

**24th Annual Report
2008-2009**

Technology that

upgrades your lifestyle



SHARP

SHARP INDIA LIMITED

BOARD OF DIRECTORS

K. AJIKAWA
[Managing Director]

T. SAKAMOTO
[Executive Director]

N. FUJIMOTO

S. S. VAIDYA

SANJAY ASHER

K. KAWAMATA

CONTENTS

Notice	1
Directors' Report	4
Management Discussion & Analysis	6
Corporate Governance	6
Auditors' Report	11
Financials	12

BANKERS

STATE BANK OF INDIA

BANK OF INDIA

THE BANK OF TOKYO-MITSUBISHI UFJ LTD.

THE MIZUHO CORPORATE BANK LTD.

CITI BANK N.A.

SOLICITORS & ADVOCATES

CRAWFORD BAYLEY & CO., MUMBAI

AUDITORS

S. R. BATLIBOI & CO.,

Chartered Accountants

REGISTERED OFFICE & FACTORY

Gat No.686/4, Koregaon Bhima,

Tal. Shirur, Dist. Pune 412 216

Phone No. (02137) - 252417 / 666520

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited

Flat No. 202, 2nd Floor,

Akshay Complex,

Dhole Patil Road,

Near Ganesh Mandir,

Pune 411 001.

Phone No. (020) - 26051629

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Wednesday, the 2nd day of September 2009 at 11:00 a.m. (I.S.T.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on 31st March 2009 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. S. S. Vaidya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Asher who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

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

“**RESOLVED THAT** Mr.Tadasu Sakamoto who was appointed as an additional director of the Company by the board of directors and who holds office upto the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company not liable to retire by rotation.”

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

“**RESOLVED THAT** Mr. Noboru Fujimoto who was appointed as an additional director of the Company by the board of directors and who holds office upto the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation.”

7. 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 198, 269, 309, the Articles of Association read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, the reappointment of Mr. Yoshihisa Mizuno as the Executive Director of the Company for a period from February 6, 2009 till May 26, 2009 be and is hereby approved on the following remuneration.

1. Salary of Rs.50,000/- (Rupees Fifty Thousand Only) per month.
2. Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.

3. Reimbursement of medical expenses incurred in India for self and his family (spouse and children) if they reside in India.
4. Rental for residential telephone as well as for official telephone calls, will be paid by the company.
5. The company will bear the cost of maintenance, road tax, insurance and driver for vehicle provided to him by the company.
6. Entitlement to free Air Passage once in a year for the purpose of Annual Leave for himself (Spouse and dependent children are also eligible if they are residing in India with him.)
7. The company will bear the actual expenses incurred for shifting his household goods on return from India to Japan on expiry of his term.
8. Employers' Contribution to the Provident Fund as per the prevailing law.

The above perquisites granted to the Executive Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Executive Director during his tenure shall not exceed the limits laid down in schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT subject to Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the salary, perquisites, benefits and amenities as set out above be paid or granted to Mr.Yoshihisa Mizuno as minimum remuneration during the term of Mr. Yoshihisa. Mizuno's tenure as the Executive Director.

8. 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 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956, and subject to such other approvals as may be required and such modifications and conditions , if any , as the Central Government may impose read with articles 173, 175 and 176 of the Articles of Association of the Company consent of the Company be and is hereby accorded to the appointment of Mr. Tadasu Sakamoto as the Executive Director of the Company from 26 May 2009 to 25 May 2012 on the following terms of remuneration –

1. Salary of Rs.63,000/- (Rupees Sixty Three Thousand Only) per month.
2. Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.
3. Reimbursement of medical expenses incurred in India for self and his family (spouse and children) if they reside in India.
4. Rental for residential telephone as well as for official telephone calls, will be paid by the company.
5. The company will bear the cost of fuel, maintenance, road tax, insurance and driver for vehicle provided to him by the company.
6. Entitlement to free Air Passage once in a year for the purpose of Annual Leave for himself (Spouse and dependent children are also eligible if they are residing in India with him.)

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

The above prerequisites granted to the Executive Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Executive Director during his tenure shall not exceed the limits laid down in Schedule XIII to the Companies Act, 1956.

Further Resolved that subject to the approval of the Central Government under section 198 read with section 309(3) and other applicable provisions, if any, of the Companies Act, 1956, the salary, prerequisites, benefits and amenities as approved by the remuneration committee and set out above be paid or granted to Mr. Tadasu Sakamoto as minimum remuneration notwithstanding that in any financial year of the Company during the term of Mr. Tadasu Sakamoto's Office as Executive Director, the Company has made no profits or the profits made are inadequate.

