

**31st Annual Report  
2015-2016**

**SHARP**

**SHARP INDIA LIMITED**

**BOARD OF DIRECTORS**

TOMIO ISOGAI  
[Managing Director]

KAZUNORI AJIKAWA  
(NON- EXECUTIVE DIRECTOR)

PRASHANT ASHER  
(Independent Director)

BHUMIKA BATRA  
(Independent Director)

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**BANKERS**

BANK OF INDIA  
THE BANK OF TOKYO-MITSUBISHI UFJ LTD.  
THE MIZUHO CORPORATE BANK LTD.  
CITIBANK N.A.

**SOLICITORS & ADVOCATES**

CRAWFORD BAYLEY & CO., MUMBAI.

**AUDITORS**

S R B C & CO, LLP  
CHARTERED ACCOUNTANTS

**REGISTERED OFFICE & FACTORY**

Gat No.686/4, Koregaon Bhima,  
Tal. Shirur, Dist. Pune 412 216

Phone No. (02137) - 252417

**REGISTRARS & TRANSFER AGENTS**

Link Intime India Private Limited  
Flat No. 202, 2nd Floor,  
Akshay Complex,  
Off.Dhole Patil Road,  
Near Ganesh Mandir,  
Pune 411 001

Phone No .(020) - 26161629

**SHARP INDIA LIMITED**

Registered Office :

Gat No.686/4, Koregaon Bhima, Taluka : Shirur, Dist: Pune- 412216

Ph No. 02137-252417 Fax No. 02137 -252453

Website : www.sharpindialimited.com

CIN : L36759MH1985PLC036759

**NOTICE**

Notice is hereby given that the 31st Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company situated at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Wednesday, 28th September 2016 at 11:00 a.m. (I.S.T.) to transact the following business:

**ORDINARY BUSINESS :**

- To receive, consider and adopt the Audited Financial statements of the Company for the financial year ended on 31st March 2016 and the Reports of the Auditors and Directors thereon.
- To appoint a Director in place of Mr. Kazunori Ajikawa (DIN No. 01637592) who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and pursuant to the resolution passed by the Members at their 29th Annual General Meeting held on September 22, 2014, the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Firm's Registration No. 324982E), as Statutory Auditors of the Company which has been made to hold the office till the conclusion of the 32nd Annual General Meeting of the Company, be and is hereby ratified for the financial year 2016-2017 at such remuneration as shall be fixed by the Board of Directors of the Company.

**SPECIAL BUSINESS :**

- To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required read with articles 173, 175 and 176 of the Articles of Association of the Company, the consent of the members of the Company is hereby given to the re-appointment of Mr. Tomio Isogai (DIN No.03426524) as the Managing Director of the Company for a period of three years from 9th December 2015 up to 8th December 2018 on the following terms of remuneration.

- Salary of Rs.1,20,000/- (Rupees One Lacs Twenty Thousand Only) per month.
- Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.
- Reimbursement of medical expenses incurred in India for self and his family (spouse and children) if they reside in India.
- Rental for the telephone facility at residence to be used for the business of the Company.
- The Company will provide car and the company will bear the cost of fuel, maintenance, road tax and insurance. The company will reimburse the expenses incurred on account of salary of the driver.

- The Company will bear the actual expenses incurred for shifting his household goods to Japan on return from India to Japan on the expiry of his term.
- Employers' Contribution to the Provident Fund as per the prevailing law.

The above perquisites granted to the Managing Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Managing Director during his tenure shall not exceed the limits laid down in schedule - V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** subject to Schedule - V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, the salary, perquisites, benefits and amenities as set out above be paid or granted to Mr. Tomio Isogai as the minimum remuneration during the term of Mr. Tomio Isogai's tenure as the Managing Director, notwithstanding that in any of the financial years, the company has made no profits or the profits made are inadequate."

- To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** the Report of the Board of Directors of the Company to the members on erosion of more than fifty percent of the Company's peak net worth during the immediately preceding four financial years on account of its accumulated losses as on March 31, 2016 and the causes for such erosion, as required under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, ("SICA") be and is hereby considered and approved.

**RESOLVED FURTHER THAT** in accordance with the requirement of Section 23 of the SICA, the Company shall report to the Board for Industrial and Financial Reconstruction ("BIFR") of the fact that the accumulated losses of the Company as on March 31, 2016 have resulted in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to report the aforesaid erosion to the BIFR and to do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient in relation thereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any director(s) or to any officer(s) of the Company."

- To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

To Approve the Material Related Party Transactions :

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents, sanctions and permissions of any authorities as may be necessary, the Members of the Company hereby approve the material related party arrangements or transactions relating to (i) Reimbursement of expenses received / paid, payment of royalty and patent Fees, interest on loan and late payment of royalty totally amounting to Rs.2253.82 lacs from Sharp Corporation, Japan hitherto entered for the financial year 2015 - 2016 and (ii) Reimbursement of expenses, Repayment of ECB Loan or any other activity relating to ECB loan, Interest on loan and any other transaction totally amounting to Rs.3000.00 lacs from Sharp Corporation, Japan to be entered into during the financial year 2016 - 2017, with authority to the Audit Committee and the Board of Directors of the Company to authorize the Management of the Company to enter into the material related party arrangements or transactions for the financial year ending

March 31, 2017, on principal terms mentioned in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts, deeds, matters and things and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary and/ or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of Rs.1,00,000/- (Rs.One Lakhs only) plus out of pocket expenses etc.for the financial year ending on March 31, 2017 to M/s. C.S.Adawadkar & Co, Practicing Cost Accountants, (Firm Registration No.100401) who are appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial ending on 31st March 2017."

**By Order of the Board of Directors  
For Sharp India Limited**

Date : 8th August 2016  
Place : Pune

**Mayuresh Vaze  
Company Secretary  
Membership No. ACS-19529**

**NOTES:**

- The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business underItem Nos. 4 to 7 above is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy Form (Form MGT-11) is attached elsewhere in this report. Kindly fill up appropriate details like your name, address, Folio No./ DPID & Client ID, and the details of the person(s) to be appointed as the proxy - name, address, email ID etc. The proxy form should be signed by the shareholder and the proxy holder and a revenue stamp should be affixed at the place provided for the same. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% 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 shareholder.
- A statement giving details of the Directors to be newly appointed or reappointed is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
- Members are requested to notify any change of address to their Depository Participants (DPs) in respect of their electronic shareaccounts and to the Registrars & Transfer Agents, Link Intime India Private Limited 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect oftheir physical share folios.
- Members can avail of nomination facility. Blank Nomination formwill be supplied on request.
- Members who are holding shares in more than one folio undername(s) in the same order are requested to sent the relative share certificates to the Registrar and Transfer Agents for consolidation of the entire holding in one folio. The share certificates after consolidation will be returned by registered post/courier.
- The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 17th September 2016 to Wednesday, 28th September 2016 (both days inclusive).
- Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.
- Members are requested to forward their queries on accounts atleast 10 days in advance to enable us to reply the same.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares inelectronic form are, therefore, requested to submit their PANdetails to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.
- Relevant documents referred to in the accompanying notice and the statement are open for inspection by the members at the registered office of the Company during the business hours on all the working days up to the date of 31st annual general meeting.
- In view of the 'Green Initiative 'introduced by the Ministry of Corporate Affairs all the members who are holding shares of the Company in PHYSICAL Mode are requested to register their Email ID with the Company, so as to enable the Company to send all notices/reports/ intimations and other correspondence etc. through Emails. i.e. in the electronic mode instead of receiving physical copies of the same. Members holding shares in DEMAT Mode, who have not registered their e-mail ID with the Depository Participant (DP) are also requested to register or update their email ID with the Depository Participant, so that all future shareholder's correspondence can be sent to the email ID registered with your DP.
- In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, and regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means (Remote E- Voting Facility) and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically are as under:-

**The instructions for shareholders voting electronically are as under:**

- The voting period begins on Sunday, 25th September 2016 at 09:00 a.m. and ends on Tuesday, 27th September 2016 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Wednesday, 21st September 2016 may cast their vote electronically. The e-voting module

shall be disabled by CDSL for voting after 5:00 p.m. on Tuesday, 27th September 2016.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

14. Other information in respect of E- Voting / Voting on Resolutions by the members:

- I. Facility of voting through Poll paper shall be made available at the 31st Annual General Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the 31st Annual General Meeting
- II. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again at the AGM.
- III. Mr. Sridhar G. Mudaliar, Partner of M/s. SVD & Associates, Company Secretaries has been appointed as the Scrutinizer for scrutinizing the e-voting & poll process in a fair and transparent manner.

- IV. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, 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 make not later than three days of conclusion of the meeting 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 countersign the same.
- V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and also will be communicated to the BSE Limited (BSE), where the shares of the Company are listed.
15. Route Map of the venue of the 31st Annual General Meeting is provided to you at the end of this notice to make it convenient to you to attend the 31st Annual General Meeting.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM NO. 4 :

The First tenure of Mr. Tomio Isogai as the Managing Director of Sharp India Limited concluded on 8th December 2015. The Board of Directors of the Company in its meeting held on 6th November 2015 have re-appointed Mr. Tomio Isogai as the Managing Director of the Company to hold office for a period of three years effective from 9th December 2015 up to 8th December 2018 His appointment has been made under Schedule- V of the Companies Act, 2013. The Nomination & Remuneration committee has approved the appointment and remuneration payable to him for the aforesaid period of three years in their respective meeting held on 6th November 2015 The member's approval is sought for the re-appointment & remuneration payable to Mr. Tomio Isogai for the period of three years from 9th December 2015 upto 8th December 2018 and the same is placed before the members of the Company for their approval.

The information as required to be given under Schedule V to the Companies Act, 2013 is as under :

##### I. GENERAL INFORMATION:

- (1) **Nature of Industry** : Manufacture & sale of LED TVs & Air conditioners
- (2) **Date or expected date of commencement of commercial operation** : The Company started its commercial operations from July 1986
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** : N.A
- (4) Financial Performance based on given indicators :

Financial Parameters	(Rs. In Lakhs)	
	2014-2015	2015-2016
Total Revenue (Net)	18,903.77	3017.90
Net Profit/(Loss) for the year as per Profit & Loss Account	156.36	(1,406.22)
EPS	0.60	(5.42)

- (5) **Foreign investments or collaborators, if any, as on 31.03.2016** :

The total Foreign Holdings in the company as on 31.03.2016 were 19,63,6171 equity shares i.e. 75.68% of the total Paid

up Capital. Out of that Sharp Corporation, Japan who is promoters of the company hold 19,458,000 equity shares i.e. 75% equity shares in the company. The company has a technical collaboration with Sharp Corporation - Japan for manufacture of Colour Televisions (CTVs) & LED TVs & air conditioners.

##### II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details** - Mr. Tomio Isogai, a Japanese national, graduated in English from Kyoto University of Foreign Studies in the year 1979. He had an experience of about 35 years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He does not hold any shares in the Company.
- (2) **Past remuneration, Recognition & awards, Job profile & his suitability:**

Mr. Tomio Isogai was paid Rs.16.52 Lacs (Salary & Perquisites) as the remuneration in the last financial year 2015-2016. Mr. Tomio Isogai possesses a wide experience in the field of Sales & Marketing and his association with the company is of great help to the company. Subject to the super intendence, control and direction of the Board of Directors of the Company, Mr. Tomio Isogai exercises substantially the whole powers of the management of business and affairs of the Company.

- (3) **Remuneration proposed** - as set out in the resolution for the Item no.4. The remuneration to the Managing Director has the approval of the Nomination & Remuneration Committee.
- (4) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)** - Taking into consideration the size of the Company, the profile of Mr. Tomio Isogai, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (5) **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any** - Besides, the remuneration proposed, Mr. Tomio Isogai does not have any other pecuniary relationship with the Company.

##### III. Other Information:

- (1) **Reasons for Loss or inadequate profit, Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

Company has been witnessing a lack of demand for its LED TVs and Air conditioners for almost most last one year. Company imports raw materials for the production of LED TVs and Air Conditioners from Sharp Group Companies abroad and sales final product to Sharp Business Systems (India) Private Limited, which in turn are responsible for sale of those products throughout India. The market demand for the above two products has significantly dropped since last year and hence in turn the supply of the LED TVs and ACs by your Company to Sharp Business Systems (India) Private Limited has significantly dropped down in the last year. There was no production of LED TVs from April 2015 (except in August 2015) and of Air conditioners since June 2015, in the

absence of any orders. This significant drop in the sales of the LEDs and Air conditioners has resulted in to loss of Rs.1406.22 Lacs for the financial year 2015-16 & accumulated loss of Rs.3098.31 Lacs.

Company is trying its best to improve the situation with the help of Sharp Corporation Japan being the promoter of the company and is considering, exploring and evaluating various strategic alternatives. However it will be difficult to predict the same in measurable terms.

#### IV. DISCLOSURES :

The disclosures as required under this clause have been made separately in notice of the annual general meeting & also Corporate Governance section.

Except Mr. Tomio Isogai none of the directors, key managerial personnel or their respective relatives are interested in this resolution. He does not have any relationship with any other director of the Company. It is considered desirable that the company should have benefit of his experience and advice The Board recommends the resolution for acceptance by the members. Other information of Mr. Tomio Isogai is provided below the explanatory statement and also forms part of this explanatory statement.

##### Item No. 5 :

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, (SICA) if the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said company falls under the category of 'Potentially Sick Industrial Company' and is required to report the fact of such erosion to the Board for Industrial and Financial Restructuring ("BIFR") and hold a general meeting of members of such company for considering such erosion both within 60 days from the date of finalization of the audited accounts, which is the date of the Annual General Meeting in which such accounts are approved by the members.

Further the board of directors of the company is required to forward to every member of the company a report as to such erosion and causes for such erosion, at least twenty-one days before the date on which the above mentioned general meeting is held.

As per the audited annual accounts of the Company for the financial year ended 31st March, 2016 to be adopted by the members at their 31st Annual General Meeting to be held on 28th September 2016, the accumulated losses of the Company as at 31st March, 2016 amounting to Rs.3098.31 Lacs have resulted in erosion of more than fifty percent of its peak net worth of Rs.4400.40 Lacs during the four financial years preceding the financial year ended 31st March, 2016 (calculated as per the provisions of SICA).

The facts relating to such erosion and its causes and the revival measures being taken by the Company are explained in the Report of the Board of Directors forming part of this notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are any way concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of this Notice.

The Board recommends the resolution as given in the Notice for your approval as an ordinary resolution.

#### REPORT OF BOARD OF DIRECTORS TO THE SHAREHOLDERS OF SHARP INDIA LIMITED UNDER SECTION 23(1) (b) OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

##### To the Members of Sharp India Limited :

In terms of the requirements of Section 23(1) (b) of the Sick Industrial Companies (Special Provisions) Act, 1985, a report of the Board of Directors on erosion of more than 50% of the Company's peak net worth during the immediately preceding four financial years along with its causes and revival plan is being submitted herewith to the Members of the Company.

As per the audited financial accounts of the Company for the financial year ended March 31, 2016 to be adopted by the members at their 31st Annual General Meeting to be held on 28th September 2016, the accumulated losses as at the end of financial year ended March 31, 2016 stood at `3098.31 lacs which exceeds 50% of its peak net worth of Rs.4400.40 lacs during the four financial years preceding the financial year ended March 31, 2016, calculated as per the provisions of SICA. Corresponding accumulated losses for the financial years, 2012-2013, 2013-2014 and 2014-2015 were Rs.2125.49 lacs, Rs.1848.46 lacs and Rs.1692.08 lacs respectively)

##### Causes for Erosion of more than fifty percent of Peak Net worth & steps taken :

As you are aware that from 1st April 2011, the company has shifted to a new model wherein it has focused on its core strength of manufacturing. The products manufactured by the company were sold to Sharp Business System (India) Limited, a 100% subsidiary company of Sharp Corporation Japan. However due to intense competition, increase in input cost and reduction in selling prices, fluctuations in the currency exchange rates, and seasonal demand for the air conditioners has affected the profitability of the company. There was no production of LED TVs from April 2015 (except in August 2015) and of Air conditioners since June 2015, in the absence of any orders. This significant drop in the sales of the LEDs and Air conditioners has resulted in to loss of Rs.1406.22 Lacs for the financial year 2015-2016 & accumulated loss of Rs.3098.31 Lacs.

Sharp Corporation Japan being the promoter of the company is considering, exploring and evaluating strategic alternatives including the possibility of sale of its shares in the company to potential buyers and entering in to appropriate transactions that would be in the best interest of the company and its members.

##### ITEM No. 6 :

Your Company is principally engaged in the manufacture and sale of colour televisions (CTVs), light emitting televisions("LED TVs") and Air Conditioners ("ACs").

In the course of its business operations, your Company engages in transactions with its holding company, Sharp Corporation, Japan ("SC Japan"). Your company substantially depends on SC Japan for financial and operational support.

SC Japan is a related party, with reference to the Company within the meaning of clause (76) of section 2 of the Companies Act, 2013 and Regulation 2 (1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

As per Regulation 23 of the Listing Regulations, all material related party transactions, that is to say, transactions by a listed entity with a related party if entered individually or taken together with previous transactions during a financial year, exceeding 10 per

cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, shall require approval of the members by an ordinary resolution.

