - Rs.347) respectively consequent to relocation of manufacturing activity.

(c) Net block of other assets taken on lease relates to vehicles **- Rs.101** (31.12.2008 - Rs.111).

(d) Commitments on capital account - **Rs.80** (31.12.2008 - Rs.171).

* Refer Note 15 to Profit and Loss Account

** Includes reclassification of assets

Notes to Balance Sheet

Amounts in Rs. Mln

	December 31, 2009	December 31, 2008
6 INVESTMENTS		
Long term investments at cost - Non-trade		
Shares and units		
Investment in wholly owned subsidiary companies (unquoted) *		
Alpha X-Ray Technologies (India) Private Limited	—	437
Nil (31.12.2008 - 957,600) equity shares of Rs.10 each fully paid up. During the year, 957,600 equity shares were extinguished on amalgamation.		
(Refer note appended to Note # 12 "Liabilities")		
Meditronics Healthcare Private Limited	—	—
During the year, 5,000,000 equity shares of Rs.10 each fully paid up were acquired at Rs.540 and extinguished on amalgamation.		
* Refer Note 15 to Profit and Loss Account		
Unquoted		
Anyonya Sahayakari Mandali Co-operative Bank Ltd		
29,861 fully paid equity shares of Rs.10 each		
500 - 5.25% Rural Electrification Corporation Limited bonds of **Rs.10,000/-** each fully paid up	5	5
	5	442
Unquoted - Cost	5	442
7 DEFERRED TAX ASSETS - NET		
Deferred tax assets		
Voluntary retirement scheme	26	27
Retirement benefits	122	101
Receivables	105	87
Others	188	181
	441	396
Deferred tax liabilities		
Depreciation	89	100
	352	296
8 INVENTORIES		
Raw materials and piece parts	421	137
Finished goods (Refer Note 12(b) (i) to Profit and Loss Account)	2,524	2,157
Work in progress	272	261
Goods in transit	320	250
Stores and spare parts	71	44
	3,608	2,849

Notes to Balance Sheet

		December 31, 2009	Amounts in Rs. Mln December 31, 2008
9	SUNDRY DEBTORS		
	Debts considered good :		
	Debts over six months unsecured	183	112
	Debts over six months secured by bank guarantees	—	
	Debts over six months secured by hypothecation of underlying assets *	4	—
	Other debts unsecured	2,691	2,841
	[Include **Rs.108** (31.12.2008 - Rs.625) due from certain Overseas Companies as per list given in Note 7 (a) to Profit and Loss Account] - all companies under the same management.		
	Other debts secured by bank guarantees	59	26
	Other debts secured by hypothecation of underlying assets *	230	—
	Debts considered doubtful :		
	Debts over six months	185	142
		3,352	3,121
	Less : Provision	185	142
		3,167	2,979

* The Healthcare division has leased out own medical equipments on finance lease. The lease term varies up to 7 years.

The total minimum lease payments for assets given on finance lease is **Rs.193** (31.12.2008 - Rs.Nil) which includes unearned interest of **Rs.62** (31.12.2008 - Rs.Nil). The maturity profile of finance lease obligation is as follows:

Minimum lease payments		
Receivable within 1 year	21	—
Receivable between 1-5 years	116	—
Receivable after 5 years	56	—
Total	193	—
Present value		
Receivable within 1 year	7	—
Receivable between 1-5 years	74	—
Receivable after 5 years	50	—
Total	131	—
Unearned finance charges	62	—
Unguaranteed residual value	—	—
Accumulated provision for minimum lease payment receivable	—	—

Notes to Balance Sheet

Amounts in Rs. Mln

		December 31, 2009	December 31, 2008
10	CASH AND BANK BALANCES		
	Cash and cheques in hand	**1,083**	703
	With scheduled banks:		
	Current accounts *	**422**	369
	Deposit accounts	**2,746**	3,988
		4,251	5,060
	* Includes remittance in transit **- Rs.Nil** (31.12.2008 - Rs.5)		
11	LOANS AND ADVANCES		
	Unsecured considered good (unless otherwise stated):		
	Loans and advances recoverable in cash or in kind or for value to be received	**1,736**	1,482
	Due from Subsidiary Company	**-**	20
	Balances with customs, port trust, excise, etc.	**121**	119
	Advance Income Tax (net of provision)	**582**	412
	Advances considered doubtful	**122**	114
		2,561	2,147
	Less : Provision	**122**	114
		2,439	2,033

The Company settled its outstanding lease rental obligations under the existing sale and lease back arrangements with the respective lessors. However, the formal transfer of legal ownership rights in favour of the Company is under process. Pending the transfer of legal ownership, the lease margin accounts of concerned lessors amounting to **Rs.40** (31.12.2008 - Rs.40) have been retained and are included in loans and advances recoverable in cash or in kind or for value to be received.