Further Resolved that the board shall be at liberty to vary the remuneration and other terms and conditions of the agreement appointing the Executive Director as the Board of Directors may think fit and necessary as long as the remuneration does not exceed the maximum limits specified in Schedule XIII to the Companies Act, 1956."

By Order of the Board of Directors
For Sharp India Limited

Pune
May 26,2009

Mayuresh Vaze
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement pursuant section 173(2) in respect of item nos. 5, 6, 7 & 8 is annexed hereto.
3. Members are requested to notify any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrars & Transfer Agents, **Link Intime India Private Limited** (Formerly known as : Intime Spectrum Registry Limited) , 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect of their physical share folios.
4. Members can avail of nomination facility. Blank Nomination forms will be supplied on request.
5. Members who are holding shares in more than one folio under name(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.

6. The Share Transfer Books and the Register of Members of the Company will remain closed from **Tuesday 25th August 2009 to Wednesday, 2nd September 2009. (both days inclusive).**
7. Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.
8. Members are requested to forward their queries on accounts at least 10 days in advance to enable us to reply the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5 & 8 :

Sharp Corporation, Japan recalled Mr. Yoshihisa Mizuno and hence he resigned as the Executive Director as well as the Director with effect from 26th May 2009. In place of Mr. Yoshihisa Mizuno, Sharp Corporation, Japan recommended the appointment of Mr. Tadasu Sakamoto as the Executive Director of the Company.

Mr. Tadasu Sakamoto was appointed as an additional director of the Company with effect from 26th May, 2009. He was also appointed as an Executive Director from that day to hold office for a period of three years up to 25 May 2012. Mr.Tadasu Sakamoto's appointment is subject to the approval from the Central Government and that of the members. The Company is making an application to the Ministry of Corporate Affairs for obtaining its approval for the appointment and remuneration payable to Mr. Tadasu Sakamoto as the Executive Director. The remuneration committee has also approved the remuneration payable to Mr. Tadasu Sakamoto in its meeting held on 26 May 2009 and the same is placed before the shareholders for their approval. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing annual general meeting. The Company has also received a notice from a member along with a deposit of Rs. 500/- pursuant to section 257 of the Companies Act, 1956 proposing Mr. Tadasu Sakamoto's candidature as a director. In terms of the Articles of Association of the Company, Mr. Tadasu Sakamoto being an Executive Director, will not be subject to retirement by rotation.

The company has also executed an Agreement with Mr. Tadasu Sakamoto on 3rd June 2009 and the same is available for inspection of members during working hours from **Tuesday, 25th August, 2009 to Wednesday 2nd September 2009 (both days inclusive).**

Except Mr. Tadasu Sakamoto none of the directors are interested in the resolutions. The Board recommends the resolution for acceptance by the members.

ITEM NO. 6 :

Mr. Noboru Fujimoto was appointed as the additional director of the Company with effect from 26th May 2009. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing annual general meeting. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing his candidature as the Director of the Company at the ensuing Annual General Meeting.

It is considered desirable that the company should have benefit of his experience and advice.

Mr. Noboru Fujimoto may be deemed to be concerned with or interested in the resolution.

The Directors recommend the resolution for acceptance by the Members.

ITEM NO. 7 :

Mr. Yoshihisa Mizuno was appointed as the Executive Director of the Company for the period from 6th February 2006 to 5th February 2009 for a period of three years. The Board of Directors in its meeting held on 29th January 2009 reappointed Mr. Yoshihisa Mizuno as the Executive Director of the Company for a further period of three years from 6th February 2009 to 5th February 2012. The Remuneration Committee in its meeting held on 29th January 2009 approved the remuneration payable to Mr. Yoshihisa Mizuno.

Mr. Yoshihisa Mizuno's appointment was made under the provisions of Schedule XIII to the Companies Act, 1956 and is subject to the approval of the members. Mr. Yoshihisa Mizuno resigned as the Executive Director as well as Director of the Company with effect from 26th May 2009. Hence members approval is sought for his reappointment and remuneration payable to him for the period from 6th February 2009 to 26th May 2009.

The Board recommends the resolution for acceptance by the members.

None of the directors other than Mr. Yoshihisa Mizuno may be treated as concerned or interested in the resolution.