SC Japan has provided financial support to your Company at the end of the financial year 2015-2016 of Rs.1987.35 lacs which was in the nature of reimbursement of expenses incurred by your Company and other transactions entered into by your Company with SC Japan in the financial year 2015-2016 are in the nature of payment of interest on ECB Loan, payment for royalty and patent expenses, interest on late payment of royalty, reimbursement of expenses received /paid . totally amounting to Rs. 2253.82 Lacs and hence the related party transactions with SC Japan have exceeded 10% of the last financial year's annual turnover of the Company as at March 31, 2015, thereby qualifying as material related party transactions in the context of the SEBI Listing Regulations.

Your Company continues to rely on SC Japan for necessary financial and operational support.

In the financial year 2016-2017, your Company proposes to enter into arrangements or transactions with Sharp Corporation, Japan which may include reimbursement of expenses received /paid , repayment and any other activity relating to ECB Loan, interest on ECB Loan and other transaction. As per estimates, these transactions would qualify as material related party transactions as they are likely to exceed 10% of the annual turnover of the Company for the financial year 2015-2016.

The particulars of the transactions entered into and proposed to be entered into between your Company and Sharp Corporation, Japan (SC Japan) are as follows:

Name of the Related Party	Relationship	Nature of Transactions	Estimated Value of the Transactions in the financial year INR(in Lacs)	Period
Sharp Corporation	Holding Company	Reimbursement of Expenses Received, Reimbursement of Expenses Paid, Royalty & Patent Expenses incurred, Interest on Late Payment of Royalty, Interest on ECB Loan	2253.82	01.04.2015 to 31.03.2016
Sharp Corporation	Holding Company	Reimbursement of expenses paid / received, repayment and any other activity relating to ECB Loan, interest on ECB Loan and any other transaction	3000.00	01.04.2016 to 31.03.2017

#### Other information:

- 1) Name of the Related Party and relationship : As stated above
- 2) Name of the Directors / Key managerial Personnel who is related, if any- Currently Mr.T.Isogai (Managing Director), Mr. Kazunori Ajikawa (Director) are nominated by Sharp Corporation, Japan on the Board of Sharp India Limited and also Mr. M. Nakagawasai has been nominated as a Chief Financial Officer by Sharp Corporation Japan. These three persons nominated by Sharp Corporation, Japan are related parties.
- 3) Duration- as stated in the resolution.
- 4) Monetary value : Estimated Annual values as mentioned in the resolution
- 5) Nature, material terms and particulars of the arrangement : As stated above
- 6) Any other information relevant or important for the members to make a decision on the proposed transaction: None.

Member's approval is sought for the aforesaid material Related party transactions entered in the financial year 2015-2016 and which may be entered in the financial year 2016-2017.

Mr. T. Isogai Mr. K. Ajikawa and Mr. M. Nakagawasai may be treated as concerned or interested in this resolution. No other directors, key managerial personnel or their respective relatives are interested in the resolution at Item No. 6.

Directors recommend the resolution at Item No. 6 for the acceptance by the Members of the Company.

#### ITEM NO.7 :

Cost Audit is applicable to your company for the financial year 2016-2017. The Board of Directors on the recommendation of the Audit Committee have appointed M/s. C. S. Adawadkar & Co., Practicing Cost Accountant as the 'Cost Auditor' of the Company for the financial year ending 31st March 2017 to audit the cost records of the Company. As per section 148 (3) of the Companies Act, 2013, read with Rule no.14 of the Companies (Audit & Auditors) Rules 2014 the remuneration payable to the 'Cost Auditor' requires to be ratified by the members of the Company. Accordingly members are requested to ratify the remuneration payable to the 'Cost Auditor' for the financial year ending 31st March 2017 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Directors recommend the resolution for acceptance by the members.

#### **DISCLOSURES AND INFORMATION ABOUT DIRECTORS BEING APPOINTED OR REAPPOINTED AT THE ANNUAL GENERAL MEETING :**

- ▶ **Mr. Tomio Isogai:** Mr. Tomio Isogai is working as the Managing Director of the Company from 9th December 2012. Mr. Tomio Isogai has graduated in English from Kyoto University of Foreign Studies in the year 1979. He has an experience of about 35



years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He was also a member of the Audit Committee and Stakeholder's Relationship & Share Transfer Committee of Sharp India Limited and Chairman of the Risk Management Committee of Sharp India Limited. He does not hold any shares in the Company.

the company. He does not hold any shares in the company. He is also a member of the Audit Committee and the Nomination & Remuneration Committee of Sharp Business Systems (India) private Limited.

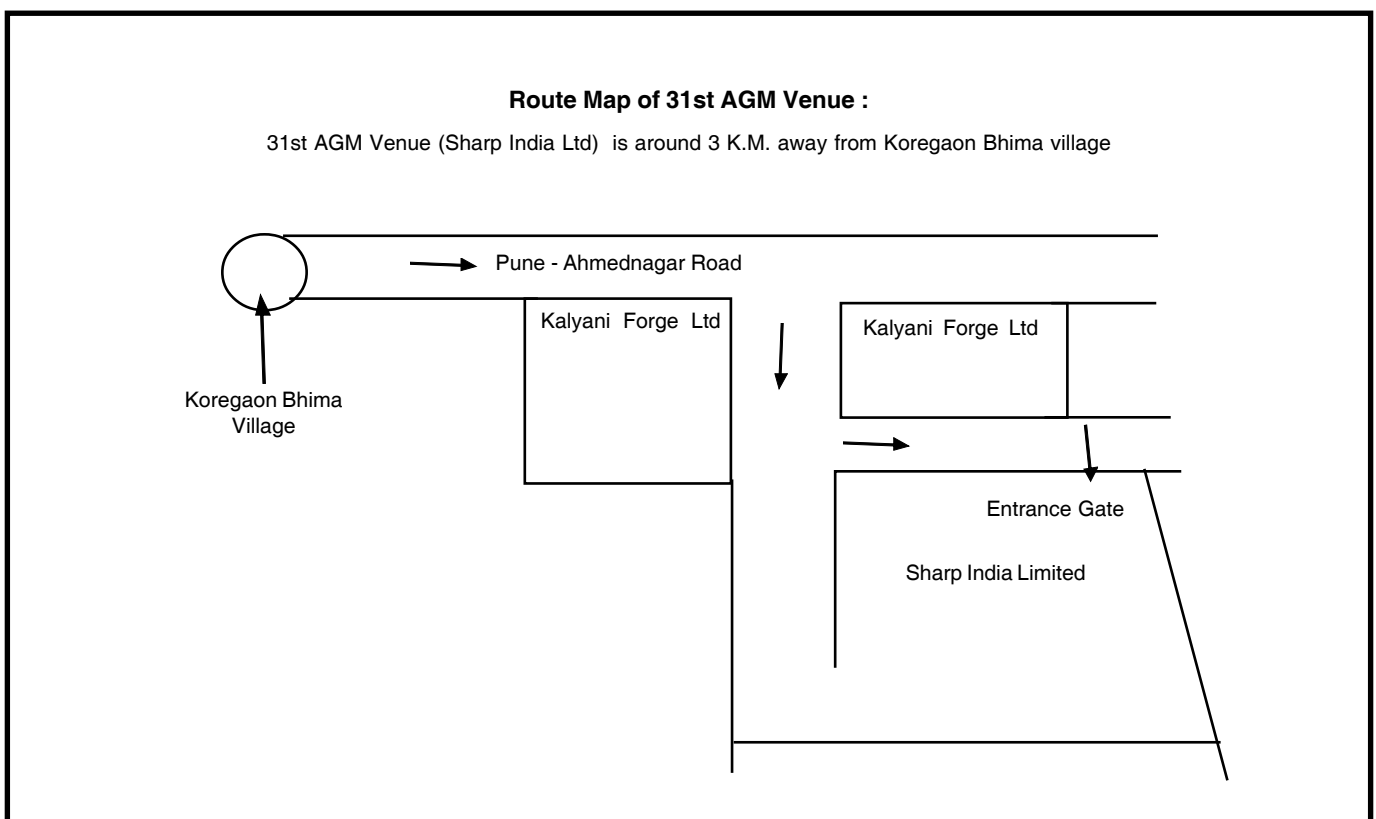
Mr. Kazunori Ajikawa, Non-Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

► **Mr. Kazunori Ajikawa** : He is the Non-Executive Director of the Company. He has held various positions in Sharp Corporation Japan and associate Companies before joining Sharp India Limited Mr. Kazunori Ajikawa has wide experience in the field of Sales and Marketing. He is also a Managing Director on the Board of Sharp Business Systems (India) Private Limited. He is also a member of the Nomination & Remuneration Committee and Risk Management Committee of

**By Order of the Board of Directors  
For Sharp India Limited**

Pune  
8th August 2016

**Mayuresh Vaze  
Company Secretary  
Membership No. ACS-19529**



**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting their Thirty First Report together with the Audited Financial Statement of Accounts for the year ended on March 31, 2016.

**1. FINANCIAL RESULTS AND HIGHLIGHTS :** Rs. In Lacs

	Year ended March 31, 2016	Year ended March 31, 2015
<b>INCOME</b>		
Sales and Services (Gross)	3,258.76	21,800.75
Less : Excise Duty & Service tax	(240.86)	(2,896.98)
Sales and Service income (Net)	3,017.90	18,903.77
Other Income	28.49	24.57
	<u>3,046.39</u>	<u>18,928.34</u>
<b>EXPENDITURE</b>		
Manufacturing and other expenses	3,638.29	17,835.35
Depreciation	663.05	773.18
Financial expense	151.27	163.39
	<u>4,452.61</u>	<u>18,771.92</u>
<b>PROFIT BEFORE TAX</b>	<b>(1,406.22)</b>	156.42
<b>PROVISION FOR TAX</b>		
Wealth Tax	-	0.06
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>(1,406.22)</b>	<u>156.36</u>
<b>PROFIT AND LOSS ACCOUNT,</b>		
beginning of the year	<b>(1,692.09)</b>	(1,848.45)
<b>PROFIT AND LOSS ACCOUNT,</b>		
end of the year,	<b>(3,098.31)</b>	<u>(1,692.09)</u>

**2. PERFORMANCE & OPERATIONS :**

Gross sales income during the year under review was Rs.3,258.76 Lacs, including Rs 537.00 lacs for re-export of / resale of LED components. The net loss of the company for the fiscal 2015- 2016 is Rs.1,406.22 Lacs. There was no production of LED TVs since April 2015 (Except in the month of August 2015) and of Air conditioners since June 2015.

**3. MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE :**

The Management Discussion Analysis and the report on Corporate Governance are attached to the Directors' Report and form parts of this Annual Report. A Certificate from a Company Secretary in whole time practice verifying compliance thereof is also incorporated in the Corporate Governance section.

**4. CERTIFICATES AND MARKS:**

Your Company continues to be an ISO 14001 and ISO 9001 certified Company.

**5. INDUSTRIAL RELATIONS:**

Industrial Relations have been and continue to be harmonious and cordial

**6. AUDITORS:****i) Statutory Auditors:**

The members in their 29th Annual General Meeting held on 22nd September 2014 have appointed M/s. S R B C & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of 29th annual general Meeting up to the conclusion of 32nd annual general meeting of the Company for a period of three years. The Appointment of M/s. S R B C & Co, LLP, Chartered Accountants, as the Statutory Auditors of the Company will be placed for ratification by the shareholders as per the first proviso to Section 139 of the Companies Act, 2013. Members are requested to consider the ratification of the appointment of the Statutory Auditors and authorize the Board to fix their remuneration.

**ii) Cost Auditors:**

The Board of Directors have appointed M/s. Chandrashekhar. S. Adawadkar & Co., Practicing Cost Accountant, as the Cost Auditor for the financial year 2015-16 which ended on 31st March, 2016 upon recommendation of the Audit Committee. M/s. Chandrashekhar S Adawadkar & Co., Cost Accountant will submit the cost audit report along with annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your company.

The Board of Directors have appointed M/s. Chandrashekhar S Adawadkar & Co., Practicing Cost Accountant, to conduct the Cost Audit of the Company for the financial year ending on 31st March, 2017 upon recommendation of the Audit Committee. The Remuneration payable to the Cost Auditors for the financial year 2016-2017 requires ratification by the members of the Company. The same is put before the members of the company for their consideration and approval.

**iii) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s. SVD & Associates, Practicing Company Secretaries as the 'Secretarial Auditors' of the company for the financial year 2015-2016.

The Secretarial Audit Report given by M/s. SVD & Associates, Practicing Company Secretaries for the financial year 2015-2016 is annexed as **Annexure-C**.

**7. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT - 9 is annexed herewith as '**Annexure-A**' to this Report.

**8. NUMBER OF MEETINGS OF THE BOARD**

During the year under review, Five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(1) (c) and 134 (5) of the Companies Act, 2013, in respect of Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended on 31st March 2016, the applicable accounting standards have been followed and that there are no material departures;
- b) 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 at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**10. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**11. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT, AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:**

The Board had on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy is appended as 'Annexure - B' to this Report.

**Criteria for Determining Qualifications, Positive Attributes & Independence of Director (Evaluation Criteria):****i. Qualifications of Director:**

A director shall possess appropriate skills, experience and knowledge in one or more fields of engineering, finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

**ii. Positive attributes of Directors:**

An director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold

ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

**iii. Independence of Independent Directors:**

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors."

**12. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QULIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE (1) BY THE AUDITOR IN HIS REPORT (2) BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT:**

The Auditors' Report and the Cost Audit Report for the financial year ended 31st March, 2016 do not contain any comments, qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors' comments on Material Related Party Transactions with the holding company, Sharp Corporation, Japan, and Directors' explanation thereto:

The approval of members of the Company is sought in the ensuing 31st Annual General Meeting for the material related party transactions entered into by the company during the financial year 2015-2016 with the holding company, Sharp Corporation, Japan. The Company has filed the revised quarterly Corporate Governance Compliance Report as on 31st March 2016 with BSE Limited and informed them the material related party transactions entered during the financial year 2015-2016.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company has not given any loans, guarantees or has not made any investments during the financial year 2015-2016 under review.

**14. RELATED PARTY TRANSACTIONS:**

During the Financial year the Company has entered in to contracts or arrangements with the related parties in the ordinary course of business and on arm's length basis, except the re-export / sale of excess LED imported components which was not in the ordinary course of business. Prior approval of the Audit Committee was obtained for all the related party transactions entered into by the Company for the financial year ended on 31st March 2016. Member's approval is sought for all the Material Related Party Transactions entered into by your company during the financial year 2015-2016. The policy on related party transactions as approved by the Board of Directors has been displayed on the website of the Company : [www.sharpindialimited.com](http://www.sharpindialimited.com).

**15. THE STATE OF THE AFFAIRS OF THE COMPANY:**

State of Company's affairs has been covered as a part of this report under the financial results & Management Discussion and Analysis. (MDA).

16. THE AMOUNT, IF ANY, WHICH, IT PROPOSES TO CARRY TO ANY RESERVES: Nil

17. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND: Nil.

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

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO etc.:

**Conservation of Energy & Technology Absorption etc.:**

In line with the company's policy towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through various measures to reduce wastage and optimize consumption. Your company continues with its efforts aimed at improving the energy efficiency by adopting various measures. to conserve the energy and places very much importance for the conservation of energy and is conscious about its responsibility to conserve energy, power and other energy sources. It lays great emphasis towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines.

Your company strongly and religiously follows and practices the 3E Policy i.e. -

- a) **Eco-positive Product** - Products having less usage of resources and are safe for use,
- b) **Eco-positive Operation** - Reduce adverse impact on environment during Manufacturing processes
- c) **Eco -positive Relationship.** - Enhance corporate value during involvement of Employees

Even though the nature of company's operations is not energy-intensive, in line with the company's commitment towards conservation of energy, all departments in the company continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction by your company are as given below: Making constant efforts to reduce consumption of energy, light, oil, water & fuel in following ways: (i) Reduction of energy consumption by turning off lights, personal computers, fans and other electronic equipments when not in use; (ii) Timely maintenance and up-gradation of machinery & equipments; (iii) Plantation of trees in the factory (v) Awareness programs towards optimum utilization of natural resources at managerial as well as employee level; (v) Timely repairs & maintenance of water taps in the factory.

Your company manufactures the products under the Technical collaboration Agreement entered with Sharp Corporation Japan. The technology provided by Sharp Corporation, Japan is being absorbed and the company continues to utilize the same.

Expenditure on Research & Development :

	Amount Rs. Lacs
Capital	-
Recurring	77.33
<b>Total</b>	<b>77.33</b>
Total R&D Expenditure as a percentage of total sales turnover	02.563

Foreign Exchange Earnings and Out go:

	Amount Rs. Lacs
Foreign Exchange outgo	184.02
Foreign Exchange earning	1,477.09

20. RISK MANAGEMENT POLICY:

The Company has in place a Risk Management Policy pursuant to section 134 of the Companies Act, 2013. Your company believes that managing and mitigating the risk maximizes the returns. The company has set up a Risk Management Committee duly approved by the Board of Directors. The Committee identifies all strategic, operational & financial risks by analyzing and assessing the operations of the company. The company has laid down procedures for the risk reporting. The details of risks identified along with measures adopted to control the risks, is placed before the Board & Audit Committee quarterly for their evaluation & suggestions.