		December 31, 2009	December 31, 2008
12	LIABILITIES		
	Acceptances	**441**	370
	Creditors		
	Micro and Small Enterprises	**1**	4
	Other than Micro and Small Enterprises *	**7,293**	6,007
	Unpaid / unclaimed dividends	**8**	1
	* Includes **Rs.Nil** (31.12.2008 - Rs.219 payable, on acquisition, to erstwhile shareholders of Alpha X-Ray Technologies (India) Private Limited over a period of 3 years on equal installments). During the year, the Company paid **Rs.189** in settlement of the liability and the balance of **Rs.30** adjusted against the cost of investments.		
		7,743	6,382
13	PROVISIONS		
	Proposed dividend	**115**	127
	Tax on proposed dividend	**20**	21
	Retirement benefits (Refer Note 13 a)	**369**	381
	Others (Refer Note 13 b)	**837**	582
		1,341	1,111

Notes to Balance Sheet

Amounts in Rs. Mln

13 a **Disclosure relating to Defined Benefit Plans / Long Term Compensated Absences -** As per Actuarial Valuation as on December 31, 2009 and recognised in the financial statements in respect of Retirement Benefits:

Particulars	Gratuity				Leave Encashment		Provident Fund	
	2009		2008		2009	2008	2009	2008
	Funded	Unfunded	Funded	Unfunded				
A. Present value of obligations as at beginning of the year	140	151	141	137	143	132	883	562
Difference in Opening Projected Benefit Obligation *							117	
Add: Addition on Amalgamation **		2			1			
(1) Current service cost	16	17	14	19	32	15	79	61
(2) Interest cost	11	12	10	9	10	10	86	51
(3) Benefits settled	(9)	(13)	(1)	(22)	(28)	(24)	(100)	(75)
(4) Amalgamations	—	—	—	—	—	—	—	—
(5) Curtailments	—	—	—	—	—	—	—	—
(6) Settlements	—	—	—	—	—	—	(58)	(260)
(7) Actuarial (gain) / loss	(17)	(13)	(24)	8	(13)	10	6	(5)
(8) Interest guarantee	—	—	—	—	—	—	—	—
(9) Employees' contribution	—	—	—	—	—	—	105	86
(10) Transfer in	—	—	—	—	—	—	45	463
Present value of obligations as at end of the year	141	156	140	151	145	143	1,163	883
B. Change in Plan Assets								
Plan assets as at beginning of the year	54	—	46	—	—	—	919	723
(1) Expected return on plan assets	4	—	4	—	—	—	87	70
(2) Contributions	28	—	5	—	—	—	—	—
(3) Benefits settled	(9)	—	(1)	—	—	—	—	—
(4) Employer and Employee contribution	—	—	—	—	—	—	229	147
(5) Transfer in	—	—	—	—	—	—	—	276
(6) Benefit payments	—	—	—	—	—	—	(100)	(75)
(7) Asset gain / (loss)	1	—	—	—	—	—	86	38
(8) Settlements	—	—	—	—	—	—	(58)	(260)
Plan assets as at end of the year	78	—	54	—	—	—	1,163	919
Surplus	—	—	—	—	—	—	0.4	36
C. Actual return on plan assets	4	—	4	—	—	—	—	—

The above surplus of **Rs.0.4** (31.12.2008 - Rs.36) has not been recognised in the financial statements in accordance with Paragraph 59 of Accounting Standard (AS15), Employee Benefits, since the surplus is not available to the Company either in form of refunds or as reduction of future contributions.

* December 2008 valuation was done based on unaudited balance sheet of the PF Trust. Post audit, there were differences in settlements, benefits, interest cost and value of the plan assets and corrected subsequently.

