

PHILIPS

Philips India Limited

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

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF PHILIPS INDIA LIMITED WILL BE HELD AT KALAMANDIR 48, SHAKESPEARE SARANI, KOLKATA – 700 017 ON TUESDAY, APRIL 10, 2018 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

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

INTRODUCTION:

Philips India Limited (“PIL” or “the Company”) is considering a proposal for reduction of its equity share capital to utilize surplus funds by paying-off capital, being in excess of requirements of the Company, for the reasons stated herein below:

The details of the proposal were placed before the Board in its meetings held on December 20, 2017 and February 05, 2018, where the Board considered the capital reduction proposal and the valuation report issued by Price Waterhouse & Co LLP.

The Board considered the benefits of the proposal for non-promoter shareholders and concluded that the proposed capital reduction is in the interest of the shareholders and the Company; and equitably rewards all non-promoter shareholders for their association with the Company. The Company has received multiple requests, from time to time, from several non-promoter shareholders to provide them an exit opportunity. Further, having a very small percentage of shareholding of the Company with a very large number of shareholders results in increased administrative costs for the Company. Therefore, the Company considers it expedient and efficient to pay-off all the non-promoter shareholders at a fair value for the equity shares held by them, upon which their shareholding will be cancelled and extinguished.

Accordingly, in order to provide a fair exit to non-promoter shareholders in response to the multiple requests, as received from time to time, the Board has decided to implement the capital reduction in a transparent and reasonable manner with the approval of the National Company Law Tribunal, Kolkata Bench. The proposal was also approved by the Stakeholders’ Relationship Committee which also arrived at the conclusion that the process of reduction of share capital is the most suitable option which may be followed to give a fair exit to non-promoter shareholders and maximize the value of such shareholders by utilization of surplus funds of the Company to pay off capital in excess of the requirements of the Company as per Section 66(1)(b)(ii) of the Companies Act, 2013.

The Company has obtained a valuation report from Price Waterhouse & Co LLP to arrive at the basis of the price to be paid upon reduction of share capital. Further, in the interest of shareholders, the Company has also obtained a fairness opinion report on the valuation of equity shares of the Company from SBI Capital Markets Limited.

As the consideration paid upon the proposed reduction would be considered as dividend within the provisions of Section 2(22)(d) of the Income-tax Act, 1961, the Company will become liable to a Dividend Distribution Tax in accordance with the provisions of Section 115-O of the Income-tax Act, 1961. The Board has decided to provide additional benefit to the non-promoter shareholders and the entire dividend distribution tax payable on the proposed capital reduction will be borne by the Company.

Accordingly, in the interest and for the benefit of the non-promoter shareholders, it is proposed to consider and, if thought fit, to pass, with or without modification/s, the following Resolution as a Special Resolution:

REDUCTION OF EQUITY SHARE CAPITAL

“**RESOLVED THAT** pursuant to the provisions of section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, and/or any modification(s) or re-enactment thereof, if any, and as provided under Article 59 as adopted by the Company in the Articles of Association of the Company and subject to the sanction of the Hon’ble National Company Law Tribunal, Kolkata Bench (‘NCLT’), the consent of the members be and is hereby accorded to reduce the paid up equity share capital of the Company from 57,517,242 shares to 55,290,242 shares by reduction of the equity shares held by shareholders, other than Koninklijke Philips N.V. (“KPNV”)(Formerly Known as Koninklijke Philips Electronics N.V.) and Philips Radio B.V., i.e. 2,227,000 shares representing approx. 3.87% of the paid up equity share capital of the Company at a consideration of ₹560 (Five Hundred and sixty only) per equity share, of ₹10/- each, so cancelled and extinguished.

RESOLVED FURTHER THAT the consideration amount, over and above the face value of shares cancelled, along with any tax and other costs associated with the reduction, shall be adjusted against the Reserves appearing in the books of accounts of the Company.

RESOLVED FURTHER THAT the dividend distribution tax payable in accordance with the provisions of Section 2 (22) (d) of the Income-tax Act, 1961 read with Section 115-O of the Income-tax Act, 1961 shall be paid by the Company.

RESOLVED FURTHER THAT subject to the approval of reduction of capital by the NCLT, without any further act or deed by the concerned shareholders or their nominees (including but not limited to surrendering of share certificates with transfer forms and / or sending appropriate instructions to the Depository Participants), the shares held by non-promoter shareholders shall stand cancelled and rendered invalid.

RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association of the Company after the said reduction becomes operative and effective.

RESOLVED FURTHER THAT Mr. Daniel Mazon, Vice Chairman and Managing Director, Mr. Rajiv Mathur, Director and Company Secretary or Mr. Sudeep Agrawal, Chief Financial Officer or any other officer of the Company, as may be nominated by the Board of Directors of the Company, be and each of them is severally hereby authorized to take all necessary steps:

- To file Application/Petition with the NCLT or any other relevant authority for seeking directions/approval in relation to the said reduction of capital;
- To engage/appoint lawyers/consultants/advisors/merchant bankers etc., as may be required, for the purpose of filing of the application/petition and representation before the NCLT;
- To avail services of advisors, consultants and other experts, declare and file all reports, and sign and issue public advertisements, notices and to do all acts incidental and necessary thereto for the above purposes;
- To obtain approval/consent from such other regulatory/statutory authorities and parties including the creditors, term loan lenders, financial institutions, as may be considered necessary, for the said reduction of capital;
- To settle any question/issue or difficulty that may arise with regard to the implementation of the above Petition and to address queries/grievances from the perspective of non-promoter shareholders and to give effect to the above resolution;
- To make any alterations/changes to the Petition as may be expedient or necessary for satisfying the requirements or conditions imposed by the NCLT or other competent authority;
- To swear and depose affidavit(s) before the NCLT or such other competent authority, as may be required, in relation to any matter pertaining to the aforesaid Petition;
- To sign all applications, petitions, Vakalatnama, consents, bank documents, and other documents, to be filed before the NCLT or such other competent authority, as may be required, in relation to any matter pertaining to the aforesaid Petition;
- To represent the Company, in general, before the NCLT or such other competent authority or at any meetings convened by the NCLT or such other competent authority in relation to any matter pertaining to the aforesaid Petition, as may be required;
- To affix Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company, on any documents in connection or for the purpose of the above resolution, as may be required and to send the Common Seal of the Company to other places, if so required, to facilitate execution of documents / papers in connection with the Petition;
- To withdraw the Petition at any stage, in case any changes and/or modifications suggested/ required to be made in the Petition or any condition imposed, whether by any shareholder, creditor, Courts and /or any other regulatory authority are, in their view, not in the interest of the Company and / or if the Petition cannot be implemented otherwise, and to do all such deeds, acts and things as any of them may deem necessary and desirable in connection therewith and incidental thereto;
- To open a current account in the name of Company with Citibank N.A. or any other bank, as may be decided, for the purpose of discharging the consideration for the reduction of capital by the Company;
- To pass such accounting entries and/or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
- To file the necessary forms with the Registrar of Companies and digitally sign the same;
- To sign a copy of this resolution as a certified true copy and furnish the same to whomsoever concerned;
- To take certificate from the statutory auditors for the completion of the process of capital reduction;
- To fix a record date for the capital reduction and determine the names of registered holders of equity shares held by non-promoter shareholders ; and
- To do all such other acts, matters, deeds and things as may be considered necessary and expedient in connection with or incidental to giving effect to the purpose of the above resolution (including for the purpose of payment of consideration to the shareholders) or otherwise giving effect to the Petition.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, Mr. Daniel Mazon, Vice Chairman and Managing Director, Mr. Rajiv Mathur, Director and Company Secretary or Mr. Sudeep Agrawal, Chief Financial Officer or any other officer of the Company, as may be nominated by the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and/ or make such adjustments in the books of accounts as are considered necessary to give effect to the above resolution or to carry out such modifications / directions as may be ordered by the NCLT to implement the aforesaid resolution.”