21. CORPORATE SOCIAL RESPONSIBILITY POLICY: This policy is not applicable to the Company at present.

22. MANNER OF ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

As per the policy and criteria laid down by the Nomination & Remuneration Committee, provisions of the Companies Act 2013 & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the performance evaluation of the independent directors was carried out by the entire board, excluding the Director being evaluated and the performance of the non-independent directors was carried out by the independent directors who also reviewed the performance of the Board as a whole. The board also carried out an annual performance evaluation of its own and committees.

23. THE DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

Mr. Sanjay Vaidya has resigned as the Director of the Company with effect from 26th May 2015. The Board places on record their sincere appreciation for the useful contribution made by Mr. Sanjay Vaidya during his tenure as a director of the Company

Mr. Masahiko Nakagawasai was re-appointed as the Chief Financial Officer of the Company for a period of three years with effect from 28th May 2015.

He was also re-appointed as an Executive Director of the Company for a period of three years w.e.f. 28th May 2015. He

resigned as an Executive Director of the Company with effect from 14th August 2015. The Board places on record their sincere appreciation for the useful contribution made by him during his tenure as an Executive Director of the Company.

Mr. Sunil Kumar Sinha, has resigned as the Chairman & Director of the company with effect from 14th August 2015. The Board places on record its sincere appreciation and valuable contribution made by Mr. Sunil Kumar Sinha during his tenure as a Chairman & Director of the Company.

Mr. Kazunori Ajikawa was appointed as an additional director of the Company w.e.f 14th August 2015. He has been regularized as a Director of the Company in the 30th Annual General Meeting of the Company held on 30th September 2015.

Mr. Tomio Isogai was re-appointed as the Managing Director of the Company w.e.f 9th December 2015 for a period of three years. Members approval is required for the re-appointment of Mr. Tomio Isogai as the Managing Director of the Company for the aforesaid period. His re-appointment has been made under schedule- V of the Companies Act, 2013 and the rules made thereunder.

**Directors proposed to be re-appointed at the ensuing Annual general Meeting :**

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company Mr. Kazunori Ajikawa retire by rotation as a Director of the Company and being eligible he has offered himself for the reappointment.

**24. THE NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR:**

There are no companies which have become/ceased to be subsidiaries, joint ventures and associate companies during the year.

**25. DEPOSITS:**

Your Company has not accepted any Fixed Deposits during the year under review.

**26. SIGNIFICANT AND MATERIAL ORDERS :**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

**27. INTERNAL FINANCIAL CONTROLS :**

Considering the nature and size of the business, the company has in place adequate internal financial controls. These are regularly tested by Internal and statutory Auditors of the company. The Internal Audit observations & the corrective/ follow-up actions are reported to the Audit Committee.

**28: INFORMATION FORMING PART OF THE DIRECTORS REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE NO. 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :**

The relevant information required to be given under section

197(12) of the Companies Act, 2013 and Rule no. 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed at 'Annexure - D' to this Report.

**29. COMPOSITION OF THE AUDIT COMMITTEE ETC.:**

Composition of the Audit Committee and other relevant information has been given in the section 'Corporate Governance'.

**30. VIGIL MECHANISM /WHISTLE BLOWER POLICY:**

The Vigil Mechanism/ Whistle Blower Policy adopted by the Company, provides for formal mechanism to the directors and employees to report concerns about unethical behavior, actual or suspected fraud. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee to report the concerns. During the year under review your company has not received any complaints, under the said mechanism. This policy has been posted on the website of the company- [www.sharpindialimited.com](http://www.sharpindialimited.com)

**31. FAMILIARIZATION PROGRAM OF INDEPENDENT DIRECTORS:**

Familiarization programs are conducted for the independent directors of the company to make them familiar with the companies policies, operations, business models etc. and the details about the same are available on the website of the Company- [www.sharpindialimited.com](http://www.sharpindialimited.com)

**32. POLICY UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Company has zero tolerance for sexual harassment at the workplace and in terms of the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy to prevent sexual harassment of women at the workplace. The policy aims to provide protection to the women employees at the workplace and prevent and redress the complaints of sexual harassment at the workplace. During the year under review your company has not received any complaints of sexual harassment of women at the workplace and there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**33. ACKNOWLEDGEMENTS :**

Your Directors express their gratitude for the valued and timely support and guidance received from Sharp Corporation, Japan and also wish to place on record their appreciation for the co-operation extended by the Bankers, Financial Institutions and its valued investors. The Board also acknowledges the untiring efforts and contribution made by the company's employees.

**For and on behalf of the Board of Directors**

Date: 8th August, 2016  
Place : Pune

**Tomio Isogai**  
**Managing Director**  
**DIN : 03426524**

**Kazunori Ajikawa**  
**Director**  
**DIN : 01637592**

**Annexure- A**

FORM NO. MGT- 9

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L 36759MH1985PLC036759
2.	Registration Date	5th July 1985
3.	Name of the Company	Sharp India Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Gat No.686/4, Koregoan Bhima, Taluka: Shirur, Dist: Pune - 412 216, Tel No. 91-02137-252417 Fax No. 91-02137-252453
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, 202, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Mandir, Pune - 411 001 Phone No.91-020 -26161629 Fax No.91-020 - 26163503

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Air Conditioners	2819	94.78

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

SR.No.	Name & Address of the Company	CIN/GLN	Holding /Subsidiary Associate Company	Percentage of Shares Held	Applicable section
1.	Sharp Corporation, 22-22, Nagaike Cho, Abeno- Ku, Osaka, 545- 8522, Japan	NA	Holding Company	75.00%	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>	0	0	0	0.00	0	0	0	0	0.00
a) Individual/ HUF	0	0	0	0.00	0	0	0	0	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any other	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (A1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
(2) <b>Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Others- Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corporate	19458000	0	19458000	75.00	19458000	0	19458000	75.00	0.00
d) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0	0.00
e) Any others	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-Total (A2)</b>	<b>19458000</b>	<b>0</b>	<b>19458000</b>	<b>75.00</b>	<b>19458000</b>	<b>0</b>	<b>19458000</b>	<b>75.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters A= (A1) + (A2)</b>	<b>19458000</b>	<b>0</b>	<b>19458000</b>	<b>75.00</b>	<b>19458000</b>	<b>0</b>	<b>19458000</b>	<b>75.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
1. <b>Institutions</b>									
a) Mutual Funds	0	1700	1700	0.01	0	1700	1700	0.01	0.00
b) Banks / FI	2000	0	2000	0.01	0	0	0	0	(0.01)
c) Central Govt	0	0	0	0.00	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIs	0	0	0	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify) Foreign Portfolio Investors	0	1200	1200	0.00	0	1200	1200	0	0.00
<b>Sub-total (B)(1):-</b>	<b>2000</b>	<b>2900</b>	<b>4900</b>	<b>0.02</b>	<b>0</b>	<b>2900</b>	<b>2900</b>	<b>0.01</b>	<b>(0.01)</b>
2. <b>Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	477617	11480	489097	01.88	428351	11480	439831	01.69	(0.19)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2721880	866996	3588876	13.83	3263566	859289	4122855	15.89	02.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2117000	87100	2204100	08.49	1212784	87100	1299884	05.01	(03.48)
<b>c) Others (specify)</b>									
Non Resident Indians (Repat)	97375	1100	98475	00.37	141228	1100	142328	00.54	00.17
Non Resident Indians (Non- Repat)	40413	0	40413	00.15	34643	0	34643	00.13	(00.02)
Clearing Members	59639	0	59639	00.22	126969	0	126969	00.48	00.26
Hindi Undivided family	0	500	500	00.00	316090	500	316590	01.22	01.22
<b>Sub-total (B) (2):-</b>	<b>5513924</b>	<b>967176</b>	<b>6481100</b>	<b>24.98</b>	<b>5523631</b>	<b>959469</b>	<b>6483100</b>	<b>24.98</b>	<b>00.00</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>5515924</b>	<b>970076</b>	<b>6486000</b>	<b>25.00</b>	<b>5523631</b>	<b>962369</b>	<b>6486000</b>	<b>25.00</b>	<b>00.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>24973924</b>	<b>970076</b>	<b>25944000</b>	<b>100.00</b>	<b>24981631</b>	<b>962369</b>	<b>25944000</b>	<b>00.00</b>	<b>00.00</b>

## ii) Shareholding of Promoter -

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sharp Corporation, Japan	19,458,000	75.00	0.00	19,458,000	75.00	0.00	0.00

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the promoter's shareholding during the year

SN	Particulars	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the Year (31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	19,458,000	75.00	19,458,000	75.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	19,458,000	75.00	19,458,000	75.00

## iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)		Increase/ (Decrease) in the shareholding during the year		Shareholding at the end of the year (31-03-2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Girish Gulati (HUF)	259877	01.00	(259876)	(1.00)	1	00.00
2	Samir Nandlal Shah	144000	00.55	(108000)	(0.42)	36000	00.13
3	Rakesh Khanna	105141	00.40	(105141)	(00.40)	0	00.00
4	Jagdish Prasad Bagri	81000	00.31	(81000)	(00.31)	0	00.00
5	Regal Computer Systems Pvt Ltd	71000	00.27	(71000)	(00.27)	0	00.00
6	Hirji Eddie Nagarwalla	70362	00.27	(70362)	(00.27)	0	00.00
7	Naveen Bothra	70000	00.26	(70000)	(00.26)	0	00.00
8	Ajay Relan	64459	00.24	(64459)	(00.24)	0	00.00
9	Kamini Choudhary	56800	00.21	(56800)	(00.21)	0	00.00
10	M.Shikar	51193	00.19	30000	(00.11)	47151	00.18
11	R.Sriramanan	0	00.00	64120	00.24	64120	00.24
12	Hitesh Ramji Javeri	101	00.00	60000	00.23	60101	00.23
13	Sampath Reddy Badam	50406	00.19	0	00.00	50406	00.19
14	Camel Foods Pvt Ltd	0	00.00	44058	00.16	44058	00.16
15	Lal Tolani	40914	00.15	0	00.00	40914	00.15
16	Pravina Chimanlal Ghadiali	0	00.00	40000	00.15	40000	00.15
17	M.Rekha	0	00.00	36668	00.14	36668	00.14
18	Bonanza Portfolio Ltd	3548	00.01	31401	00.12	34949	00.13
19	Bade Srinivasa Reddy	37033	00.14	0	00.00	37033	00.14
20	Rajasthan Global Securities Pvt.,Ltd.	82785	00.31	(70,246)	(0.27)	12539	00.04

Note : Shares have increased or decreased due to transfer of shares



## v) Shareholding of Directors and Key Managerial Personnel:

SN	Names of Directors & Key managerial Personnel	Shareholding at the beginning of the year (01.04.2015)		Increase/ (Decrease) in the shareholding during the year		Shareholding at the end of the year (31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	*Mr.Sunil Kumar Sinha- Chairman & Director	10260	00.04	1200	00,00	11460	00.04
2	Mr. Tomio Isogai-Managing Director	0	00.00	0	0.00	0	00.00
3	+Mr.Masahiko Nakagawasai- CFO	0	00.00	0	0.00	0	00.00
4	#Mr.Kazunori Ajikawa	0	00.00	0	00.00	0	00.00
5	@Mr.Sanjay Vaidya- Independent Director	0	00.00	0	0.00	0	00.00
6	Mr. Prashant Asher- Independent Director	0	00.00	0	0.00	0	00.00
7	Ms. Bhumika Batra - Independent Director	0	00.00	0	0.00	0	00.00
8	Mr. Mayuresh Vaze- Company Secretary	0	00.00	0	0.00	0	00.00

\*- Mr. Sunil kumar Sinha has resigned as a Chairman & Director of the company w.e.f. 14th August 2015.

+ - Mr.M. Nakagawasai has resigned as the Executive Director as well as a Director w.e.f. 14th August 2015.

#- Mr. Kazunori Ajikawa was appointed as an additional director w.e.f 14th August 2015.

@ - Mr. Sanjay Vaidya has resigned as a Director of the Company w.e.f. 26th May 2015.

## V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits (Rs.In Lacs)	Unsecured Loans (Rs. In Lacs)	Deposits (Rs. In Lacs)	Total Indebtedness (Rs. In Lacs)
<b>Indebtedness at the beginning of the financial year (01-04-2015)</b>				
i) Principal Amount	0	1,884.11	0	1,884.11
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	1,884.11	0	1,884.11
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year (31-03-2016)</b>				
i) Principal Amount	0	1,884.11	0	1,884.11
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	1,884.11	0	1,884.11

## VI. Remuneration of Directors &amp; Key Managerial Personnel :

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Total Amount in Rupees		
		Mr. T. Isogai Managing Director	Mr.M.Nakagawasai Executive Director 1/4/2015 to 14/08/2015	Total amount in Rupees
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,40,000	4,89,677	19,29,677
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	39,600	14,690	54,290
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	- others, specify...			
5	Others, please specify, Employer's Contribution to Provident Fund	1,72,800	58,761	2,31,561
	<b>Total (A)</b>	<b>16,52,400</b>	<b>5,63,128</b>	<b>22,15,528</b>
	** Ceiling as per the Companies Act.	**	**	**

\*- Mr.Masahiko Nakagawasai was Executive Director up to 14.08.2015.

## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount In Rs.
		*Mr. Sanjay Vaidya	Mr. Prashant Asher	Ms. Bhumika Batra	
1	<b>Independent Directors</b>				
	@ Sitting Fee for attending board & committee meetings	80,000	4,05,892	330,892	816,784
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>80,000</b>	<b>4,05,892</b>	<b>3,30,892</b>	<b>8,16,784</b>
2	<b>Other Non-Executive Directors</b>				
	# Mr. Sunil Kumar Sinha		\$ Mr. Kazonori Ajikawa		0
	@ Sitting Fee for attending board & committee meetings	0	0		0
	Commission	0	0		0
	Others, please specify	0	0		0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Total (B)= (1+2)</b>				<b>8,16,784</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>30,32,312</b>
	@Overall Ceiling as per the Act	-	-	-	-

\* Mr. Sanjay Vaidya has resigned as a director of the Company w.e.f. 26th May 2015.

\$ Mr. Kazunori Ajikawa has been appointed as a director of the Company w.e.f. 14th August 2015.

# Mr. Sunilkumar Sinha has resigned as a Director and Chairman of the Company w.e.f. 14th August 2015.

\*\* Remuneration paid to Managing Director and Executive Director is within the limits of the Companies Act 2013.

@ - Sitting Fees paid to the Directors are within the limits of the Companies Act 2013.

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

No	Particulars of Remuneration	Total Rupees Mr.Mayuresh Vaze (Company Secretary)	Total Rupees Mr.Masahiko Nakagawasai (Chief Financial officer) for the period - 15.08.2015 to 31.03.2016	Total Rupees
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,66,892	8,30,323	14,97,215
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,965	24,910	28,875
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify			
	Employers' Contribution to Provident Fund	24,768	99,639	1,24,407
	Employer's Contribution to Superannuation Fund	30,960		30,960
	<b>Total</b>	<b>7,26,585</b>	<b>9,54,872</b>	<b>16,81,457</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>B. DIRECTORS</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

## Annexure- B

**NOMINATION AND REMUNERATION POLICY****1. PREAMBLE**

- 1.1 Sharp India Limited (the '**Company**') recognizes the importance of attracting, retaining and motivating personnel of high calibre and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.
- 1.2 The Companies Act, 2013 vide sub-section (3) of section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.
- 1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by :
- 1.3.1. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance and
- 1.3.2. ensuring that the nomination processes and remuneration policies are equitable and transparent.
- 1.4 The responsibilities of the Nomination and Remuneration Committee include :
- 1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;
- 1.4.2 recommending to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel.
- 1.4.3 formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;
- 1.4.4 devising a policy on Board diversity; and
- 1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommending to the Board of Directors the appointment and removal of such personnel.
- 1.5 This Nomination and Remuneration Policy has been formulated with a view to :
- 1.5.1 devise a transparent system of determining the appropriate level of remuneration for the directors, key managerial personnel and senior management personnel.

1.5.2 encourage directors, key managerial personnel and senior management personnel to perform to their highest level;

1.5.3 provide consistency in remuneration for the directors, key managerial personnel and senior management.

1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company in determining the appropriate remuneration policy for the Company.

**2. DEFINITIONS**

Some of the key terms used in the Nomination and Remuneration Policy are as under :

- 2.1 '**Board**' means the Board of Directors of Sharp India Limited or the Company.
- 2.2 '**Committee**' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.
- 2.3 '**Director**' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.
- 2.4 '**Key managerial personnel**' includes managing director, or Chief Executive Officer or manager and in their absence, a whole-time director; company secretary; and Chief Financial Officer.
- 2.5 '**Member**' means a director of the Company appointed as member of the Committee.
- 2.6 '**Nomination and Remuneration Policy**' shall mean the policy of remuneration of directors, key managerial personnel and senior management personnel of the Company determined by the Nomination and Remuneration Committee.
- 2.7 '**Senior management**' means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**3. NOMINATION AND REMUNERATION COMMITTEE**

- 3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as Members of the Committee from time to time.
- 3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries. If the Chairperson is unable to attend the annual general meeting, any other member of the committee authorized by him in this behalf shall attend the annual general meeting.