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

- ▶ Mr. S. S. Vaidya, is a Chartered Accountant and a partner of M/s. Kunte & Vaidya – Chartered Accountants, Pune. Born on August 9, 1955, he has got a very wide experience in the field of finance and taxation. He also serves on the Board of following public limited companies: BF Utilities Ltd, Bosch Chassis Systems India Ltd, Kalyani Steels Ltd, Nandi Economic Corridor Enterprises Ltd, Nandi Infrastructure Corridor Enterprises Ltd, Nandi Highway Developers Ltd. BF Systems Ltd, Sahyadri Hospitals Ltd and MRF Limited. He does not hold any shares in the company. He is also Chairman of audit committee and member of remuneration committee and investor grievance and transfer committee of the company.
- ▶ Mr. Sanjay Asher aged 45 years is a Chartered Accountant and Solicitor and partner of M/s. Crawfordbayley & Co., Solicitors, Advocates and Notaries, Mumbai. Mr. Sanjay Asher has been practising for a number of years on various matters including corporate laws. He also serves on the Board of following public limited companies : Bajaj Allianz General Insurance Company Ltd, Bajaj Allianz Life Insurance Company Ltd, Dewas Soya Ltd, Divinet Access Technologies Ltd, Finolex Cables Ltd, Finolex Plasson Industries Limited, Kryfs Power Components Ltd, Mandhana Industries Ltd, Paess Industrial Engineers Ltd, Repro India Ltd, Schlafhorst Engineering (India) Ltd, Sparsh BPO

Services Ltd, Shree Renuka Sugars Ltd, Sudarshan Chemical Industries Limited. He holds 100 shares of the Company. He is also member of audit committee and remuneration committee and chairman of investor grievance and transfer committee of the company.

- ▶ Mr. Yoshihisa Mizuno was reappointed as the Executive Director for a period of three years effective from February 6, 2009. Mr. Mizuno aged 47 years, graduated from Waseda University and holds a degree of Bachelor in Education. He has more than 22 years of experience in the field of Finance and Administration and has held various positions in Sharp Group of Companies. Before joining Sharp India Limited, Mr. Mizuno was the Corporate Director of Sharp Manufacturing (Thailand) Company Limited, Thailand. He is a director in Sharp Business Systems (India) Limited. He did not hold any shares of the Company. He was a member of investor grievance and transfer committee of the company up to the date of his resignation. He resigned as a Director as well as Executive Director of the Company w.e.f. 26 May 2009.
 - ▶ Mr. Tadasu Sakamoto was appointed as an Executive Director for a period of three years effective from 26 May 2009. Mr. Tadasu Sakamoto is aged about 50 years. He graduated in Economics from Wakayama University, Japan. He has a wide experience in the field of Economics & Finance and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares of the Company. He is a member of investor grievance and transfer committee of the company.
 - ▶ Mr. Noboru Fujimoto was appointed as an additional director of the Company with effect from 26 May 2009. He graduated in Economics from Kwansai Gakuin University in the year 1976. He has an experience of about 33 years and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares in the Company.
- Mr. S.S.Vaidya and Mr.Sanjay Asher, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

By Order of the Board of Directors
For Sharp India Limited

Pune
May 26, 2009

Mayuresh Vaze
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Twenty-Fourth Report together with the Audited Statement of Accounts for the year ended on March 31, 2009.

1. FINANCIAL RESULTS :

	Rs. In Million	
	Year ended March 31, 2009	Year ended March 31, 2008
INCOME		
Sales and Services (Gross)	1014.073	986.053
Less : Excise Duty	(98.959)	(71.862)
Sales and Service income (Net)	915.114	914.191
Other Income	4.190	18.153
	<u>919.304</u>	<u>932.344</u>
EXPENDITURE		
Manufacturing and other expenses	887.435	904.019
Depreciation	18.660	17.870
Interest expense	10.953	27.021
	<u>917.048</u>	<u>948.910</u>
PROFIT BEFORE TAX	2.256	(16.566)
PROVISION FOR TAX		
Current tax	(0.027)	(0.020)
Deferred tax	-	-
Fringe Benefit Tax / Wealth Tax	(1.429)	(1.236)
NET PROFIT/(LOSS) FOR THE YEAR	0.800	(17.822)
PROFIT AND LOSS ACCOUNT, beginning of the year	(219.507)	(201.685)
PROFIT AND LOSS ACCOUNT, end of the year	(218.707)	(219.507)

2. OPERATIONS :

Gross sales and service income during the year under review has marginally increased by 2.84%, over the previous year mainly due to increase in sales of LCD televisions. The strict credit control measures introduced by your company since last year, has improved the recovery & reduced the no of days outstanding. The cash flow during the current year is further improved & has resulted in to reduction in borrowings as well as Interest cost. Besides your company has continued it's efforts in cost reduction activities resulting in reduction in manufacturing & other expenses.