Notes to Balance Sheet

Amounts in Rs. Mln

Particulars	Gratuity				Leave Encashment		Provident Fund	
	2009		2008		2009	2008	2009	2008
	Funded	Unfunded	Funded	Unfunded				
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	**(141)**	**(156)**	(140)	(151)	**(145)**	(143)		
(2) Fair value of Plan assets	**78**	**—**	54	—	**—**	—		
Liability recognised in Balance Sheet	**(63)**	**(156)**	(86)	(151)	**(145)**	(143)		
E. Components of Employer Expense:								
(1) Current service cost	**16**	**17**	14	19	**32**	15		
(2) Interest cost	**11**	**12**	10	9	**10**	10		
(3) Expected return on plan assets(estimated)	**(4)**	**—**	(4)	—	**—**	—		
(4) Curtailments	**—**	**—**	—	—	**—**	—		
(5) Actuarial (gain) / loss	**(17)**	**(13)**	(24)	8	**(13)**	10		
Total expense recognised in Profit and Loss Account	**6**	**16**	(4)	36	**29**	35		
The gratuity and leave encashment expenses have been recognised in "Salaries, wages, bonus and commission" under Note # 4 to Profit and Loss Account								
F. Assumptions								
(1) Discount factor	**7.3%**	**7.3%**	6.0%	6.0%	**7.3%**	6.0%		
(2) Estimated rate of return on plan assets	**9.3%**		8.5%					
(3) Mortality	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate					
(4) Disability	None		None					
(5) Salary Increase	9%		1st year 8% & thereafter 9%					
(6) Attrition rate	17% for Management Nil for Others (except erstwhile AXTPL and MHPL) For erstwhile AXTPL, 18% for Management 20% for Others For erstwhile MHPL, 3% for Management, Nil for Others		15% for Management, 1% for others					
(7) Retirement age	58 years		58 years					

Notes:

1. Plan assets comprise of contribution to Group Gratuity Schemes of Life Insurance Corporation of India in case of gratuity and investments under Philips Electronics India Limited Employees' Provident Fund Plan in case of Provident Fund.
2. Actuarial (gain) / loss is due to change in actuarial assumptions relating to discount rates and increment rates in salary in current year as compared to prior year.
3. The company provides retirement benefits in the form of Provident Fund, Gratuity, Leave Encashment, Superannuation and other benefits. Provident fund contributions made to "Government Administered Provident Fund" are treated as defined contribution plan since the Company has no further obligations beyond it's monthly contributions. Provident Fund contributions made to "Trust" administered by the Company are treated as Defined Benefit Plan. As per actuarial valuation, the trust has surplus fund to cover shortfall, if any, on account of guaranteed interest benefit obligation.
4. The actuarial valuation in respect of gratuity and leave encashment has been done as at end December 31, 2009. In case of Mohali Light factory, Healthcare and Software Centre the gratuity liabilities are provided as per the actuarial valuation and are funded through Group Gratuity Schemes of Life Insurance Corporation of India (LIC) to the extent requested by LIC.

** Refer Note 15 to Profit and Loss Account

Notes to Balance Sheet

Amounts in Rs. Mln

13 b Disclosure relating to Provisions:

(1) Movement in Provisions:

Particulars of disclosure	Class of provisions				
	Replacement guarantee	Legal and regulatory	Personnel related	Other risks	Total
Opening balance	191	260	56	75	**582**
Add: On Amalgamation *		—	—	—	
Accruals during the year	412	51	86	194	**743**
Utilisation	(377)	(5)	(84)	(16)	**(482)**
Write back	—	—	(6)	—	**(6)**
Closing balance	**226**	**306**	**52**	**253**	**837**

(2) Nature of provisions:

(i) Provision for replacement guarantee

The Company provides for the estimated liability on guarantees given on sale of its products based on past performance of such products. The provision represents the expected cost of replacement and free of charge services and it is expected that the expenditure will be incurred over the contractual guarantee period which usually ranges from 6 months to 24 months.

(ii) Legal and regulatory

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

(iii) Personnel related

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

(iv) Other risks

This represents provisions created following the accounting concept of conservatism towards possible outflow of resources in respect of:

a. Claims other than those included in (i) and (ii) above; and against the Company amounting to **Rs. 124;**

b. Other obligations amounting to **Rs.129** arising through contractual terms or otherwise in respect of anticipated costs arising from the realignment of product portfolio within the Consumer Lifestyle business segment.

* Refer Note 15 to Profit and Loss Account

14 Contingent liabilities

(a) Claims not acknowledged as debts by the Company - **Rs.32** (31.12.2008 - Rs.32).