**4. LETTER OF ENGAGEMENT OR CONTRACT OF EMPLOYMENT**

- 4.1 Non-executive independent directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position,

the remuneration package and added incentives for the director, if any, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance defined by the Company.

- 4.2 Executive directors, and key managerial personnel shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.
- 4.3 The Committee and the Board must approve the terms and conditions of employment for the Executive Directors and the Key Managerial Personnel at the time of their appointment and re-appointment.
- 4.4 The Company shall pay remuneration to the senior management personnel taking into account their roles and responsibilities.
- 4.5 The Board shall disclose the terms and conditions of employment of the executive directors and key managerial personnel in accordance with the law, if necessary.

## 5. REMUNERATION STRUCTURE

### 5.1 REMUNERATION TO MANAGING /EXECUTIVE DIRECTORS, AND KEY MANAGERIAL PERSONNEL:

The Board shall, in consultation with the Committee approve and finalize the form of remuneration to be offered to Executive Directors, and key managerial personnel. The remuneration package shall be composed of amounts that are fixed and may include a variable Component and the endeavour of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

#### 5.1.1 Fixed Remuneration

The contract of employment entered into by the executive directors and key managerial personnel with the Company shall demarcate a fixed gross monthly or annual salary or base salary payable to them. The fixed remuneration or salary shall be determined according to complexities of the position and role of the Executive Directors and key managerial personnel, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

#### 5.1.2 Performance Based Remuneration or Incentive-Based Payments

The Board in consultation with the committee may pay performance based incentive payment to the directors. The performance-based or incentive-based payments shall form part of the variable component of the salary payable to them

#### 5.1.3 Benefits to Executive Directors, key managerial personnel & senior management personnel

The Company shall comply with all legal and industrial obligations in determining the benefits available to executive directors, key managerial personnel & senior management personnel, namely short-term benefits such as salaries, social security contributions, and

post-employment benefits such as gratuity, pension retirement benefits etc.

### 5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non Executive Directors may be paid remuneration in such form as which is allowable and is within the scope and limits of the Companies Act 2013.

The Non-Executive Directors who are entitled to receive the sitting fees shall be paid remuneration by way of sitting fees which is within the limits of the Companies Act, 2013 and which are determined by the Board of Directors and this committee from time to time.

## 6. DISCLOSURES:

- 6.1. The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of section 134 of the Companies Act, 2013.
- 6.2. The Nomination and Remuneration Policy and the criteria for evaluation of performance or evaluation criteria as laid down by the Committee shall be disclosed in the Annual Report of the Company.
- 6.3. Payments to non-executive directors shall be disclosed in the Annual Report of the Company. Further, the number of shares and convertible instruments held by non-executive directors shall be disclosed by the Company in its Annual Report.
- 6.4. With regard to payment of remuneration, the section on the corporate governance of the Annual Report of the Company shall contain the following disclosures, namely :
  - 6.4.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc; if any.
  - 6.4.2 Details of fixed component and performance linked incentives, along with the performance criteria; if any.
  - 6.4.3 Service contracts, notice period, severance fees; if any and
  - 6.4.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable, if any.

## 7. REVIEW AND IMPLEMENTATION

- 7.1 The Committee shall conduct an evaluation of performance for all the directors as per the provisions in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.
- 7.2 The Committee shall be responsible for monitoring the implementation of the Nomination and Remuneration Policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy.

## 8. AMENDMENT

The Committee reserves the right to amend or modify the Nomination and Remuneration Policy in whole or in part, at any time with reasons to be recorded in writing and placing the same in the meeting of this committee for its approval.

**Annexure- C**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

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

To,

The Members,  
Sharp India Limited  
Gat No. 686/4, Koregaon Bhima, Tal Shirur,  
Dist. Pune - 412 216.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; **(in so far as they are made applicable)**
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(in so far as they are applicable to the Company)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the company during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the audit period.)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the company during the audit period.)**

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

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India' effective from 1st July, 2015;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) till 30th November, 2015; and the provision of sub regulation (4) of the Regulation 23 and Regulation 31A of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable from 2nd September, 2015;
- (iii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1st December, 2015.

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

*During the Financial Year 2015-16 the related party transactions with the holding company viz. Sharp Corporation, Japan was for Rs. 2253.82 lakhs (including reimbursement of expenses) which exceeded the limit of 10% ( Rs. 2180.75 lakhs) of Gross Turnover of the Company for the Financial Year 2014-15, however there was no compliance as required under Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and failure to report such transaction with the Stock Exchange along with the quarterly*

*Corporate Governance report filed by the Company with the Stock Exchange as required under Regulation 27 (2) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**We further report that** during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines,

standards, etc except that

1. There was no production of LED TVs from April 2015 (except in August 2015) and of Air conditioners since June 2015, in the absence of any orders, and due to no work situation the Management decided that all the Bargainable employees will be given half day paid holiday till further notice and the Management will review the situation from time to time and will observe a half day or full day paid holiday(s) to bargainable and non bargainable employees depending upon the situation from time to time.
2. The Board of Directors of the Company at its meeting held on December 12, 2015 has considered the request made by Sharp Corporation of exploring and evaluating strategic alternatives including the possibility of sale of its shares in the Company to potential buyers and entering into appropriate transactions that would be in the best interest of the Company and the public shareholders. The Board also took note of the request made by Sharp Corporation to allow potential buyers to conduct due diligence of its operations based on the information related to the Company.

**For SVD & Associates**

**Sridhar Mudaliar**

Partner

FCS No. 6156

C P No. 2664

Place : Pune

Date : August 8, 2016

## Annexure- D

**Disclosures pursuant to section 197(12)  
of the Companies Act, 2013 & under Rule No. 5 of Companies  
(Appointment & Remuneration of Managerial Personnel)  
Rules : 2014**

- (a) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-2016;

Name of the Director	Ratio to Median Remuneration
* Mr. Sunil Kumar Sinha Chairman & Director	0.00
Mr. Tomio Isogai- Managing Director	05.23
@Mr. Masahiko Nakagawasai- Executive Director	01.78
Mr. Kazunori Ajikawa Non Executive Director	00.00
Mr. Sanjay Vaidya Independent Director	00.25
Mr. Prashant Asher Independent Director	01.28
Ms. Bhumika Batra Independent Director	01.04

- (b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year: 2015-2016

Name of the Director	Percentage increase/ (decrease) in Remuneration
* Mr. Sunil Kumar Sinha Chairman & Director	0.00 %
Mr. Tomio Isogai Managing Director	(00.44 %)
@Mr. Masahiko Nakagawasai Executive Director & CFO	(00.00%)
+ Mr. Sanjay Vaidya Independent Director	(79.37%)
# Mr. Prashant Asher- Independent Director	118.93
# Ms. Bhumika Batra Independent Director	227.21
Mr. Mayuresh Vaze Company Secretary	00.57%

- Percentage in the bracket indicate negative percentage

## Note for (a) and (b) :

- \* Mr. Sunil kumar Sinha has resigned as a Chairman & Director w.e.f 14th August 2015.
  - + Mr. Sanjay Vaidya has resigned as a Director of the Company w.e.f 26th May 2015.
  - # Mr. Kazunori Ajikawa has been appointed as an additional director (Non Executive Director) w.e.f. 14th August 2015.
  - @ Masahiko Nakagawasai has resigned as Executive Director w.e.f. 14th August 2015 and he continued as CFO w.e.f 15th August 2015
- (c) The Percentage increase (decrease) in the median remuneration of employees in the financial year : (11.48%)
- (d) The number of permanent employees on the roll of the Company as on 31.03.2016 : 138
- (e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**
- (1) The average percentage increase in salaries of the employees other than managerial personnel in the financial year 2015-2016 was 1.02%
- (2) The average percentage increase in the managerial remuneration for the financial year 2015- 2016 was Nil.
- (f) **The key parameters for any variable component of remuneration availed by the Directors.**
- Company does not pay any variable component of remuneration to any of its Directors.
- (g) **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.



**Annexure- E**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL.No.	Particulars	Details
1)	Name (s) of the related party & nature of relationship	nil
2)	Nature of contracts/arrangements/transaction	nil
3)	Duration of the contracts/arrangements/transaction	nil
4)	Salient terms of the contracts or arrangements or transaction including the value, if any	nil
5)	Justification for entering into such contracts or arrangements or transactions'	nil
6)	Date of approval by the Board	nil
7)	Amount paid as advances, if any	nil
8)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	nil

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Sharp Corporation, Japan, Holding Company
2	Nature of contracts/ arrangements/transaction	Interest on Loan, Royalty & Patent Expenses incurred, Interest on Late payment of Royalty, Reimbursement of Expenses received, Reimbursement of Expenses paid
3	Duration of the contracts/arrangements/ transaction	01.04.2015 to 31.03.2016
4	Salient terms of the contracts or arrangements or transaction including the value, if any (Rupees in Lacs)	Rupees In Lacs: 2253.82
5	Date of approval by the Board, if any	-
6	Amount paid as advances, if any (Rupees in Lacs) Amount paid as advances, if any (Rupees in Lacs)	-

**For and on behalf of the Board of Directors**

Date: 8th August, 2016

Place : Pune

**Tomio Isogai**

**Managing Director**

**DIN : 03426524**

**Kazunori Ajikawa**

**Director**

**DIN : 01637592**

## MANAGEMENT DISCUSSION & ANALYSIS

Based on the latest estimates, the Indian economy witnessed a moderate growth rate of around 7.6.% in the fiscal 2015-2016 as compared to 7.2% in the fiscal 2014-2015. This was highest in the last five years despite the continuous slowdown in the global growth and weak monsoon in the last two years.. The fall in the crude oil prices has further helped the economy leading to a fall in inflation with whole price index remaining in the negative territory for the complete year 2015-16.

India's GDP growth in the year 2016-17 is expected to be around 7.8%.

### INDUSTRY STRUCTURE & DEVELOPMENT :

The Indian Consumer electronics Industry has undergone big changes, in the last two decades. Due to constant technological advancements and cut throat competition, new products with latest technologies are introduced in the market at very short intervals. The increased liberalization has favored foreign direct investment (FDI).

Your Company is principally engaged in the manufacture and sale of liquid crystal display televisions (LED TVs) and Air Conditioners (AC).

#### Televisions :

The Indian Television market in the year 2015 for Flat Panel display is estimated at 8.5 million and for the conventional CRT TV it is estimated at 6.5 Million sales..

The demand for LED TVs has been growing at a rapid pace, and is demonstrating constant growth in sales with increasing performance for full high-definition TV, with better image quality, audio clarity and color resolution. Introduction of new technologies, such as internet browsing, Bluetooth connection and wireless access in LEDs/LCDs, is driving the replacement of CRTs with LCD/LED TVs

#### Air Conditioners :

Air Conditioner (AC) market is one of the fastest growing markets in India .It is expected that it will grow at the rate of around 10 % to 15% for the next five years. Traditionally ACs was regarded as a luxury product being preferred by the high-end segment of the society. However gradually, the demand is emerging from the middle income segment of India as well. Increase in the population, per capita income, hot and humid climate , increasing urbanization, , launch of latest and advanced features and eco -friendly ACs are the driving factors for the AC market in India.

### OPPORTUNITIES AND THREATS :

#### Opportunity:

Consumer Durable Industry has good opportunity to grow due to following reasons:

- (1) There is huge untapped demand in the rural India for the consumer electronics products.

- (2) Due to increase in income levels, increase in population and increase in number of households the demand for consumer durable goods is increasing constantly.
- (3) Changes in the lifestyle of the new generation, consumer awareness and preference for new, latest technology models have increased the consumer aspirations for the consumer durable products like air conditioners and big size LED TVs.
- (4) Easy and attractive financing schemes, with participation of banks to purchase the products is also one of the driving force of the consumer electronics sector.
- (5) increase in the number of television channels, and also the HD Channels is a driving force for the sale of televisions.

#### Threats:

- (1) Constant changes in technologies & consumer preferences is making product life cycle short making the products and technology obsolete.
- (2) Rising cost of raw materials, is putting pressures on margins. Due to stiff competition, there is a constant pressure for reducing the selling prices.
- (3) The Cost of marketing, advertising and after sale services is increasing tremendously.
- (4) Since most of the components are imported, the exchange rate volatility is increasing the import cost.
- (5) Fluctuating and seasonal demand for the products.
- (6) cheap imports of the products is a major threat to the products made in India.

#### Outlook :

Indian economy is transforming it into one of the fastest growing economy in the world. The consumer electronics and appliances market is projected to grow at rapid speed by 2020. On account of factors such as rising disposable income, easy consumer financing and growth in organized retail. The consumer durable products are becoming necessity rather than a luxury due to change in the socio - economic pattern of the society. All these changes are favorable for the growth of the consumer electronics industry.

#### Risks & Concerns :

The risk associated with the consumer electronics are:-

- (a) Infrastructure needs to be improved easing foreign investment procedures restructuring of the indirect tax system which in under way.
- (b) In-house research & development is very less, which is hampering development of products & features suitable to local requirements.

- (c) The Consumer Electronics and Home Appliances business is highly competitive and volatile and thereby making it difficult for companies to increase the bottom line.
- (d) There is a risk of obsolescence of technology due to changes in the technology in a short time span.
- (e) Keeping pace, making necessary changes and up gradations in the products along with the ever changing consumer preferences is also a challenge & concern for your company.

**FINANCIAL AND OPERATIONAL PERFORMANCE:**

The financial highlights for the fiscal 2015-2016 are dealt with in the Directors' Report. During the current year under review, your company has made a loss of rupees 1406.22 Lacs. This was mainly due absence of any orders for the products resulting in to substantial drop in sale.in the year 2015-2016.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

Your company has in place proper and adequate internal audit and control system which is commensurate to the size and nature of the business of the company. The company has proper and adequate internal control system in place to safeguard the assets and protect against loss from any unauthorized use or disposition. The Company's internal controls are supported by an extensive program for internal audit, review by the management and documented policies, guidelines and procedures.

The internal audit is based on an internal audit plan, which is reviewed each year in consultation the audit committee. The audit committee reviews audit reports submitted by the internal auditors. Suggestions

for improvement are considered and the audit committee follows up on corrective action.

**HUMAN RESOURCES:**

Your company continues to maintain a cordial and healthy atmosphere with the employees at all levels.

Your company considers the quality of its human resources to be the most important asset and places emphasis on training and development of employees at all levels. Company ensures equal opportunities to the employees to excel in their work and advance themselves in their carrier depending on their abilities. It commits itself to grow hand-in-hand with its employees, encouraging and aiding them to reach their full potential and improve their standard of living.

Industrial relations were cordial during the year under review. The total number of employees as on March 31, 2016 is 138.

**CAUTIONERY STATEMENT :**

**Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be treated as 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down trend in consumer durable industry, significant changes in government policies, laws and political environment in India or abroad and also exchange rate fluctuations, interest and other costs.**

## CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders. The necessary information as stipulated by SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 is incorporated in the present annual report at appropriate places to ensure adequate disclosures. Towards this end, the information given under this section, the 'Management Discussion and Analysis' and the 'Shareholder Information' together constitute the report on Corporate Governance for the financial year 2015-2016

### COMPOSITION OF THE BOARD, ATTENDANCE, NO. OF BOARD MEETINGS & OTHER COMMITTEE MEETINGS HELD ETC. :

The Board of Directors of the Company represents an optimum

combination of Executive Directors, Non-Executive directors and Independent Directors as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The total strength of the directors is four. There are Two Directors relating to the promoters and out of which one is Managing Director and the other is Non-Executive Director. There are two Non-Executive Independent Directors. The details of number of meetings held and attended by the directors and other related information is given in Table 1.

The Board Meetings are generally held in Pune. During the financial year under review, 5 (Five) Board Meetings were held on 26/05/2015, 14/08/2015, 06/11/2015, 12/12/2015 & 10/02/2016. respectively and the time gap between two consecutive meetings did not exceed four months. Table 1 gives the composition of the Board, the category of the Directors, their attendance record and the number of other directorships held by them.

**Table 1 : Details about Board of Directors and their Board Meeting etc., attendance & committee membership /Chairmanship details during the year 2015-2016 :**

Name of Director	Category	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM	No. of directorships of other public limited companies	Number of *Committees in which Chairman / Member (Other than Sharp India Limited )	
						Chairman	Member
a) # Mr. S.K.Sinha	Non Executive Chairman	5	1	No	0	0	0
b) Mr. T. Isogai	Executive (Managing Director)	5	5	Yes	0	0	0
c) ++Mr. K.Ajikawa	Non Executive	5	0	No	0	0	0
d) @ Mr. M.Nakagawasai	Executive	5	2	Yes	0	0	0
e) +Mr. Sanjay Vaidya	Non Executive Independent	5	1	No	7	3	6
f) Mr. Prashant Asher	Non Executive Independent	5	5	No	7	0	4
g) Ms. Bhumika Batra	Non Executive Independent	5	5	Yes	9	1	6

#### Notes :

- (1) # Mr. S. K.Sinha resigned as a Director of the Company w.e.f 14th August 2015.
- (2) ++Mr. K. Ajikawa has been appointed as an additional director of the Company w.e.f. 14th August 2015.
- (3) @ Mr. M.Nakagawasi has resigned as an Executive director as well as a Director of the Company w.e.f. 14th August 2015.
- (4) + Mr.Sanjay Vaidya has resigned as a Director of the Company w.e.f 26th May 2015.

h) None of the directors is a Member of more than 10 Board level committees of the public Companies in which they are directors or is a Chairman of more than 5 such committees as included for the purposes of Corporate Governance laid down by SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. \*For this purpose Audit Committee & Stakeholder's Relationship & Share Transfer Committee only have been considered as stipulated in aforesaid regulations.