During the current year under review, your company has made a marginal profit of Rs. 0.800 millions after tax.

3. DIRECTORS :

Mr. Y. Mizuno was reappointed as the Executive Director of the Company with effect from 6th February 2009 for a period of three years. He resigned from the Board as a Director as well as Executive Director with effect from 26 May 2009. Mr. M. Takahashi resigned as a Director with effect from 26 May 2009. The Board place on record their sincere appreciation for the useful contribution made by Mr. Y. Mizuno and Mr. M. Takahashi.

Mr. Tadasu Sakamoto was appointed as an additional director of the Company with effect from, 26 May 2009. He was also appointed as the Executive Director of the Company for a period of three years with effect from 26 May 2009. He holds office till the ensuing Annual General Meeting as he was appointed as an additional director. A notice proposing appointment of Mr. Tadasu Sakamoto under section 257 of the Companies Act, 1956 has been received from a member and included in the notice for the ensuing Annual General

Meeting. Members consent is also sought for his appointment and remuneration payable to him during his tenure as the Executive Director. His appointment & remuneration is also subject to the approval of the Central Government.

Mr. Noboru Fujimoto was appointed as an additional director of the Company with effect from 26 May 2009. He holds office till the ensuing Annual General Meeting. A notice proposing appointment of Mr. Noboru Fujimoto under section 257 of the Companies Act, 1956 has been received from a member and included in the Notice for the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company Mr. S. S. Vaidya and Mr. Sanjay Asher retire by rotation and being eligible they have offered themselves for the reappointment

4. MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE :

The Management Discussion Analysis and the report on Corporate Governance are attached to the Directors' Report and forms part 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.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the accounts for the financial year ended March 31, 2009 on a 'going concern' basis.

6. AUDITORS :

M/s S. R. Batliboi & Co., Statutory Auditors, will retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment. M/s S. R. Batliboi & Co. has furnished the required certificate pursuant to section 224 (1B) of the Companies Act, 1956.

7. PARTICULARS OF EMPLOYEES :

None of the employees whether employed through out the year or part of the year was in receipt of remuneration exceeding the limits specified in section 217 (2A) of the Companies Act, 1956 and the Rules made there under.

8. CERTIFICATES AND MARKS :

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

9. INDUSTRIAL RELATIONS :

Industrial Relations have been and continue to be harmonious and cordial.

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

Your company has a lineage from one of world's most innovative Companies. The nature of company's operations is not energy-

intensive. Your company is aware of its responsibility towards conservation of environment and has taken the necessary steps to conserve it. Your company implements the 3 S and 1 R Policy i.e. – Super Green factory, Super Green mind, Super Green product and Recycled resources.

The technology provided by Sharp Corporation, Japan has been fully absorbed and the company continues to utilize the same. Your company has not imported any new technology during the year under review. The in-house research & development is supported by strong overseas technical knowledge from Sharp Japan.

Benefits derived from R&D :

- Development of new CTV models with innovative features & improved quality
- Cost reduction
- Introduction of new LCD models.

Expenditure on R & D :

Capital	Rs. Nil
Recurring	Rs. 3,894,931
Total	Rs. 3,894,931
Total R&D Expenditure as a percentage of total sales turnover	0.386 %

Foreign Exchange Earnings and Out go :

Used : Rs. 484,326,153 (includes CIF value of Imports, Royalty, Traveling and Bills Negotiation charges)

Earnings : Rs. 2,894,120

11. 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

Pune,
May 26, 2009

K.Ajikawa
Managing Director

T. Sakamoto
Executive Director

MANAGEMENT DISCUSSION & ANALYSIS

Indian Economy has been witnessing a phenomenal growth since last decade. After witnessing a growth rate in excess of 9% for the last three years, the year 2008 -2009 witnessed a retarded growth rate of around 7%. Indian economy witnessed fall in production levels, jobs losses especially in the information technology sector and stock markets also dwindled considerably. However Indian Economy is still holding its ground amidst the current global financial crises and is on the path of revival.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