NOTES:

- 1 A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. An instrument of proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 (Forty-Eight) hours before the time for holding the meeting.
- 2 Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3 Members/Proxies/Authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 4 The Share Transfer Books and the Register of Members of the Company will remain closed from April 04, 2018 to April 10, 2018 (both days inclusive).
- 5 Members are requested to contact the Registrar and Share Transfer Agent for all matters connected with Company's shares at:

Karvy Computershare Private Limited, Karvy Selenium, Tower-B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032. Toll Free no. 18 00 3454 001, Tel. ph. 040-67162222 Fax no. 040-23001153 Email id: einward.ris@karvy.com; or	Karvy Computershare Private Limited, 49 Jatin Das Road, 1st Floor, Kolkata 700 029, West Bengal. Tel. Ph. +91 033 6619 2844
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- 6 Instruments of proxy submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions /authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) Members and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% (Ten Percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
- 7 The relevant documents are available for inspection by the Members of the Company at the registered office from 11.00 a.m. to 01.00 p.m. on any working day, except Saturdays & Sundays, upto the date of the Extraordinary General Meeting.
- 8 A route-map to assist the shareholders in reaching the venue of the meeting is also enclosed herewith.
- 9 The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business forming part of the Notice, is annexed hereto.

10 Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration Amendment) Rules, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote on the resolutions proposed to be considered at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the EGM ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).
- II. The facility for voting through ballot paper shall be made available at the EGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right at the meeting through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on April 07, 2018 (9:00 a.m.) and ends on April 09, 2018 (5:00 p.m.). During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of April 03, 2018, may cast their vote by remote e-voting. The remote e-voting facility shall be disabled by Karvy for voting there after. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - (A) In case the Members have received an e-mail from Karvy Computershare Private Limited:
 - (i) Launch an internet browser and open <https://evoting.karvy.com/>
 - (ii) Enter the login credentials i.e. User ID and password, provided in the e-mail received from Karvy Computershare Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering the above details, click on '-Login'.

- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.
- (v) On successful login, the system will prompt you to select the E-Voting Event.
- (vi) Select 'EVENT' of Philips India Limited - EGM and click on '-Submit'.
- (vii) Now you are ready for e-voting as 'Ballot Form' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xi) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (xii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (xiii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (xiv) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xv) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at asimsecy@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

(B) In case the Members have received a physical copy of the Notice of EGM and Attendance Slip:

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

USER ID	PASSWORD

- (ii) Please follow all steps from Sr. No.(A)(i) to Sr.No.(A)(xvi) mentioned above, to cast vote.
- (iii) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Karvy Computershare Private Limited i.e. <https://evoting.karvy.com/>.
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- (v) The voting rights shall be as per the number of equity shares held by the Member(s) as on Tuesday, April 03, 2018, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- (vi) Members who have acquired shares after March 09, 2018 i.e. the date considered for dispatch of the Notice and before the book closure may obtain the user ID and Password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot Password' option available on <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at toll free no. 1-800-3454-001 or e-mail at evoting@karvy.com. In case of any other queries / grievances connected with voting by electronic means, you may also contact Mr.V. K. Jayaraman of Karvy Computershare Private Limited, at telephone no. 040-67161662.

- (vii) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the EGM through ballot paper.
- (viii) Dr. Asim Kumar Chattopadhyay has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (ix) The Chairman shall, at the EGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those Members who are present at the EGM but have not cast their votes by availing the remote e-voting facility.
- (x) The Scrutinizer shall after the conclusion of voting at the EGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the EGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- (xi) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company immediately after the declaration of result by the Chairman or a person authorized by him in writing.

By order of the Board of Directors
For **Philips India Limited**

Rajiv Mathur
(Director & Company Secretary)
DIN: 06931798

Date: March 09, 2018

EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013]