**Relationship between the Directors inter-se:** There is no relationship between the directors inter-se.

**No of Shares & Convertible instruments held by the Non-Executive Directors :** Nil

**Meeting of Independent Directors:** The meeting of Independent

Directors' was held on Saturday, 30th March 2016 to discuss,

- (a) performance of Non-Independent Directors and the Board as a whole;
- (b) the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- (c) the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**Familiarization Program of Independent Directors :** The Independent Directors are provided with all the necessary information for enabling them a good understanding of the Company. The details of the Familiarization program of independent directors is available on the website of the Company: [www.sharpindialimited.com](http://www.sharpindialimited.com)

**DIRECTORS' ATTENDANCE RECORD FOR AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2015-2016 :**

Name of Director	Audit Committee Meetings			Nomination & Remuneration Committee Meetings		
	Number of Meetings Held	Number of Meetings Attended	Position Held	Number of Meetings Held	Number of Meetings Attended	Position Held
a) Mr. S S. Vaidya	4	1	Chairman	3	1	Member
b). Mr. Tomio Isogai	4	3	Member	-	-	-
d) Mr. Prashant Asher.	4	4	Member	3	3	Member
e) Ms. Bhumika Batra	4	4	*Chairman	3	3	Chairman
f) Mr.K .Ajikawa	-	-	-	3	0	Member

- \*Ms. Bhumika Batra was appointed as the Chairman of the Audit Committee w.e.f. 26th May 2015 after the Resignation of Mr. S.S.Vaidya as the director of the Company w.e.f. 26th May 2015.

**AUDIT COMMITTEE :**

**Terms of References of the Audit Committee :**

The terms of references of the Audit Committee inter -alia includes:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- Such other matters as are required to be mandatorily reviewed by the Audit Committee, and also the matters which are within the powers, role & scope of the Audit Committee and as defined in the Companies Act 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

**Composition of the Committee etc.:**

The Audit Committee consisted of three non executive independent directors of the Company at the beginning of the year. It consisted of Mr. Sanjay Vaidya (Chairman), Mr. Prashant Asher and Ms. Bhumika Batra as the members. Mr. Sanjay Vaidya resigned as the director of the Company w.e.f. 26th May 2015 and hence he also ceased to be the member of this committee. The Committee was reconstituted on 26th May 2015 by inducting Mr. Tomio Isogai- Managing Director as the member of this committee and appointing Ms. Bhumika Batra as the Chairperson of this committee, and since then this committee consists of Ms. Bhumika Batra (Chairperson) , Mr. Tomio Isogai and Ms. Prashant Asher as the members of this committee.

**No & Date of the Meetings Held :** The Audit Committee met 4 (four) times in the year on May 26 2015, August 14, 2015, November, 06, 2015 and February 10, 2016. The Audit Committee Chairperson, Ms. Bhumika Batra attended the last annual general meeting held on 30th September 2015. The Company Secretary also acts as the

Secretary of this Committee. The attendance of the committee members is given in the separate table attached .The Audit Committee inter alia reviews on quarterly basis the reports submitted by Internal Auditors, Unaudited and Audited Financial Results and also reviews the matters falling within the scope of the committee as defined by the Board of Directors.

**NOMINATION & REMUNERATION COMMITTEE :**

**Terms of References of Nomination & Remuneration Committee :**

The terms of reference of the Nomination and Remuneration Committee include the matters specified under SEBI Listing Regulations - 2015 as well as those in Section 178 of the Companies Act, 2013 and inter-alia includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- Formulation of policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Composition of the Committee etc.:**

The Committee consisted of three Non-Executive Independent Directors at the beginning of the financial year - Ms. Bhumika Batra (Chairperson), Mr. Sanjay Vaidya and Mr. Prashant Asher as the members. Mr. Sanjay Vaidya resigned as the director of the Company w.e.f. 30th May 2015 and hence Mr. Sanjay Vaidya ceased to be the member of this Committee from that day. Mr. Kazunori Ajikawa was appointed as an additional director of the Company w.e.f. 14th August 2015. The Committee was re-constituted w.e.f. 14th August 2015 by inducting Mr. Kazunori Ajikawa as a member of this committee and since then this committee consists of Ms. Bhumika Batra (Chairman) and Mr. Prashant Asher and Mr. Kazunori Ajikawa as the members. Three meetings of this Committee were held during the financial year under review on 26th May 2015,

14th August 2015 and 6th November 2015. The attendance of the committee members is given in the separate table attached and the remuneration paid to the directors is provided elsewhere in this report.

**'Remuneration Policy:** Remuneration policy adopted by the Committee has been given separately as an Annexure- B to the Directors Report.

#### Performance Evaluation criteria for all Directors:

##### i. Qualifications of Director:

A director shall possess appropriate skills, experience and knowledge in one or more fields of engineering, finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

##### ii. Positive attributes of Directors:

An director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

##### iii. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors."

#### NON-EXECUTIVE DIRECTORS' MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY:

There have been no transactions or pecuniary relationships between the company and its Non-Executive and/or Independent directors during the financial year 2015 -2016.No payment other than the sitting fees was made to any of the Non- Executive Independent Directors, No director holds any shares in the company.

#### REMUNERATION TO DIRECTORS & CRITERIA FOR MAKING PAYMENTS TO EXECUTIVE & NON - EXECUTIVE DIRECTORS :

The details of the remuneration package for the financial year 2015-2016 of directors and relationship, if any are given in the following table:

Table 2

Name of the Director	Relationship With other Directors	Sitting Fees (Rs.)	Salaries & Perquisites (Rs.)	Total (Rs.)
Mr. S.K.Sinha	None	Nil	Nil	Nil
Mr. T. Isogai	None	Nil	16,52,400	16,52,400
Mr. K. Ajikawa	None	Nil	Nil	Nil
*Mr. M. Nakagawasai	None	Nil	5,63,128	5,63,128
Mr. Sanjay Vaidya	None	80,000	Nil	80,000
Mr. Prashant Asher	None	4,05,892	Nil	4,05,892
Ms. Bhumika Batra	None	3,30,892	Nil	3,30,892

\* Mr.M.Nakagawasai was Executive director upto 14th August 2015 and thereafter he has served as a Chief Financial Officer.

The payments made to the Executive Directors & Managing Directors are in the nature of salary and perquisites as approved by the Nomination & Remuneration Committee, the shareholders and if required by the Central Government as required by the Companies Act, and other applicable regulations. No other benefits/ stock options/ bonuses, pensions are given to any of the Directors. There is no fixed component

and performance linked incentive. The company has entered into the service agreement with the managing director and executive director and the notice period for termination of agreement is three months or as decided mutually. There are no severance fees payable to the Executive Directors and Managing Director. The Company has not issued any stock options or any other convertible instruments to any of its Directors. The Company does not pay any remuneration to the non executive independent directors except sitting fees. Rs. 20,000/- are paid as sitting fees for attending every board meeting & audit committee meeting, Rs. 10,000/- are paid for attending every nomination & remuneration committee meeting and Rs. 7,500/- are paid for attending every stakeholder's relationship and share transfer committee meeting.

#### "STAKEHOLDER'S RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee consisted of Mr. Prashant Asher (Chairman), and Mr. Sanjay Vaidya Mr. Tomio Isogai and Mr. Masahiko Nakagawasai as the members at the beginning of the year. Mr. Sanjay Vaidya resigned as the Director of the Company w.e.f 26th May 2015 and hence ceased to be the member of this committee from that day. Mr. Masahiko Nakagawasai resigned as an Executive Director as well as a Director of the Company with effect from 14th August 2015 and hence ceased to be the member of this committee from that day. The Committee was re-constituted on 14th August 2015 by inducting Ms. Bhumika Batra as the member of this committee and since then the committee consists of Mr. Prashant Asher- Chairman, Mr. Tomio Isogai and Ms. Bhumika Batra as the members. The status of complaints is reported to the Committee as well as the Board of Directors. The Committee met 26 times during the year 2015 - 2016. All the members of the Committee were present for all the committee meetings held during the financial year except for one meeting in which Mr.Tomio Isogai was absent. All queries pertaining to non-receipt of annual reports, transfer of shares, duplicate share certificates, change of address, dematerialization, rematerialization of shares, etc, were resolved to the satisfaction of the shareholders/investors. No investor complaints were received by the committee during the year under review and there are no complaints lying unresolved at the end of the year.

Mr. Mayuresh Vaze, Company Secretary is the Compliance Officer. The Board has authorized Mr. Mayuresh Vaze to expedite process of share transfer and investors' grievances redressal.

The Stakeholders Relationship and Share Transfer Committee has been delegated the powers to consider the transfer and transmission related issues etc. and meets to look after share transfer process and redressal of investor's complaints. M/s. Link Intime India Private Limited, Pune, the Registrar & Transfer Agents conduct the share transfer and related work.

#### MANAGEMENT DISCUSSION AND ANALYSIS :

A separate chapter on Management Discussion & Analysis is incorporated in the Annual Report.

#### DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:

Financial Year	Date	Time	Venue
March 31, 2013	September 16, 2013	11:00 a.m.	Registered Office
*March 31, 2013	September 23, 2013	11:00 a.m.	Registered Office
March 31, 2014	September 22, 2014	11:00 a.m.	Registered Office
March 31, 2015	September 30, 2015	11:00 a.m.	Registered Office

\*Adjourned 28th Annual General Meeting was held on 23rd September 2013.

#### Special Resolutions during last three years:

- (1) A Special resolution was passed in the 30th Annual General Meeting held on 30th September 2015 for re-appointment of Mr. Masahiko Nakagawasai as an Executive Director of the Company for the period- 28th May 2015 upto 14th August 2015.
- (2) Three special resolutions were passed in the 29th Annual General Meeting held on 22nd September 2014 :

- (a) Special Resolution under section 180(1) (c) of the Companies Act, 2013 giving authority to the Board of Directors to borrow the Money
- (b) Special Resolution under section 180(1) (a) of the Companies Act, 2013 giving authority to the Board of Directors to create charges, mortgages, hypothecation etc.
- (c) Special Resolution passed as required under clause 49 of the listing agreement to approve the Material Related Party Transactions for the period of three years- 01.10.2014 to 30.09.2017.
- (3) A special resolution was passed in the adjourned 28th annual general meeting held on 23rd September 2013 for the appointment of Mr. T. Isogai as the Managing Director of the company. No resolutions were conducted through postal ballot during the last three years. There are no special resolutions proposed to be conducted through postal ballot.

#### MEANS OF COMMUNICATION TO SHAREHOLDERS ETC.:

The Company has its own website- www.sharpindialimited.com - for the benefit of the various stakeholders like investors and public at large. The Shareholding Pattern, Unaudited and Audited Financial Results, Annual Reports, Whistle Blower Policy etc. Notices of General meetings, Voting results of the general meetings, etc. are uploaded on the company's website. The quarterly unaudited results and audited yearly results are published generally in, Financial Express (English Daily) and Loksatta (Marathi daily). The shareholders can seek communication with the Company on the email address dedicated for investor communication - mayuresh.vaze@sil.sharp-world.com

#### ADDITIONAL INFORMATION TO SHAREHOLDERS

##### 1. ANNUAL GENERAL MEETING :

- Day & Date : Wednesday, 28th September 2016
- Time : 11:00 a.m.
- Venue : Registered Office of the Company at Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216

##### 2. FINANCIAL YEAR : April 1 to March 31

##### 3. BOOK CLOSURE : The Books will be closed from Saturday, 17th September 2016 to Wednesday, 28th September 2016 (both days inclusive) as Annual Closure for the Annual General Meeting.

##### 4. FINANCIAL CALENDAR -

###### (Tentative and subject to change)

- : Results for quarter ending June 30, 2016 - Last week of July 2016
- : Results for quarter and half-year ending September 30, 2016 - Last week of October 2016
- : Results for quarter and nine months ending December 2016 - Last week of January 2017
- : Results for the year ending March 31, 2017  
\_ Last Week of May 2017.

##### 5. LISTING ON STOCK EXCHANGES :

The shares of the Company are listed on BSE Limited (Bombay Stock Exchange).

The Company has paid the Listing fees for the year 2015-2016 to BSE Limited in the prescribed time.

##### 6. STOCK CODE AND ISIN

- Stock codes : BSE Limited : **523449**
- ISIN : **INE207B01011** with NSDL and CDSL for equity shares

##### 7. MARKET PRICE DATA :

The monthly High and Low prices of the Equity Shares of the Company quoted on the Bombay Stock Exchange Limited along with the monthly Sensex for the year 2015 - 2016 is given below.

Table 3

MONTH	HIGH (Rs.)	LOW (Rs.)	BSE Sensex	
			High	Low
April 2015	87.40	67.20	29,094.61	26,897.54
May 2015	78.85	58.30	28,071.16	26,423.99
June 2015	61.95	53.50	27,968.75	26,307.07
July 2015	77.90	56.30	28,578.33	27,416.39
August 2015	81.00	40.05	28,417.59	25,298.42
September 2015	43.95	34.70	28,471.82	24,833.54
October 2015	50.00	37.50	27,618.14	26,168.71
November 2015	45.95	35.50	26,824.30	25,451.42
December 2015	61.75	41.00	26,256.42	24,867.73
January 2016	60.00	38.65	26,197.27	23,839.76
February 2016	58.80	42.70	25,002.32	22,494.61
March 2016	56.90	44.05	25,479.62	23,133.18

##### 8. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM :

Link Intime India Private Limited, are the Registrar and Share Transfer Agents of the Company (R & T Agents). They deal with all matters pertaining to transfers, transmissions, subdivisions and consolidation of Company's securities and also correspondence for holdings in Physical or Dematerialized form of shares and replying to investor queries. It may be noted that the requests for demat of shares should be made by the investors to their respective depository participants. There are no legal proceedings against the Company on any share transfer matter.

##### 9. SHAREHOLDING PATTERN (as on March 31, 2016):

Category	No of Shares Held	Percentage to Total (%)
Promoters	19458000	75.0000
Mutual Funds	1700	00.0066
Foreign Portfolio Investors	1200	00.0046
Individual shareholders below Rs.2 Lacs	4632778	17.8568
Individual Shareholders above Rs. 2 Lacs	789961	03.0449
Hindu Undivided Family	316590	01.2203
Non - Residents (Non -Repat)	34643	00.1335
Non- Residents (Repat)	142328	00.5486
Clearing Members	126969	00.4894
Bodies Corporate	439831	01.6953
<b>TOTAL</b>	<b>25944000</b>	<b>100.0000</b>

##### 10. Distribution of Shareholding as on March 31, 2016 :

Shareholding of Nominal Value of		Share		Share Amount	
Rs.	Rs.	Number of Shareholders	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(4)	(5)
1 - 5,000	12673	89.01	17662500	06.80	
5,001 - 10,000	725	05.09	6233430	02.40	
10,001 - 20,000	376	02.64	5848540	02.25	
20,001 - 30,000	134	00.94	3563420	01.37	
30,001 - 40,000	63	00.44	2267010	00.87	
40,001 - 50,000	70	00.49	3382340	01.30	
50,001 - 100,000	112	00.78	8530920	03.28	
100,001 and above	84	00.59	211951840	81.69	
<b>TOTAL</b>	<b>14237</b>	<b>100.00</b>	<b>259440000</b>	<b>100.00</b>	

**11. Dematerialisation :**

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading. As on March 31, 2016, shares in dematerialized form accounted for 96.29 % of total equity shares.

**12. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and their likely impact on Equity :**

There are no outstanding GDRs / ADRs / Warrants or other instruments.