The key products in consumer durable industry are CTV, Flat Panel LCDs and Plasma, DVD players, refrigerators, Washing machines, air conditioners and micro wave ovens and small appliances. India has witnessed dynamic changes in the consumer electronic industry in the last decade and is fast emerging as the key player in the global television market both as a manufacturer and a consuming nation. In recent years the CTV market in India has changed rapidly and with the up - gradation of technology there has been shift from the conventional CRT technology to Flat panel display television viz : Liquid Crystal Display (LCD) and PDP. The television market has shown a growth of around 15% during the year with growth primarily coming from LCD and PDP segments in value terms. While the CRT television is likely to remain stagnant in the coming years, the flat panel television [mainly LCD] is expected to grow at 30% level for the next few years.

Refrigerator market has also witnessed a boom in last few years and has been growing over 15% level. Consumer preference for higher capacity frost free and energy efficient models are on the rise. The refrigerator industry should do well in the coming years as well.

OPPORTUNITIES AND THREATS :

Opportunities :

Demand for consumer electronic goods have a very good growth potential in the Indian market for the years to come due to (a) Phenomenal growth of media and entertainment in India and flurry of television channels. (b) Nuclearization of families and changing life styles. (c) Rise in consumer disposable income not only in big cities but even in the tier II & III cities. (d) The rising demand for LCD not only in urban areas but also in semi urban areas. (e) The narrowing gap between conventional TV and flat TV and similarly Flat TV and LCD TV.(f) Changing perception of refrigerator as a utility product rather than a luxury .(g) Electrification in rural areas. (h) Rising consumer aspirations for latest technology models.

Threats :

(a) Due to the emergence of many market players and stiff competition there is continuous pressure on margins.(b) The cost of advertising, and after sales service are increasing tremendously (c) The focus of consumers is shifting on energy efficient appliances. Providing such appliances at competitive prices is a challenge.

OUTLOOK :

The consumer durable industry is witnessing a phenomenal technology change and consumer demand is shifting from conventional models to latest technology models especially in the television and refrigerator segment. There is a huge growth potential for the consumer goods industry in India and it is one of the booming industry since last few years. Your Company is determined to focus on appropriate product

mix, expanding sales and distribution channel, and after sales service and create a brand image in the mind of consumers to encash on opportunities.

RISKS & CONCERNS :

(a) Continuing erosions in prices and margins as a result of stiff competition.(b) The impact of global economic slow down is adversely affecting domestic consumer demand. (c) Widening gap in demand for electricity and availability of power and the gestation period of Power Projects and likely drop in government spending on rural electrification program and shortages of electricity supply are major concerns.

FINANCIAL AND OPERATIONAL PERFORMANCE :

The financial highlights for the fiscal 2008 - 2009 are dealt with in the Directors' Report. During the year under review your company has achieved a gross turnover of Rs.1014.073 mn which is 2.84% higher compared with the previous year. This was mainly in the area of LCD - TV. Continued strict credit control measures, & cost reduction activities has impacted reduction in working capital and loans reducing the interest burden & other expenses. In terms of volume turnover of LCD sales has increased by 29.36%, Refrigerators sales has increased by 4.34%, CTV sales has remained the same as compared with the previous year. Your company will continue to focus on increasing the sale of LCD Televisions and improve sales of CTV and Refrigerators in the coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Your Company has appropriate and adequate internal control system to ensure maintenance of proper and accurate accounting records, compliance with applicable laws and regulations etc.

The internal control system is supported by internal audit carried out by professional independent audit firm. The Internal Auditors carry out extensive audits through out the year, across all functional areas & submit reports to the management. The Audit committee of the Board of Directors reviews the findings of Internal Auditors & suggests improvements for strengthening the Internal Control systems on regular basis .

HUMAN RESOURCES :

Your company has maintained a very cordial and healthy atmosphere with the employees at all levels.

Company is conscious in providing 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 our employees, encouraging and aiding them to reach their full potential and improve their standard of living. The total number of employees as on March 31,2009 was 303.

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 is based on the principles of transparency, accountability, integrity equity, fairness and commitment to the stakeholders. Your company aims at good governance and management practices and believes in fair and transparent business operations in

adherence of philosophy and disclosures standards followed globally by Sharp group of companies. The necessary information as stipulated by clause 49 of the Listing Agreement 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 2008 - 2009.