REDUCTION OF EQUITY SHARE CAPITAL HELD BY NON-PROMOTER SHAREHOLDERS

INTRODUCTION AND OBJECTIVE

- As of the previous AGM of the Company, held in September 2017, it had around 37,500 shareholders ("non-promoter shareholders") representing approx. 3.87% stake in the Company. The Company was delisted from the stock exchanges in India in 2004. Post delisting, equity shares of the Company can not be traded on any stock exchange in India.
- These non-promoter shareholders do not have an avenue to monetize their shareholding and the investment made by these shareholders in the Company's shares are locked up and they find it difficult to unlock value of their shareholding. This has put the non-promoter shareholders in a lot of hardship and inconvenience as there is no liquidity / tradability to their shareholding.
- Over the years, the Company has been receiving multiple and regular requests through calls, emails and other modes of communication (including concerns raised at the Annual General Meeting (AGM) of the Company) from these non-promoter shareholders to buy-out their shareholding in the Company, since they do not have any other mechanism to monetize their shareholding in the Company, in a fair and transparent manner.
- The Company has surplus funds than required for its business presently and considers it expedient and efficient to return the surplus funds to the non-promoter shareholders by making a payment to acquire their shares in the Company, at a fair value determined based on the report obtained from an independent valuer. This will also enable the Company to save the administrative and other costs associated with a very small percentage of shareholding being held by a very large number of non-promoter shareholders.
- Considering the requests from these shareholders and funds in excess of the requirements of the Company, the Company is of the opinion that a payment of consideration to all the non-promoter shareholders through reduction of capital process will be the best possible route to provide an exit opportunity to non-promoter shareholders in a fair and transparent manner.
- Therefore, in order to provide an opportunity to exit to non-promoter shareholders and address time to time requests from such shareholders, the Company has considered the proposal of reduction of equity share capital held by them, in a transparent and reasonable manner, which would be available to all non-promoter shareholders, at a fair value determined by the Board based on the report issued by an independent valuer, Price Waterhouse & Co LLP.
- As part of its fiduciary duty to the shareholders, the Company has also obtained a fairness opinion report by SBI Capital Markets Limited, on the valuation of equity shares of the Company, so determined by the independent valuer.

- The existing Paid-up Equity Share Capital and Shareholding pattern of the Company is as under:

Particulars	Amount in ₹	% Holding
55,290,242 Equity Shares of ₹10/- each, fully paid up and held by Promoters	552,902,420	96.13%
2,227,000 Equity Shares of ₹10/- each, fully paid up and held by Non-promoter shareholders	22,270,000	3.87%
T O T A L	575,172,420	100.00%

METHOD OF CAPITAL REDUCTION

- The Capital reduction is proposed to be implemented by a petition to be approved by the National Company Law Tribunal (“NCLT”), Kolkata Bench, if it thinks fit.

PRICE OFFERED:

- In order to determine the fair value of shares and the consideration to be paid upon the proposed reduction of Equity Shares held by the non-promoter shareholders, the Company has carried out a valuation exercise by appointing Price Waterhouse & Co LLP.
- A fairness opinion report was also obtained by the Company from SBI Capital Markets Limited, a leading merchant banker, which gave an independent opinion as regards to the valuation of equity shares of the Company, in relation to the proposed capital reduction.
- The Company has decided to consider the arithmetic mean of the fair value price range assessed by Price Waterhouse & Co LLP and such mean value is fixed as the fair value to be offered upon the reduction of capital and cancellation of shares, to the shareholders. Accordingly, the consideration payable to the shareholders upon capital reduction is determined at ₹560 (Rupees Five Hundred and Sixty only) per equity share so cancelled.
- In addition, the Company would fully bear the dividend distribution tax cost of approx. ₹115 per equity share and thus the aggregate cost to the Company for such reduction of capital translates to approx. ₹675 (Rupees Six Hundred & Seventy Five) per equity share, which is higher than the higher end fair value range determined by Price Waterhouse & Co LLP.

TAXATION:

All non-promoter shareholders are advised to consult their own legal, financial and tax advisors in relation to the proposed capital reduction. A general summary of the tax implications of the proposed capital reduction, in India are summarized below:

- The consideration paid to the shareholders would be considered as dividend and Company will become liable to pay dividend distribution tax (DDT) in accordance with the provisions of Section 2(22)(d) of the Income-tax Act, 1961 read with Section 115-O of the Income-tax Act, 1961.
- With a view to provide additional benefit to non-promoter shareholders, the DDT payable on the proposed capital reduction shall be entirely borne by the Company and there would be no further tax payable on the same by the shareholders except as provided below.
- Any shareholder, resident in India, who has dividend income in aggregate exceeding ₹10 lakhs may be liable to tax as per Section 115 BBDA.

The aforesaid summary is only for shareholders’ ready reference. Each shareholder should consider their own tax position and pay appropriate tax (as may be applicable) on the amount received from the Company upon reduction of equity share capital.

EFFECTIVE DATE OF REDUCTION:

- After the shareholders have passed this Resolution, the Company would approach the NCLT, Kolkata Bench for passing an order confirming the reduction of capital.
- Pursuant to Section 66 of the Companies Act, 2013, this resolution will be effective on the date of filing of the Order of National Company Law Tribunal (NCLT) and the Form of Minutes, with the Registrar of Companies and upon the registration of the same by the Registrar of Companies and issuance of a certificate to that effect.