**13. Commodity Price Risk or foreign Exchange Risk and hedging activities:** Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in Note No. 27 of the financial statements.**14. Plant Location :** Gat No.686/4., Koregoan Bhima, Taluka: Shirur, District: Pune - 412 216**15. Address for Investor Correspondence :**

1) Secretarial Department,  
Sharp India Limited,  
Gat No.686/4, Koregaon Bhima,  
Tal. Shirur, Dist. Pune 412 216  
Phone No. (02137) 252417  
Fax No. (02137) 252453  
Email : mayuresh.vaze@sil.sharp-world.com

2) Link Intime India Private Limited  
202, 2nd Floor Akshay Complex,  
Off. Dhole Patil Road, Near Ganesh Mandir,  
Pune- 411 001  
Tel: (020) 26161629  
Fax: No.(020)- 2616 3503  
Email: 'pune@linkintime.co.in'

**OTHER DISCLOSURES:**

- (1) There are no significant related party transactions made by the Company of material nature, with its directors or their relatives, the management or any relative of the Senior Management personnel that may have potential conflict with the interests of the Company.
- (2) There has been no instances of non-compliance by the Company. There are no penalties, strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital market, during the last year.
- (3) Company has adopted and implemented the Whistle Blower Policy. The same has been posted on the website of the Company- www.sharpindialimited.com. No personnel has been denied access to the Audit Committee.
- (4) The Policy on Related Party Transactions has been posted on the website of the Company- www.sharpindialimited.com
- (5) Commodity Price Risk & Commodity Hedging Activities: Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in Note No. 27 of the financial statements..
- (6) The Company has complied with all mandatory requirements of Corporate Governance and it has adopted the following discretionary requirement of as specified in Part- E of

Schedule- II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. :

- (i) There are no qualifications on the financial statements of the company for the year ended 31st March 2016 made by the statutory auditors in their audit report.
  - (ii) Internal auditor directly reports to the audit committee.
- (7) The Company has also complied regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 relating to the dissemination of the information on the website of the Company.

**AFFIRMATION OF COMPLIANCE OF CODE OF CONDUCT**

The Board of Directors of the company has laid down a Code of conduct for all its Board Members and the Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance of the said Code of Conduct and I hereby confirm the same.

Sd/-

Managing Director

**DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT : NIL.****PRACTICING COMPANY SECRETARY'S CERTIFICATE**

To,

The Members of Sharp India Limited

We have examined the compliance of conditions of corporate governance by Sharp India Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 ('Listing Regulations') for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable except for obtaining approval of Shareholders for Material related party transaction during the financial year and report the said details along with quarterly Corporate Governance report filed by the Company with Stock Exchange.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SVD & Associates  
Company Secretaries**

**Sridhar G. Mudaliar  
Partner**

Date: 8th August, 2016  
Place : Pune

**Membership No.:** FCS-6156  
**C P No :** 2664



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of Sharp India Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Sharp India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 324982E/E300003**

per Paul Alvares

Place of Signature : Pune

Partner

Date : May 28, 2016

Membership Number: 105754

**Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

Re: Sharp India Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (i)(b) Fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Air Conditioners, LCD and LED TV, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Including interest & penalty) (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	MODVAT on WIP destroyed in fire	3,504,746	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act 1944	Remission of excise duty on finished goods destroyed in fire	7,778,232	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal
Service Tax (Finance Act 1994)	Service tax credit availed on repair & maintenance services provided by companies	8,296,609	August 2003 to September 2011	Customs/Central Excise and Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (Including interest & penalty) (Rs.)	Period to which the amount relates	Forum where dispute is pending
Service Tax (Finance Act 1994)	Non-reversal of CENVAT credit availed on input service availed, when inputs are removed as such	708,415	2006-07 & 2010-11	Additional Commissioner of central Excise, Pune III Commissionerate
Service Tax (Finance Act 1994)	Non-reversal of CENVAT credit availed on input services availed for the procurements and sale of traded goods	4,739,171	April 2007 to March 2011	Additional Commissioner of central Excise, Pune III Commissionerate
Customs Act, 1962	Demand notice for import of refrigerators	3,625,949 (This amount has been deposited with the tax authorities)	April 2008 to September 2008	Customs/Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Provisional assessment for import of refrigerators	1,778,289 (This amount has been deposited with the tax authorities)	October 2008 to December 2008	Customs/Central Excise and Service Tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any outstanding dues in the nature of loans from government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 324982E/E300003**

per Paul Alvares  
 Place of Signature : Pune  
 Date : May 28, 2016

Partner  
 Membership Number: 105754

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHARP INDIA LIMITED ("ANNEXURE 2")**

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

To the Members of Sharp India Limited

We have audited the internal financial controls over financial reporting of Sharp India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003**

per Paul Alvares

Place of Signature : Pune

Partner

Date : May 28, 2016

Membership Number: 105754

**BALANCE SHEET AS AT MARCH 31, 2016**  
(All amounts in Lakhs of Rupees, unless otherwise stated)

Particulars	Note No	As at March 31, 2016 (Rs. Lakhs)	As at March 31, 2015 (Rs. Lakhs)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share capital	3	2,594.40	2,594.40
Reserves and surplus	4	(1,292.31)	113.91
		<u>1,302.09</u>	<u>2,708.31</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	984.11	1,584.11
Long term provisions	6	229.59	205.25
		<u>1,213.70</u>	<u>1,789.36</u>
<b>Current Liabilities</b>			
Short term borrowings	5	900.00	300.00
Trade payables	7	2,666.42	4,544.37
Other current liabilities	7	28.24	86.41
Short term provisions	6	22.59	29.12
		<u>3,617.25</u>	<u>4,959.90</u>
<b>Total</b>		<u><u>6,133.04</u></u>	<u><u>9,457.57</u></u>
<b><u>ASSETS</u></b>			
<b>Non Current Assets</b>			
Fixed assets			
Tangible assets	8	1,217.50	1,930.06
Intangible assets	8	8.51	231.62
Capital work in progress		-	13.05
Loans and advances	9	16.82	15.09
		<u>1,242.83</u>	<u>2,189.82</u>
<b>Current Assets</b>			
Loans and advances	9	2,078.76	229.30
Trade receivables	10	730.06	1,738.40
Other current assets	11	50.29	10.08
Inventories	12	1,573.32	4,056.83
Cash and bank balances	13	457.78	1,233.14
		<u>4,890.21</u>	<u>7,267.75</u>
<b>Total</b>		<u><u>6,133.04</u></u>	<u><u>9,457.57</u></u>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For and on behalf of the Board of Directors of  
Sharp India Limited**

**FOR S R B C & CO LLP**  
**Firm Registration No. 324982E/E300003**  
**Chartered Accountants**

**per Paul Alvares**  
Partner  
Membership No. 105754

**T. Isogai**  
Managing Director

**Bhumika Batra**  
Director

**M. Nakagawasai**  
Chief Financial Officer

**M. Vaze**  
Company Secretary

Place : Pune  
Date : May 28, 2016

Place : Pune  
Date : May 28, 2016

Place : Pune  
Date : May 28, 2016

Place : Pune  
Date : May 28, 2016

Place : Pune  
Date : May 28, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(All amounts in Lakhs of Rupees, unless otherwise stated)

Particulars	Note No	For the year ended	For the year ended
		March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Income</b>			
Revenue from operations (gross)	14	3,258.76	21,800.75
Less: excise duty		(240.86)	(2,896.98)
<b>Revenue from operations (net)</b>		<b>3,017.90</b>	<b>18,903.77</b>
Other income	15	28.49	24.57
Total revenue		<b>3,046.39</b>	<b>18,928.34</b>
<b>Expenses</b>			
Cost of raw material and components consumed	16	2,464.12	15,227.96
(Increase)/decrease in inventories of finished goods and work-in-progress	17	92.62	(175.83)
Employee benefits expense	18	846.37	1,031.81
Other expenses	19	235.18	1,751.41
		<b>3,638.29</b>	<b>17,835.35</b>
<b>Earnings before finance cost, tax, depreciation and amortization expense</b>		<b>(591.90)</b>	<b>1,092.99</b>
Depreciation and amortisation expenses	20	663.05	773.18
Finance costs	21	151.27	163.39
<b>Profit/ (loss) before tax</b>		<b>(1,406.22)</b>	<b>156.42</b>
<b>Tax expenses</b>			
Wealth tax		-	0.06
Total tax expense		-	0.06
<b>Profit/ (loss) for the year</b>		<b>(1,406.22)</b>	<b>156.36</b>
<b>Earnings/(Loss) per equity share [nominal value of share Rs.10 (31 March, 2015 : Rs.10)]</b>			
Basic and diluted	22	(5.42)	0.60
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For and on behalf of the Board of Directors of  
Sharp India Limited**

**FOR S R B C & CO LLP**

**Firm Registration No. 324982E/E300003**

**Chartered Accountants**

**per Paul Alvares**

Partner

Membership No. 105754

Place : Pune

Date : May 28, 2016

**T. Isogai**

Managing Director

Place : Pune

Date : May 28, 2016

**Bhumika Batra**

Director

Place : Pune

Date : May 28, 2016

**M. Nakagawasai**

Chief Financial Officer

Place : Pune

Date : May 28, 2016

**M. Vaze**

Company Secretary

Place : Pune

Date : May 28, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts in Lakhs of Rupees, unless otherwise stated)

Particulars	31 March 2016 (Rs. Lakhs)	31 March 2015 (Rs. Lakhs)
<b>A. Cash flow from operating activities</b>		
Net profit as per statement of profit and loss	(1,406.22)	156.42
Adjustment for taxation	—	—
<b>Profit before tax</b>	<b>(1,406.22)</b>	<b>156.42</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Sundry credit balances written back (net)	(3.09)	(18.86)
Profit on sale of fixed assets	(25.40)	(5.71)
Depreciation	960.62	773.18
Finance Costs	151.27	163.39
Unrealised exchange differences	126.15	20.65
	<b>1,209.55</b>	<b>932.65</b>
<b>Operating profit before working capital changes</b>	<b>(196.67)</b>	<b>1,089.07</b>
Movements in working capital :		
Increase/(Decrease) in Long Term Provisions	24.34	93.98
Increase/(Decrease) in Trade Payables	(1,992.03)	(1,922.51)
Increase/(Decrease) in Other Current Liabilities	(58.17)	(111.84)
Increase/(Decrease) in Short Term Provisions	(6.59)	10.04
(Increase)/Decrease in Long-term loans and advances	(1.73)	(3.20)
(Increase)/Decrease in short-term loans and advances	(1,846.60)	57.74
(Increase)/Decrease in trade receivables	996.50	3,245.83
(Increase)/Decrease in other current assets	(40.21)	0.05
(Increase)/Decrease in Inventories	2,483.51	(1,390.93)
Change in working capital	(440.98)	(20.86)
Cash generated from operations	(637.65)	1,068.21
Direct taxes paid (Net of refunds)	0.06	4.12
<b>Net cash flow from operating activities</b>	<b>(637.59)</b>	<b>1,072.33</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets & Capital work in progress	(11.90)	(226.79)
Proceeds from sale of fixed assets	25.40	7.61
<b>Net cash flow used in investing activities</b>	<b>13.50</b>	<b>(219.18)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(151.27)	(163.39)
<b>Net cash flow from/ (used in) financing activities</b>	<b>(151.27)</b>	<b>(163.39)</b>
Net increase in cash and cash equivalents	(775.36)	689.76
Cash and cash equivalents as at beginning of year	1,233.14	543.38
Cash and cash equivalents as at year end	457.78	1,233.14
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	3.12	5.09
On cash credit account	454.19	1,221.52
Cheques-in-hand and in transit	—	—
Cash in hand	0.47	0.90
Margin money deposit	—	5.63
Total cash and cash equivalents (note 13)	457.78	1,233.14

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

FOR S R B C &amp; CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

per Paul Alvares

Partner

Membership No. 105754

T. Isogai

Managing Director

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(All amounts in Lakhs of Rupees, unless otherwise stated)

**Note- 1 : Corporate Information**

Sharp India Limited ('the Company') was incorporated on July 5, 1985. The company is principally engaged in the manufacture and sale of colour televisions ('CTVs'), light emitting diode televisions ('LED TVs') and Air-conditioners ('ACs').

Sharp Corporation ('Sharp'), a company incorporated in Japan, holds 75 per cent of the issued share capital of the company. The company has a technical collaboration with Sharp for the manufacture of colour televisions ('CTVs') and ('LED TVs') & air conditioners ('ACs').

**Note- 2 : Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rule, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in the accounting policy explained below :

**Note- 2.1 : Summary of significant accounting policies****Change in accounting policies**

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier company used to charge such cost of major inspection/ overhaul directly to statement of profit and loss, as incurred. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/overhaul is derecognized.

On the date of component accounting becoming applicable, i.e., 1 April 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

There is no impact of the above change in accounting policy on the financial statements as at and for the year ended March 31, 2016.

**(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

**(c) Depreciation on tangible fixed assets**

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

Particulars	Useful lives estimated by the management (years)
Buildings	
- Factory	29.94
- Others	60
Plant and machinery	2-15
Moulds, jigs and fixtures	3-6.17
Furniture, fittings and equipment (including office equipments)	4-10
Computers	3-6
Vehicles	5

The management has estimated, supported by independent assessment by professionals, the useful lives of certain Plant and machinery, Factory buildings, Moulds, jigs and fixtures, Vehicles and Office equipments as per table above, which are lower than those indicated in Schedule II.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets excluding capitalised development costs are not capitalised and are reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets amortised on straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. The amortisation period of the intangible assets are given below:

SAP software - 6 years

Technical know-how and Model fees for Air conditioner 3 years and LCD-1 year

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**(e) Impairment of tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.



After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**(f) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Leases**

Operating lease- Where company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(h) Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(i) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, on the basis of terms of sale and are recorded net of trade discounts and sales taxes, but including excise duty. The company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

**Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

**Export incentives**

Export incentives consist of duty drawback income which is recognised in statement of profit and loss on the basis of realisation of claims from the concerned authority.

**(j) Foreign currency translation**

Foreign currency transactions

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**Exchange differences**

Exchange differences arising on the settlement of monetary items of the company at rates different from those at which they were initially recorded are recognised as income or expenses, in the period in which they arise.

**Forward exchange contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

**(k) Retirement and other employee benefits**

Retirement benefits to employees comprise of gratuity, contributions to superannuation, pension fund, provident fund and employee deposit linked insurance as per the approved scheme of the company.

Retirement benefit in the form of provident fund, pension fund and employee deposit linked insurance are defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund, pension fund and employee deposit linked insurance. The company recognizes contribution payable to the provident fund, pension fund and employee deposit linked insurance as expenditure, when an employee renders the related service. If the contribution payable to provident fund, pension fund and employee deposit linked insurance for services received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contributions already paid. If the contributions already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Contributions to superannuation fund with LIC through its employees' trust are charged to the statement of profit and loss on an accrual basis. There are no obligations other than the contribution made each year.

Gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as current in the balance sheet, since it does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

**(l) Income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be

available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes virtually certain, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**(m) Earnings per share**

Basic earnings/loss per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(n) Provisions**

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(o) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(p) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognise a contingent liability but discloses its existence in the financial statements.

**(q) Segment reporting**

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

*Inter-segment transfers*

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

*Allocation of common costs*

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**(r) Measurement of EBITDA**

As permitted by the guidance note on the Revised Schedule VI to the Companies Act 1956, the company has elected to present earnings before interest cost, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expenses, finance cost and tax expense.

## Note - 3 : SHARE CAPITAL

Particulars	<u>March 31, 2016</u> (Rs. Lakhs)	<u>March 31, 2015</u> (Rs. Lakhs)
<b>AUTHORISED SHARES (NO. LAKHS)</b>		
400 (31 March 2015: 400) equity shares of Rs.10/- each	<u>4,000.00</u>	<u>4,000.00</u>
<b>Issued, subscribed and fully paid up shares (No. Lakhs)</b>	<u>2,594.40</u>	<u>2,594.40</u>
259 (31 March 2015: 259) equity shares of Rs.10/- each fully paid up		
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>2,594.40</u>	<u>2,594.40</u>

## a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2016		March 31, 2015	
	(No. Lakhs)	(Rs. Lakhs)	(No. Lakhs)	(Rs. Lakhs)
At the beginning of the year	<u>259.44</u>	<u>2,594.40</u>	<u>259.44</u>	<u>2,594.40</u>
Outstanding at the end of the year	<u>259.44</u>	<u>2,594.40</u>	<u>259.44</u>	<u>2,594.40</u>

## b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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

## c) Shares held by holding /ultimate holding company and/or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company are as below:

Particulars	March 31, 2016		March 31, 2015	
	(No. Lakhs)	(Rs. Lakhs)	(No. Lakhs)	(Rs. Lakhs)
Sharp Corporation Japan, the holding company	<u>194.58</u>	<u>1,945.80</u>	<u>194.58</u>	<u>1,945.80</u>

## d) Details of shareholding more than 5% shares in the company

Particulars	March 31, 2016		March 31, 2015	
	(No. Lakhs)	% holding	(No. Lakhs)	% holding
Sharp Corporation Japan, the holding company	<u>194.58</u>	<u>75%</u>	<u>194.58</u>	<u>75%</u>

## Note - 4 : RESERVES AND SURPLUS

Particulars	<u>March 31, 2016</u> (Rs. Lakhs)	<u>March 31, 2015</u> (Rs. Lakhs)
<b>Capital Reserve</b>	<u>20.00</u>	<u>20.00</u>
- Special capital incentive received from the Government of Maharashtra		
<b>Securities premium account</b>	<u>1,786.00</u>	<u>1,786.00</u>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	<u>(1,692.09)</u>	<u>(1,848.45)</u>
Profit / (Loss) for the year	<u>(1,406.22)</u>	<u>156.36</u>
Net (deficit) in the statement of profit and loss	<u>(3,098.31)</u>	<u>(1,692.09)</u>
<b>Total reserves and surplus</b>	<u>(1,292.31)</u>	<u>113.91</u>

**Note- 5 : Borrowings**

Particulars	Long-term		Short-term	
	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Rupee Term Loans (Unsecured)</b>				
External commercial borrowings from Sharp Corporation, Japan	984.11	1584.11	600.00	–
Loan from Sharp Software Development India Private Limited	–	–	300.00	300.00
<b>Total Long term borrowings</b>	<b>984.11</b>	<b>1,584.11</b>	<b>900.00</b>	<b>300.00</b>

1. External commercial borrowings taken from Sharp Corporation, Japan is repayable after 4 years from the date of withdrawal. The loan carries a fixed interest of 6.90% per annum. The details of withdrawals are given as follows:

Date of Withdrawals	Amount (Rs. 'Lakhs)
06-02-2013	600.00
15-04-2013	650.00
19-07-2013	334.11
<b>Total Withdrawals</b>	<b>1,584.11</b>

2. Loan taken from Sharp Software Development India Private Limited is repayable anytime after 3 years (i.e December 17, 2015) but before expiry of loan term of 5 year. The loan carries an interest of 10% per annum.