• **COMPOSITION OF THE BOARD :**

The Board of Directors comprised of six members as on 31st March 2009 out of which two were Executive Directors, and four are Non - Executive Directors and out of which three were Non Executive Independent Directors. Mr. Y. Mizuno – Executive Director resigned w.e.f. 26 May 2009 and Mr. Tadasu Sakamoto was appointed as the Executive Director w.e.f. 26 May 2009. Mr. M. Takahshi resigned as the Non Executive Director of the Company w.e.f 26 May 2009 and Mr. Noboru Fujimoto was appointed

as a Non Executive Director w.e.f 26 May 2009. The number of directors and composition of executive directors and non executive directors remained the same as it was as on 31st March 2009 after the aforesaid changes in directors. The details of number of meetings held, and attended by directors and other related information is given in Table 1.

The Board Meetings are generally held in Pune. During the financial year, 4 (four) Board Meetings were held on 21/05/2008, 21/07/2008, 23/10/2008 and 29/01/2009 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 during the year 2008 -2009

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	+ No of Board Committees in which Chairman / Member (Other than Sharp India Limited)	
						Chairman	Member
a) Mr. T. Mori *	Non – Executive	4	Nil	No	1	0	1
b) Mr. K.Ajikawa	Executive	4	3	Yes	1	0	1
c) Mr. Y. Mizuno **	Executive	4	4	Yes	1	0	1
d) Mr. S.S. Vaidya	Non Executive Independent	4	4	Yes	9	4	9
e) Mr. Sanjay Asher	Non Executive Independent	4	3	No	14	4	7
f) Mr .M.Takahashi ***	Non Executive	4	Nil	No	1	0	0
g) Mr.M.Eiryu #	Non Executive Independent	4	Nil	No	Nil	0	0
h) Mr. K.Kawamata @	Non Executive Independent	4	2	Yes	Nil	0	0

Notes :

- a) * Mr. T. Mori, resigned w.e.f 21 May 2008
b) ** Mr. Y.Mizuno resigned w.e.f. 26 May 2009
c) *** M.Takahashi resigned w.e.f. 26 May 2009
d) # Mr. M.Eiryu resigned w.e.f. 21 May 2008
e) @ Mr. Katsuhiko Kawamata was appointed as a Non Executive Independent Director of the Company w.e.f. 21 May 2008
f) + 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 Listing agreement. For this purpose Audit Committee & Investor Grievance Committee only have been considered as stipulated in clause 49 of the listing agreement.

DIRECTORS' ATTENDANCE RECORD FOR AUDIT AND REMUNERATION COMMITTEE MEETINGS :

Name of Director	Audit Committee Meetings			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	4	Chairman	1	1	Member
b) Mr.Sanjay Asher.	4	4	Member	1	1	Member
c) + Mr. M. Eiryu	4	-	Member	1	-	Chairman
d) ++Mr. K. Kawamata	4	2	Member	1	1	Chairman

- + Mr.M.Eiryu resigned as a director w.e.f.21 May 2008 and also ceased to be the member of audit committee and Chairman as well as member of remuneration committee from that day.
- ++ Mr. K. Kawamata was inducted as a Director w.e.f.21 May 2008 and become member of audit committee and member as well as Chairman of the remuneration committee from that day.

• **INFORMATION SUPPLIED TO THE BOARD :**

Information supplied to the Board includes-

- Quarterly and annual results of the Company
- Annual operating plans and budgets , capital budgets , updates
- Minutes of board meetings and committees thereof
- Compliance of statutory and regulatory nature, listing requirements and investor grievances, if any and shareholder-services
- Disclosures pertaining clause 49 of the Listing Agreement.
- Important show cause notices and demand notices.

• **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 year 2008-2009.No payment other than the sitting fees was made to any of the non- Executive Directors. Mr. Sanjay Asher holds 100 equity shares of the Company , no other director holds shares in the company.