PAYMENT OF CONSIDERATION:

- The Company shall, upon the receipt of approval of the NCLT, Kolkata Bench, deposit the whole of the consideration in a Special Bank Account, opened for this reduction of capital.
- Subject to the ensuing paragraphs, the consideration for the reduction shall be discharged by issue of cheque/draft/pay order/ electronic transfer of funds/NEFT/RTGS/IMPS to the registered holder of the relevant equity shares, whose name appears as a member as on the Record Date, within such number of days, as may be permissible under the law or as may be directed by the NCLT, to the last known address of such shareholder, as available with the Company.
- In case of transfer requests pending as on the Record Date, the Company shall immediately after the Record Date dispatch to shareholder (Transferor) and to such person (Transferee) from whom the Company has received any communication with respect to pending transfer of shares, a Form to be duly filled in by the Transferor and the Transferee. Upon receipt of duly filled-in Form, complete in all respects, the Company shall discharge the consideration to the Transferee or to the

Transferor, as the case may be. Pending receipt of duly filled in Form, the consideration towards such shares shall be dealt in a manner provided for in the below paragraph.

- Where the consideration has not been claimed by or paid to any shareholder, on account of cheques returned and / or undelivered, cheques not deposited, consideration in respect of shares pending transfer as on the Record Date, or for any other reason, the Company shall retain such consideration in the Special Bank Account, along with interest, if any accrued from time to time, for a period of such number of years as may be permissible under law or as may be directed by the NCLT. The amount in the Special Bank Account (net of expenses, if any) shall be held in trust for and on behalf of such Equity Shareholder(s). The amount outstanding in the Special Bank Account after the said period shall be utilized in a manner as may be permitted under any law then in force or in accordance with the direction of the NCLT.

PAYMENT TO NON-RESIDENT SHAREHOLDERS:

- To the extent the consideration is payable to non-resident shareholders on the reduction of capital, the Company shall comply with the provisions of Foreign Exchange Management Act, 1999 and the guidelines therein and may seek any information from such non-resident shareholders to comply with the said provisions.

GENERAL:

- The Board of Directors at their meeting held on December 20, 2017 considered the proposal of reduction of capital of the Company and in their subsequent meeting held on February 05, 2018 has approved the reduction of capital as per the terms set out in the Resolution. The proposal was also approved by the Stakeholders' Relationship Committee held on February 05, 2018.
- The above proposed reduction of equity share capital held by non-promoter shareholders is permissible under the Articles of Association of the Company, pursuant to Section 66 of the Companies Act, 2013 and other applicable provisions of the or Companies Act, 2013 (to the extent applicable) and is subject to approval of the members through a special resolution in an Extraordinary General Meeting, approval of the National Company Law Tribunal and such other regulatory authorities, as may be required, to give effect to the reduction.
- Further, the proposed reduction is not likely to cause any prejudice to the creditors of the Company. The creditors of the Company are not adversely affected by the proposed reduction of paid up capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated and the Company will have assets in excess of all its liabilities. The Company is only paying off capital in excess of its requirements and the proposed adjustment would not, in any way, adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- No investigation/proceedings are pending under Section 210 to Section 229 or any other provisions of the Companies Act, 2013, against the Company.
- None of the Directors, Key Managerial Personnel of the Company or their relatives or any other officials of the Company is concerned with or interested in the resolution, save and except to the extent of their respective shareholdings, if any, in the Company.
- A copy of the Memorandum and Articles of Association of the Company, as amended from time to time and a copy of the valuation report of Price Waterhouse & Co LLP alongwith the copy of the fairness opinion report of SBI Capital Markets Limited is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day, except Saturdays & Sundays, till the date of the meeting.
- The Board considers that this resolution is in the best interests of the shareholders of the Company and therefore, recommends the passing of the special resolution as set out in the Notice.

By order of the Board of Directors
For **Philips India Limited**

Rajiv Mathur
(Director & Company Secretary)
DIN: 06931798

Date: March 09, 2018

ROUTE MAP TO THE EGM VENUE
“Kalamandir”, 48, Shakespeare Sarani, Kolkata - 700 017