**Note - 6 : PROVISIONS**

Particulars	Long-term		Short-term	
	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 23)	102.99	75.97	–	–
Provision for leave benefits	58.41	61.09	9.73	6.56
Provision for bonus	–	–	12.86	11.65
<b>Other provisions</b>				
Provisions for dues under dispute (Refer Note 34)	68.19	68.19	–	–
Provision for wealth tax	–	–	–	0.06
Provision for mark to market losses on derivative contracts	–	–	–	10.85
<b>Total Provisions</b>	<b>229.59</b>	<b>205.25</b>	<b>22.59</b>	<b>29.12</b>

**Note - 7 : OTHER CURRENT LIABILITIES**

Particulars	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
Trade payables (refer note 28 for details of dues to micro and small enterprises)	2,666.42	4,544.37
<b>Other liabilities</b>		
Creditors for fixed assets	–	5.05
TDS payable	23.41	31.84
Sales Tax payable	–	17.46
Service tax payable	2.88	20.02
Payables to employees	0.14	0.08
Advances from customers	1.80	1.88
Unamortised premium liability	–	10.08
	<b>28.23</b>	<b>86.41</b>
	<b>2,694.65</b>	<b>4,630.78</b>

## Note - 8 : FIXED ASSETS AS AT MARCH 31, 2016

	TANGIBLES							INTANGIBLES			TOTAL			
	Land- Freehold (Refer note 1)	Factory Buildings	Plant and machinery	Moulds, jigs and fixtures'	Furniture and fittings ' equipment	Computers	Vehicles	Total	Previous year	SAP Software	Technical know how	Total	Grand Total Previous Year	Grand Total (F = D + E)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Gross Block														
As at April 1, 2014	19.31	909.16	4,342.42	4,171.98	198.38	301.54	68.83	10,011.62	8,732.82	295.38	397.67	693.05	294.78	10,704.67
Additions	-	-	102.08	11.11	7.72	2.77	-	123.68	1,660.13	7.98	87.13	95.11	398.27	2,187.79
Deductions	-	-	20.05	95.08	2.59	198.64	5.00	321.36	381.33	-	-	-	-	321.36
As at March 31, 2015	19.31	909.16	4,424.45	4,088.01	203.51	105.67	63.83	9,813.94	10,011.62	303.36	484.80	788.16	693.05	10,602.10
Additions	-	-	0.39	23.06	-	1.50	-	24.95	123.68	-	-	-	95.11	24.95
Deductions	-	-	1.41	1,149.68	1.15	-	15.54	1,167.79	321.36	-	66.86	66.86	-	1,234.65
As at March 31, 2016	19.31	909.16	4,423.43	2,961.39	202.36	107.17	48.29	8,671.10	9,813.94	303.36	417.94	721.30	788.16	9,392.40
Accumulated depreciation/ amortisation														
As at April 1, 2014	-	523.32	3,207.49	3,371.33	177.50	285.39	48.43	7,613.46	7,523.90	287.67	85.54	373.21	286.13	7,986.67
For the year	-	52.11	202.41	316.54	5.02	5.36	8.41	589.85	470.79	3.50	179.83	183.33	87.09	773.18
Deletions	-	-	20.05	95.08	2.49	198.64	3.17	319.43	381.23	-	-	-	-	319.43
As at March 31, 2015	-	575.43	3,389.85	3,592.79	180.03	92.11	53.67	7,883.88	7,613.46	291.17	265.37	556.54	373.22	8,440.42
For the year	-	27.64	177.11	518.28	5.86	4.85	3.77	737.51	589.85	3.68	219.43	223.11	183.33	960.62
Deletions	-	-	1.41	1,149.68	1.15	-	15.54	1,167.79	319.43	-	66.86	66.86	-	1,234.65
As at March 31, 2016	-	603.07	3,565.55	2,961.39	184.74	96.96	41.90	7,453.60	7,883.88	294.85	417.94	712.79	556.55	8,166.39
Net Block														
As at March 31, 2015	19.31	333.73	1,034.60	495.22	23.48	13.56	10.16	1,930.06	2,998.16	12.19	219.73	231.62	319.83	2,161.68
As at March 31, 2016	19.31	306.09	857.88	0.00	17.62	10.21	6.39	1,217.50	1,930.06	8.51	0.00	8.51	231.61	1,226.01
Capital Work In Progress														

## Note 8a

Freehold land includes Rs.18,12,000/- paid for the acquisition of land at Koregaon Bhima. Although the Company possesses the title deeds to this land, the final purchase consideration is still to be determined. Management believes that no additional claims are likely to be made against the Company consequent to the finalisation of the purchase consideration.

## Note 8b

Depreciation for the year ended March 31, 2016 includes accelerated depreciation as per table below;

Particulars	March 31, 2016	March 31, 2015
Plant & Machinery	40.79	-
Moulds, Jigs & Fixtures	197.33	-
Technical Know how	67.14	-
<b>Total</b>	<b>305.26</b>	<b>-</b>

## Note 8c

The Company has received Rs. 297.57 lakhs as reimbursement against accelerated depreciation charged during the year ended March 31, 2016 (Rs. Nil for the year ended March 31, 2015). The depreciation expense appearing in the statement of profit and loss is net-off this reimbursement.

**Note - 9 : LOANS AND ADVANCES**

Particulars	Non-current		Current	
	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Loans and advances to related parties</b> (Refer Note 25 d)				
Unsecured, considered good	–	–	1,992.25	115.31
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	–	–	24.59	22.62
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance income tax (net of provision for tax)	0.25	0.38	–	–
Prepaid expenses	–	–	23.75	23.49
Deposits - others	16.57	14.71	7.55	2.70
Balances with statutory/government authorities	–	–	30.62	65.18
	<u>16.82</u>	<u>15.09</u>	<u>2,078.76</u>	<u>229.30</u>

**Note- 10 : TRADE RECEIVABLES**

Particulars	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Non-current</b>		
Doubtful	–	80.83
	–	80.83
Provision for doubtful receivables	–	(80.83)
	–	–
<b>Current</b>		
<b>Other receivables</b>		
Unsecured, considered good	730.06	1,738.40
	<u>730.06</u>	<u>1,738.40</u>

**Note - 11 : OTHER CURRENT ASSETS**

Particulars	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
<b>Unsecured considered good unless stated otherwise</b>		
Unamortised premium on forward contract	–	10.08
Sales Tax Receivable	50.29	–
	<u>50.29</u>	<u>10.08</u>

**Note - 12 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)**

Particulars	March 31, 2016 (Rs. Lakhs)	March 31, 2015 (Rs. Lakhs)
Raw materials and components	1,381.62	3,788.76
[ Includes material in transit Rs. Nil (March 31, 2015 Rs. 113.89 lakhs ) (refer note 16)		
Stores and packing materials	25.25	9.00
Work-in-progress (refer note 17)	28.50	181.48
Finished goods (refer note 17)	137.95	77.59
	<u>1,573.32</u>	<u>4,056.83</u>

**Note - 13 : CASH AND BANK BALANCES**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Cash and cash equivalents</b>		
<i>Balances with banks</i>		
- On current account	3.12	5.09
- On cash credit account	454.19	1,221.52
Cash on hand	0.47	0.90
<b>Other bank balances</b>		
- Margin Money deposit	-	5.63
	<u>457.78</u>	<u>1,233.14</u>

**Note - 14 : REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	3,245.32	21,745.49
<b>Other operating revenue</b>		
Scrap sales	13.44	26.85
Duty drawback income	-	28.41
<b>Revenue from operations (gross)</b>	<b>3,258.76</b>	<b>21,800.75</b>
<b>Less: excise duty #</b>	<b>(240.86)</b>	<b>(2,896.98)</b>
<b>Revenue from operations (net)</b>	<b><u>3,017.90</u></b>	<b><u>18,903.77</u></b>

# Excise duty on sales amounting to Rs. 240.86 lakhs (31 March 2015: Rs. 2,896.98 lakhs) has been reduced from sales in statement of profit and loss and excise duty on increase / (decrease) in stock amounting to Rs. 13.18 lakhs [March 31, 2015: Rs. 9.94 lakhs] has been considered as expense / (income) in note 19 of financial statements.

**Details of products sold**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Finished goods sold</b>		
Air conditioners	1,599.92	14,916.53
Liquid crystal display televisions	141.09	6,630.57
Colour televisions	-	164.52
Air conditioner CKD Parts	1,476.13	-
Spares	28.19	33.87
	<u>3,245.33</u>	<u>21,745.49</u>

**Note - 15 : OTHER INCOME**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
Sundry credit balances written back (net)	3.09	18.86
Profit on sale of fixed assets	25.40	5.71
	<u>28.49</u>	<u>24.57</u>



**Note - 16 : COST OF RAW MATERIAL AND COMPONENT CONSUMED**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
Inventory as at the beginning of the year	3,788.76	2,576.48
Add : Purchases during the year	56.98	16,440.24
Less : Inventory as at the end of the year	1,381.62	3,788.76
<b>Cost of raw material and components consumed</b>	<b>2,464.12</b>	<b>15,227.96</b>

**Details of raw material and components consumed**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
Colour picture tubes	-	65.48
LED/LCD Panels	502.70	2,718.53
Compressor	379.40	2,127.52
Control Board	205.60	1,902.59
Condensor	151.08	857.82
Others	1,225.34	7,556.02
	<b>2,464.12</b>	<b>15,227.96</b>

**Details of inventory**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Raw material and components</b> (Including materials in transit)		
Colour picture tubes	-	1.91
LED/LCD Panels	-	520.41
Compressor	275.69	609.29
Control Board	303.36	542.51
Condenser	104.66	66.38
Others	697.91	2,048.26
	<b>1,381.62</b>	<b>3,788.76</b>

**Note - 17 : (INCREASE)/DECREASE IN INVENTORIES**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Inventories as at the end of the year</b>		
Finished goods (including material in transit)	137.95	77.59
Work in progress	28.50	181.48
<b>Total (A)</b>	<b>166.45</b>	<b>259.07</b>
<b>Inventories as at the beginning of the year</b>		
Finished goods (including material in transit)	77.59	30.17
Work in progress	181.48	53.07
<b>Total (B)</b>	<b>259.07</b>	<b>83.24</b>
<b>(Increase)/decrease in inventories (B-A)</b>	<b>92.62</b>	<b>(175.83)</b>

**Details of inventory**

<b>Particulars</b>	<b>March 31, 2016</b> <b>(Rs. Lakhs)</b>	<b>March 31, 2015</b> <b>(Rs. Lakhs)</b>
<b>Finished goods</b>		
Liquid crystal display televisions	-	0.87
Air conditioners CKD parts	137.95	76.72
	<b>137.95</b>	<b>77.59</b>
<b>Work in progress</b>		
Liquid crystal display televisions	-	32.85
Air conditioners	28.50	148.63
	<b>28.50</b>	<b>181.48</b>
	<b>166.45</b>	<b>259.07</b>

**Note - 18 : EMPLOYEE BENEFITS EXPENSE**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Salaries, wages and bonus	580.58	706.85
Contribution to provident fund	42.26	45.60
Gratuity expense (Refer Note 23)	80.27	103.90
Contributions to superannuation fund	5.69	7.83
Contributions to employees deposit linked insurance	2.01	1.42
Staff welfare expenses	135.56	166.21
	<b>846.37</b>	<b>1,031.81</b>

**Note - 19 : OTHER EXPENSES**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Consumption of stores, spares	0.14	7.76
Consumption of packing materials	22.44	271.04
Freight, octroi, transit insurance	48.27	7.66
Power, fuel, water charges	33.72	55.98
Water charges	4.20	4.20
Rent	-	0.08
Rates and taxes	14.06	15.29
Repairs and maintenance		
-Plant and machinery	7.94	57.82
-Building	1.84	9.41
-Others	30.84	70.23
Insurance	19.56	20.08
Travel	5.61	38.80
Communication expenses	41.33	52.63
Directors sitting fees	8.17	9.19
Royalty and patent fees	45.20	608.35
Professional fees and expenses	92.55	125.97
Auditors' remuneration	23.82	20.82
Increase/(decrease) of excise duty on inventory	(13.18)	9.94
Processing charges	-	17.37
Printing and stationery	5.58	6.74
Exchange rate difference (net)	126.90	179.47
Miscellaneous expenses *	96.57	162.58
	<b>615.56</b>	<b>1,751.41</b>
Less : Reimbursement from Sharp - Japan (refer note 25e)	<b>(380.38)</b>	-
Total (Net)	<b>235.18</b>	<b>1,751.41</b>

\* Miscellaneous expenses include Development fees net-off with reimbursement received from Sharp Coporation, Japan (the holding company) amounting to Rs. 50.98 lakhs during the year (refer note 25e).

**Payment to auditor**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
As auditor		
Audit fees	17.30	14.30
Tax audit fees	1.50	1.50
Limited review	4.00	4.00
Reimbursement of expenses	1.02	1.02
	<b>23.82</b>	<b>20.82</b>

**Note - 20 : DEPRECIATION AND AMORTISATION EXPENSES**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Depreciation of tangible assets *	499.39	589.85
Amortisation of intangible assets *	163.66	183.33
	<b>663.05</b>	<b>773.18</b>

\* Refer note 8c

**Note - 21 : FINANCE COST**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Interest on term loans	141.21	140.82
Interest others	4.32	0.60
Bank charges	5.74	21.97
	<u>151.27</u>	<u>163.39</u>

**Note - 22 : EARNINGS PER SHARE (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Profit/(loss) after tax	(1,406.22)	156.36
<b>Net profit/(loss) for calculation of basic and diluted EPS</b>	<u>(1,406.22)</u>	<u>156.36</u>
Weighted average number of equity shares in calculating basic and diluted EPS	259.44	259.44
Earnings per equity share [nominal value of share Rs.10 (March 31, 2015: Rs. 10)]		
Basic and diluted (in rupees)	(5.42)	0.60

**Note - 23 : GRATUITY & OTHER POST EMPLOYMENT BENEFITS****Defined contribution plans -**

The company has recognised the following amounts in the statement of profit and loss for the year:

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in</b>	<b>Amount in</b>
	<b>(Rs. Lakhs)</b>	<b>(Rs. Lakhs)</b>
Provident and pension fund	42.26	45.60
Superannuation fund	5.69	7.83

**Defined benefit plans -**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure, computed based on the company's gratuity scheme for each completed year of service. The scheme is funded with an insurance company. The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and the amount recognised in the balance sheet for the respective plans.

**Statement of profit and loss**

Net employees benefit expense recognised in the statement of profit and loss:

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Current service cost	22.97	17.25
Interest on defined benefit obligation	41.06	36.44
Expected return on plan assets	(32.31)	(30.37)
Net actuarial (gain)/loss recognised in the year	(43.63)	80.57
Net benefit expense	<u>(11.91)</u>	<u>103.89</u>
Actual return on plan assets	34.04	33.52

**Balance sheet****Benefit asset/liability**

The following table summarises the components of net benefit balance recognised in the balance sheet:

Details of defined benefit gratuity plan

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Defined benefit obligation *	524.49	506.17
Fair value of plan assets	(512.35)	(430.20)
Plan (asset)/liability	12.14	75.97

\* Considering the current situation, the Company has accrued gratuity on the basis of actual liability using gross unit credit method. Plan liability accrued as at March 31, 2016 is Rs. 102.99 lakhs as against the liability of Rs. 12.14 lakhs as per actuarial valuation as at March 31, 2016.