(b) In respect of disputed excise demands - **Rs.162** (31.12.2008 -Rs.162), income tax demands - **Rs.518** (31.12.2008 - Rs.509) and service tax demands **Rs.328** (31.12.2008 - Rs.16)

(c) In respect of suppliers' / customers' demands and certain tenancy / customs / sales tax disputes for which the liability is not ascertainable.

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

15 There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at December 31, 2009 and the information given in Schedule 12 "Liabilities" as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

16 Prior year's figures have been regrouped, recast and restated where necessary to conform to the current year's classification.

For and on behalf of the Board

	Chairman	S.M.DATTA
	Managing Director	MURALI SIVARAMAN
	Director	C.J.M.REUVERS
Gurgaon, Haryana March 30, 2010	Secretary	R.J.WANI

Notes to Balance Sheet

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	21-06663			State Code	21
Balance Sheet Date	31	12	2009		
	Date	Month	Year		

II. Capital raised during the year (Amounts in Rs. '000)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. '000)

Total Liabilities	Total Assets
17,285,093	17,285,093

Sources of Funds

Paid-up capital	Reserves & Surplus
575,537	7,476,431
Secured Loans	Unsecured Loans
105,357	44,758

Application of Funds

Net Fixed Assets	Investments
3,463,210	5,000
Net current assets	Misc. expenditure
4,381,869	Nil
Accumulated losses	Deferred tax assets - net
Nil	352,004

IV. Performance of Company (Amounts in Rs. '000)

Total income	Total expenditure
32,664,083	30,813,861
Profit before tax	Profit after tax
1,850,222	1,175,179
Earning per share (before exceptional items) in Rs.	Dividend rate %
18.23	20
Earning per share (after exceptional items) in Rs.	
18.97	

V. Generic Names of Three Principal Products / Services of Company

Item Code No. (ITC Code)	8539
Product description	Lamps
Item Code No. (ITC Code)	HSN 94 05
Product description	Lamps Fittings
Item Code No. (ITC Code)	852731
Product description	Radio Broadcast Receivers / combination sets

For and on behalf of the Board

Chairman	S.M.DATTA
Managing Director	MURALI SIVARAMAN
Director	C.J.M.REUVERS
Secretary	R.J.WANI

Gurgaon, Haryana March 30, 2010

Cash Flow Statement for the year ended December 31, 2009

Amounts in Rs. Mln

		Year ended December 31,2009		Year ended December 31,2008	
A.	**Cash flow from operating activities**				
	Net profit before tax and exceptional items		1,688		1,900
	Adjusted for				
	(Profit) / loss on sale of fixed assets	(1)		—	
	Write off / other adjustment of fixed assets	19		163	
	Depreciation (net)	707		565	
	Unrealised foreign exchange (gain) / loss (net)	(13)		56	
	Provision for doubtful debts, loans and advances	80		37	
	Liabilities no longer required written back	(9)		(12)	
	Interest received	(137)		(449)	
	Interest charged	51	697	56	416
	Operating profit before working capital changes		2,385		2,316
	Changes in:				
	Trade and other receivables	(386)		(132)	
	Inventories	(707)		(594)	
	Trade payables / other liabilities	1,618	525	265	(461)
	Cash generated from operations		2,910		1,855
	Net Income Tax paid		(888)		(1,122)
	Net cash flow before exceptional items		2,022		733
	Employees' Voluntary retirement scheme		(4)		—
	NET CASH FROM OPERATING ACTIVITIES		2,018		733
B.	**Cash flow from investing activities**				
	Purchase of fixed assets		(962)		(919)
	Proceeds from sale of fixed assets		357		215
	Proceeds from sale of business (net)		—		50
	Investment in subsidiaries (Refer Note 15 to Profit and Loss Account)		(729)		(218)
	Intercorporate deposits given		—		(20)
	Interest received		147		477
	NET CASH USED IN INVESTING ACTIVITIES		(1,187)		(415)
C.	**Cash flow from financing activities**				
	Redemption of equity share capital		(1,424)		(1,784)
	Interest paid		(48)		(52)
	Dividend paid (including tax thereon)		(141)		(169)
	NET CASH USED IN FINANCING ACTIVITIES		(1,613)		(2,005)
	DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)		(782)		(1,687)
	CASH & CASH EQUIVALENTS - OPENING BALANCE				
	Cash & Bank Balances (Refer to Note 10 of Balance Sheet)		5,060		6,747
	Inter Corporate Deposits		20		—
	TOTAL		5,080		6,747
	Cash & Cash Equivalents taken over on amalgamation		13		—
	Inter Corporate deposits extinguished on amalgamation		(60)		—
	CASH & CASH EQUIVALENTS - CLOSING BALANCE				
	Cash & Bank Balances (Refer to Note 10 of Balance Sheet)		4,251		5,060
	Inter Corporate Deposits		—		20
	TOTAL		4,251		5,080

Note: (1) The amalgamation of erstwhile AXTPL & MHPL with the Company is a non-cash transaction.