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

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Opening defined benefit obligation	506.16	401.27
Interest cost	41.07	36.44
Current service cost	22.97	17.25
Benefits paid/payable	(3.81)	(32.94)
Actuarial (gain)/loss on obligation	(41.90)	84.14
Closing defined benefit obligation	524.49	506.16

**Changes in the fair value of the defined benefit gratuity plan assets are as follows:**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Opening fair value of plan assets	430.20	429.06
Expected return	32.31	30.37
Contributions by employer	51.93	0.13
Benefits paid	(3.81)	(32.94)
Actuarial gains/(loss) on obligation	1.72	3.58
Closing fair value of plan assets	512.35	430.20

The Company expects to contribute Rs.20.00 lakhs to gratuity in the next year (31 March 2015: Rs 20.00 lakhs). The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

<b>Particulars</b>	<b>2016</b>	<b>2015</b>
Investments with Life Insurance Corporation of India	100%	100%

**The principal assumptions used in determining defined benefit gratuity plan obligations are shown below:**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Discount rate	8.10%	7.90%
Expected rate of return on plan assets	7.50%	7.50%
Salary escalation rate	<b>6% for Bargainable and 8% for Non-Bargainable</b>	6% for Bargainable and 8% for Non-Bargainable
Attrition rate	2%	2%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

**Amounts for the current and previous four periods are as follows:**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Amount in (Rs. Lakhs)</b>				
Defined benefit obligation	<b>524.49</b>	506.16	401.27	401.32	351.83
Plan assets	<b>512.35</b>	430.20	429.06	383.40	258.54
Surplus/(deficit)	<b>(12.14)</b>	(75.97)	28.20	(17.92)	(93.29)
Experience adjustments on plan liabilities	<b>(31.94)</b>	21.38	2.14	(7.80)	22.68
Experience adjustments on plan assets	<b>1.72</b>	3.16	7.91	18.48	4.87

**Note - 24 : SEGMENT REPORTING**

The company is exclusively engaged in the business of 'consumer electronics' consisting of all types of Colour Televisions, LED TVs and Air conditioners which is considered to constitute one single primary segment in context of Accounting Standard (AS) - 17 on Segment Reporting, notified under the Rules.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Details of segment revenue

<b>Particulars</b>	<b>Year ended</b> <b>March 31, 2016</b>	<b>Year ended</b> <b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Sales within India	<b>1,540.82</b>	18,739.38
Sales outside India	<b>1,477.08</b>	164.39
Total	<b><u>3,017.90</u></b>	<u>18,903.77</u>

Details of segment assets

<b>Particulars</b>	<b>Year ended</b> <b>March 31, 2016</b>	<b>Year ended</b> <b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Segment assets within India	<b>6,133.04</b>	9457.58
Segment assets outside India	-	-
Total	<b><u>6,133.04</u></b>	<u>9,457.58</u>

## Note - 25 : RELATED PARTY TRANSACTIONS

## a) Names of related parties and related party relationship

## I. Related parties where control exists:

**Holding company:**

Sharp Corporation, Japan

## II. Related parties with whom transactions have taken place:

**Fellow subsidiaries:**

Sharp Electronics (Malaysia) SDN. BHD., Malaysia

Sharp Manufacturing Corporation (M) SDN BHD, Malaysia

Sharp Business Systems (India) Private Limited

Sharp Software Development India Private Limited

Sharp Middle East FZE, UAE

P.T. Sharp Electronics Indonesia

Nanjing Sharp Electronics Co Ltd

Sharp Manufacturing Poland SP.Z.O

**Key management personnel:**

Mr. T.Isogai (Managing Director)

Mr. M. Nakagawasai (Chief Financial Officer)

Mr. Mayuresh P Vaze (Company Secretary)

## b) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	Holding company Amount in (Rs. Lakhs)		Fellow subsidiaries Amount in (Rs. Lakhs)		Key management personnel Amount in (Rs. Lakhs)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sale of goods, spares and raw materials**	-	-	2,054.30	18,844.96	-	-
Purchase of fixed assets (including capital work in progress)	-	87.13	-	18.55	-	-
Purchase of goods and services*	-	-	70.79	8,959.81	-	-
Interest on loan	111.13	110.82	30.08	30.00	-	-
Royalty and patent expense incurred	45.20	608.35	-	-	-	-
Interest on late payment of Royalty	2.90	-	-	-	-	-
Reimbursement of expenses received	2,080.86	130.25	3.34	1.43	-	-
Reimbursement of expenses paid	13.73	13.18	23.51	(51.60)	-	-
Managerial remuneration	-	-	-	-	51.32	51.99

\* Net of discounts received

\*\* Domestic Sales are net of Taxes &amp; Duties.

## c) List of transactions with fellow subsidiaries:

Type of transaction	Type of relationship	Name of the entity/person	2016 Amount in (Rs. Lakhs)	2015 Amount in (Rs. Lakhs)
Sale of goods, spares and raw materials	Fellow subsidiaries	Sharp Business Systems (India) Private Limited**	1,527.38	18,681.55
		Sharp Middle East FZE, UAE	0.95	163.41
		Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	134.37	-
		P.T.Sharp Electronics Indonesia	391.60	-
			<u>2,054.30</u>	<u>18,844.96</u>

Type of transaction	Type of relationship	Name of the entity/person	2016	2015
Purchase of fixed assets	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	–	11.40
		Sharp Manufacturing Poland SP.Z.O	–	5.73
		Sharp Business Systems (India) Private Limited	–	1.42
			–	18.55
Purchase of goods/ Services/Others	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia**	69.37	8,530.11
		Sharp Manufacturing Corporation. (M) SDN BHD, Malaysia	–	427.46
		Sharp Business Systems (India) Private Limited	1.42	2.02
		P.T. Sharp Electronics Indonesia	–	0.22
			70.79	8,959.81

\*\*Purchase of goods for the year ended March 31, 2016 are netted off with credits for price support received by way of discounts from Sharp Electronics (Malaysia) SDN amounting to Rs. Nil. (Rs.156.06 lakhs for the year ended March 31, 2015)

Interest on Loan	Fellow subsidiaries	Sharp Software Development India Private Limited	30.08	30.00
Reimbursement of expenses (paid)/ received from (net)	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	(23.33)	(50.41)
		Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	–	(1.19)
		Sharp Business Systems (India) Private Limited	(0.18)	–
			(23.51)	(51.60)
		Sharp Business Systems (India) Private Limited	1.65	1.43
		Nanjing Sharp Electronics Co Ltd	1.69	3.34
			3.34	1.43
Managerial remuneration	Key management personnel	M. Nakagawasai	15.18	21.34
		T. Isogai	16.52	23.98
		Mayuresh P Vaze	7.27	6.67
			38.97	51.99

d) Amounts outstanding as at year end :

	As at March 31, 2016		As at March 31, 2015	
	Holding company	Fellow subsidiaries	Holding company	Fellow subsidiaries
	Amount in (Rs. Lakhs)			
i) Trade receivables	–	–	–	1,738.40
ii) Trade payables	–	2,065.32	222.17	2,678.32
iii) Loans and advances	1,867.90	124.35	–	115.31
iv) Borrowings	1,584.11	300.00	1,584.11	300.00

Name of related party	March 31, 2016 Amount in (Rs. Lakhs)	March 31, 2015 Amount in (Rs. Lakhs)
<b>Trade Receivables</b>		
Sharp Business Systems (India) Private Limited	–	1,738.40
Sharp Middle East FZE, UAE	–	–
	–	1,738.40

<u>Name of related party</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
<b>Trade payables</b>		
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	2,065.24	2,646.88
Sharp Business Systems (India) Private Limited	0.08	-
Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	-	31.44
Sharp Corporation, Japan	-	222.17
	<u>2,065.32</u>	<u>2,900.49</u>
<b>Loans and advances</b>		
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	124.35	115.31
Sharp Corporation, Japan	1,867.90	-
	<u>1,992.25</u>	<u>115.31</u>
<b>Borrowings</b>		
Sharp Software Development India Private Limited	300.00	300.00
Sharp Corporation, Japan	1,584.11	1,584.11

**e) Reimbursements from/to holding company**

During the current year, the company has received following reimbursements from Sharp Corporation, Japan:

- 1) Rs. 1,258.42 lakhs (31 March 2015: Rs. Nil) towards provision for slow moving inventories;
- 2) Rs. 297.57 lakhs (31 March 2015: Rs. Nil) towards additional depreciation on certain assets of plant and machinery, Moulds, jigs and fixtures and Technical know how;
- 3) Rs. 50.98 lakhs ((31 March 2015: Rs. Nil) towards Development expenses;
- 4) Rs. 380.38 lakhs (31 March 2015: Rs. Nil) towards other expenses, net.

**Note - 26 : CONTINGENT LIABILITIES**

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	<b>Amount in</b>	<b>Amount in</b>
	<b>(Rs. 'lakhs)</b>	<b>(Rs. 'lakhs)</b>
Claims against the company not acknowledged as debts		
- Central excise authorities	202.88	202.56
	<u>202.88</u>	<u>202.56</u>

Claims against the company for central excise pertain to claim for (i) cenvat on work-in-progress and finished goods destroyed by fire, (ii) service tax on repairs and maintenance services and cenvat credit on input services availed for procurement of inputs (iii) Service tax credit on input services attributable to purchase of inputs which were removed as such

**Note - 27 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

<b>Particulars of derivatives</b>	<b>Purpose</b>		
Forward contract outstanding as at balance sheet date			
Buy USD Nil(INR Nil)	Not applicable (31 March, 2015 -Hedge of		
[31 March 2015: - USD 22.74 lakhs(INR 1434.66 lakhs)]	payables against USD liabilities on purchase of raw materials.)		
<b>Particulars of unhedged foreign currency exposure as at the balance sheet date March 31, 2016</b>			
<b>Particulars</b>	<b>Foreign Currency</b>	<b>In Foreign Currency</b>	<b>In Indian rupees</b>
		<b>(in Lakhs)</b>	<b>(in Lakhs)</b>
Trade payables	USD	31.18	2,065.24
Loans and Advances	JPY	(116.36)	(68.65)
	USD	31.11	2060.90
Trade Receivables	USD	11.02	730.06



**March 31, 2015**

<b>Particulars</b>	<b>Foreign Currency</b>	<b>In Foreign Currency (in Lakhs)</b>	<b>In Indian rupees (in Lakhs)</b>
Trade payables	USD	31.03	1,939.89
	JPY	369.22	192.49
Trade receivables	USD	(1.85)	(115.31)

**Note - 28 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006**

There are no dues to micro, small and medium enterprises as at March 31, 2016 (March 31, 2015: Nil), as no supplier has intimated the Company about its status as Micro or Small enterprise or its registration with the appropriate authorities under the Micro Small and Medium Enterprises Development Act, 2006.

**Note - 29 : Value of imports calculated on CIF basis**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Raw material and components (Gross)	<b>79.78</b>	11,387.43
Capital goods	<b>19.00</b>	91.81
	<b>98.78</b>	<b>11,479.24</b>

**Note - 30 : EXPENDITURE IN FOREIGN CURRENCY (accrual basis)**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
Travel	<b>0.07</b>	10.99
Professional Fees	<b>23.33</b>	50.70
Communication Expenses	<b>13.73</b>	12.39
Royalty and patent fees	<b>45.20</b>	608.35
Technical know how fees	-	87.13
Others	<b>2.91</b>	2.09
	<b>85.24</b>	<b>771.65</b>

**Note - 31 : IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED**

	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>%</b>	<b>Amount in (Rs. lakhs)</b>	<b>%</b>	<b>Amount in (Rs. lakhs)</b>
<b>Raw Materials</b>				
Imported	<b>68.29</b>	<b>1,682.80</b>	70.77	10,776.70
Indigenous	<b>31.71</b>	<b>781.32</b>	29.23	4,451.27
	<b>100.00</b>	<b>2464.12</b>	<b>100.00</b>	<b>15,227.97</b>
<b>Stores, spares and packing materials</b>				
Imported	-	-	-	-
Indigenous	<b>100.00</b>	<b>22.58</b>	100.00	278.80
	<b>100.00</b>	<b>22.58</b>	<b>100.00</b>	<b>278.80</b>

**Note - 32 : EARNINGS IN FOREIGN CURRENCY (accrual basis)**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. lakhs)</b>	<b>Amount in (Rs. lakhs)</b>
Exports at FOB value	<b>1477.09</b>	165.30

**Note - 33 : DEFERRED TAX**

The breakup of components of deferred tax is given below:

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount in (Rs. Lakhs)</b>	
<b>Deferred tax asset</b>		
Unabsorbed depreciation	438.38	324.14
Provision for doubtful debts	–	26.72
Provision for leave salary	21.05	22.37
Others	–	4.40
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	84.09	80.64
<b>Gross deferred tax asset (A)</b>	<b>543.52</b>	<b>458.27</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	(71.74)	(107.17)
<b>Gross deferred tax liability (B)</b>	<b>(71.74)</b>	<b>(107.17)</b>
Net deferred tax asset (being restricted to DTL)	<b>Nil</b>	<b>Nil</b>

In view of there being no virtual certainty for availability of sufficient future taxable income against which the deferred tax assets as at March 31, 2016 can be realized, the same have not been recognized in accordance with Accounting Standard 22 "Accounting for Taxes on Income" notified under the Rules. Accordingly deferred tax asset has been recognized to the extent of deferred tax liability.

**Note- 34 : PROVISION FOR DUES UNDER DISPUTE**

- (i) The Company had imported refrigerators during the financial year ended March 31, 2009 by paying nil duty on such imports under the free trade agreement with Thailand. The custom authorities have challenged the classification under which the refrigerators were imported under concessional rate of duty. The dispute is pending with the CESTAT authorities. The company has made full provision of the demand made by the custom authorities along with the interest. The outstanding provision amount of Rs.20.80 Lakhs as on March 31, 2016 represents interest on the demand.
- (ii) The Company was inter alia engaged in trading of sharp brand consumer electronic goods during the period from 2007-08 to 2010-11. The Company has availed CENVAT credit of various common input services with respect to manufacturing activity and trading activity, such as Security, House-keeping, Auditing, etc. The Addl. Commissioner of Central Excise, Pune III commissionerate has issued a Show Cause Notice for non-reversal of CENVAT credit on such input services for the period 2007-08 to 2010-11. A personal hearing has been conducted by Addl. Commissioner on 20.03.2014 and the Order-in-Original is awaited. The Company has made full provision of the amount involved Rs. 47.39 lakhs.

**Note - 35 : GOING CONCERN ASSESSMENT**

During the year ended March 31, 2016, the Company has incurred a loss of Rs. 1,406.22 Lakhs and accumulated loss at March 31, 2016 is Rs. 1,292.31 Lakhs. There was no production of LED TVs from April, 2015 (except in August, 2015) and of Air Conditioners since June, 2015, in the absence of any orders.

The Company has informed the Stock Exchange that Sharp Corporation, Japan (the Holding Company) will issue new shares through Third Party allotment to Hon Hai Precision Industry Co Ltd, Foxconn (Far East) Limited , Foxconn Technology Pte Limited and SIO International Holdings Limited. Sharp Corporation, Japan also announced the expected change of the parent company which will occur as a result of the capital increase through third party allotment. As at March 31, 2016, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until March 31, 2017. Further, the Company has received financial support of Rs. 1,987.35 lakhs post March 31, 2016.

Based on this continued support from the holding company, the management is of the opinion that the company will be able to continue as going concern. Consequently, no adjustments have been made to the carrying values or classification of Balance sheet accounts as at March 31, 2016.

**Note- 36: PREVIOUS YEAR FIGURES**

Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For and on behalf of the Board of Directors of  
Sharp India Limited**

**FOR S R B C & CO LLP**

**Firm Registration No. 324982E/E300003**

**Chartered Accountants**

**per Paul Alvares**

Partner

Membership No. 105754

**T. Isogai**

Managing Director

**Bhumika Batra**

Director

**M. Nakagawasai**

Chief Financial Officer

**M. Vaze**

Company Secretary

Place : Pune

Date : May 28, 2016

Place : Pune

Date : May 28, 2016

Place : Pune

Date : May 28, 2016

Place : Pune

Date : May 28, 2016

Place : Pune

Date : May 28, 2016



**Form No. MGT-11****PROXY FORM**

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

**CIN:** L36759MH1985PLC036759

**Name of the company :** SHARP INDIA LIMITED

**Registered office :** Gat No.686/4, Koregoan Bhima, Taluka: Shirur, Dist: Pune - 412216

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

I/ We, being the member(s) of ..... shares of the above named Company, hereby appoint :

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

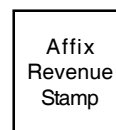
as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirty First Annual General Meeting of the Company, to be held on Wednesday, 28th September 2016 at 11.00 a.m. at Gat No.686/4, Koregoan Bhima, Taluka: Shirur, Dist: Pune - 412216 and at any adjournment thereof in respect such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2016
2	Re-appointment of Mr. Kazunori Ajikawa as a Director, who retires by rotation and being eligible offers himself for re-appointment
3	To Ratify the Appointment of M/s. S R B C & Co., LLP, Chartered Accountants, as the Statutory Auditors of the Company
<b>Special Business</b>	
4	Re-appointment of Mr. Tomio Isogai as the Managing Director of the Company
5	To Consider the Erosion of the Net worth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.
6	To Approve the Material Related Party Transactions
7.	To Ratify the Remuneration payable to the Cost Auditor- M/s.C.S.Adawadkar & Co., Cost Accountant for the financial year ending on 31st March 2017.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

**NOTE:**

This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at Gat No. 686/4, Koregaon Bhima, Taluka: Shirur, Dist: Pune -412216 not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.





# SHARP

REGISTERED / COURIER

*If undelivered please return to :*

Secretarial Department,  
**SHARP INDIA LIMITED**  
Gat No. 686/4, Koregaon Bhima,  
Taluka Shirur, Dist. Pune - 412 216