(2) In view of the amalgamation (refer Note 15 to Profit and Loss Account), the figures for the current year are not comparable with those of prior year.

In terms of our report of even date
For B S R & Co.
Chartered Accountants

VIKRAM ADVANI
Partner
Membership No.: 091765

Gurgaon, Haryana
March 30, 2010

For and on behalf of the Board

Chairman	S.M.DATTA
Managing Director	MURALI SIVARAMAN
Director	C.J.M.REUVERS
Secretary	R.J.WANI

PHILIPS ELECTRONICS INDIA LIMITED

Ten-Year Review

Amounts in Rs.Mln

PARTICULARS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Income and Dividends										
Sales	14,931	15,256	16,019	16,367	23,637	28,389	26,486	28,906	31,356	32,656
Operating profit / (loss)	(39)	387	1,080	1,257	1,425	1,057	1,485	2,456	1,900	1,688
As percentage of sales	(0.3)	2.5	6.7	7.7	6.0	3.7	5.6	8.5	6.1	5.2
Profit / (Loss) before tax	(395)	(401)	1,227	1,050	1,492	983	3,029	2,894	2,106	1,850
As percentage of sales	(2.6)	(2.6)	7.7	6.4	6.3	3.5	11.4	10.0	6.7	5.7
Profit / (Loss) after tax	(342)	(211)	1,043	671	1,029	807	2,130	1,903	1,351	1,175
As percentage of sales	(2.3)	(1.4)	6.5	4.1	4.4	2.8	8.0	6.6	4.3	3.6
As percentage of net worth	(20.4)	(13.4)	32.9	18.5	20.5	14.1	27.7	20.2	15.3	14.6
Earnings per share (Rs.)	(7.5)	(4.7)	17.8	11.3	15.4	11.5	30.3	27.1	19.71	18.97
Dividend per equity share (Rs.)	—	—	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0
Assets and Liabilities										
Net fixed assets	1,737	1,462	2,951	2,650	2,837	2,871	2,661	2,694	2,825	3,463
Investments	136	161	7	11	11	11	11	16	442	5
Deferred tax assets - net	-	313	159	117	189	268	254	240	296	352
Inventories	1,597	1,004	1,349	1,608	2,519	2,243	1,902	2,255	2,849	3,608
Debtors, loans & advances and cash & bank balances	2,571	2,261	2,988	3,442	5,905	6,417	9,264	11,297	10,072	9,857
Current liabilities & provisions	3,085	2,968	3,803	4,041	6,309	5,983	6,307	6,951	7,493	9,084
Net current assets	1,083	297	534	1,009	2,115	2,677	4,859	6,601	5,428	4,381
Net Investment	2,956	2,233	3,651	3,787	5,152	5,827	7,785	9,551	8,991	8,201
Represented by										
Equity share capital	455	455	455	582	582	703	703	703	634	575
Share capital suspense	-	-	226	-	121	-	-	-	-	-
Revaluation reserve	103	99	107	74	71	31	17	-	-	-
Other reserves	1,120	1,018	2,383	2,968	4,255	4,974	6,957	8,709	8,197	7,476
Shareholders' interest (net worth)	1,678	1,572	3,171	3,624	5,029	5,708	7,677	9,412	8,831	8,051
Debentures	538	-	83	-	-	-	-	-	-	-
Loans	740	661	397	163	123	119	108	139	160	150
Total	2,956	2,233	3,651	3,787	5,152	5,827	7,785	9,551	8,991	8,201
General										
Exports (F.O.B)	253	355	243	331	712	1,011	454	330	418	482
Salaries, bonus & staff welfare (excluding V.R.S)	1,038	1,036	1,085	1,170	2,176	3,016	3,268	2,635	3,019	3,311
Debt : Equity Ratio	43:57	30:70	13:87	4:96	2:98	2:98	1:99	1:99	2:98	2:98
Number of employees at year end	3,255	2,410	3,403	2,788	3,986	3,952	3,440	3,135	3,317	3,775

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