• **REMUNERATION TO DIRECTORS :**

The details of the remuneration package for the financial year 2008 - 2009 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.)	Commis-sion (Rs.)	Total (Rs.)
a) Mr. T. Mori	None	Nil	Nil	Nil	Nil
b) Mr. K. Ajikawa	None	Nil	12,67,792	Nil	12,67,792
c) Mr. Y. Mizuno	None	Nil	10,64,216	Nil	10,64,216
d) Mr. S. S. Vaidya	None	3,35,000	Nil	Nil	3,35,000
e) Mr. Sanjay Asher	None	1,80,000	Nil	Nil	1,80,000
f) Mr. M. Takahashi	None	Nil	Nil	Nil	Nil
g) Mr. M. Eiryu	None	Nil	Nil	Nil	Nil
h) Mr. K. Kawamata	None	Nil	Nil	Nil	Nil

The payments made to the Executive Directors & Managing Directors are in the nature of salary and perquisites as approved by the Remuneration Committee and the shareholders as required by the Companies Act, 1956 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. 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 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 remuneration committee meeting and Rs. 7,500/- are paid for attending every investor grievance and transfer committee meeting.

• **REMUNERATION COMMITTEE :**

The terms of references of the Remuneration Committee pertain to determining the Company's policy on and approving remuneration packages for Managing Director / Executive Director. The Committee consists of three Non-Executive Independent Directors. The Remuneration Committee at the beginning of the year consisted of Mr. M. Eiryu (Chairman), Mr. S.S. Vaidya, and Mr. Sanjay Asher as the members. Mr. M. Eiryu, Chairman of the Committee resigned as a Director with effect from 21st May 2008 and also ceased to be the Chairman and member of the committee. The Committee was reconstituted with effect from 21st May 2008 by inducting Mr. Katsuhiko Kawamata , Non Executive Independent Director of the Company as the Chairman of the Committee and since 21st May 2008 the committee consisted of Mr. Katsuhiko Kawamata

(Chairman) , Mr. S.S. Vaidya and Mr.Sanjay Asher as the members. One meeting of the committee was held on 29th January 2009 during the year under review to consider and approve remuneration payable to Mr.Y.Mizuno upon his reappointment as the Executive Director of the Company with effect from 6th February 2009 for a period of three years & the said meeting was attended by the Chairman, Mr. K.Kawamata and other two members - Mr. .S.S.Vaidya and Mr. Sanjay Asher.

• **AUDIT COMMITTEE :**

The Audit Committee consists of three non executive independent directors of the Company. The Audit Committee at the beginning of the year under review consisted of three Non-Executive and Independent Directors viz. Mr.S.S.Vaidya (Chairman), Mr. M. Eiryu, and Mr. Sanjay Asher as the Members. Mr .M. Eiryu, resigned as a Director with effect from 21st May 2008 and also ceased to be a member of the audit committee and the audit committee was reconstituted with effect from 21st May 2008 by inducting Mr. Katsuhiko Kawamata, Non Executive Independent Director of the Company as the Member of the Committee and since 21st May 2008 the audit committee consists of Mr. S.S. Vaidya, (Chairman), Mr. Katsuhiko Kawamata and Mr. Sanjay Asher as the members.

The Audit Committee met 4 (four) times in the year on May 20, 2008, July 21, 2008, October 23, 2008 and January 29, 2009. The attendance of the committee members is given in the separate table attached. The Audit Committee 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. The scope of the Committee includes -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the board, with particular reference to :
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries based on exercise of judgement by management.
 - d) Significant adjustments arising out of audit findings
 - e) Compliance with stock exchange and legal requirements concerning financial statements.
 - f) Disclosure of any related party transactions
 - g) Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, and reports submitted by the internal auditors
8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

9. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

• **SHAREHOLDERS'/ INVESTORS' GRIEVANCE AND TRANSFER COMMITTEE :**

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee at the beginning of the year consisted of Mr. S.S.Vaidya (Chairman), Mr. K. Ajikawa and Mr. Y. Mizuno as the Members. The Committee was reconstituted on 29th January 2009 as Mr. Sanjay Vaidya resigned as the Chairman of the Committee and Mr. Sanjay Asher was inducted as the Chairman of the Committee. The reconstituted committee then consisted of Mr. Sanjay Asher (Chairman), Mr. S.S.Vaidya, Mr. K. Ajikawa and Mr. Y. Mizuno as the Members. Mr.Y.Mizuno resigned as a director as well as Executive Director with effect from w.e.f. 26 May 2009 and hence ceased to be the member of the committee. Hence the committee was once again reconstituted and Mr. Tadasu Sakamoto, Executive Director was appointed as the Member of the Committee w.e.f 26 May 2009 and from that day the committee consists of Mr. Sanjay Asher (Chairman), Mr. S.S.Vaidya, Mr. K. Ajikawa and Mr. Tadasu Sakamoto as the Members. The status of complaints is reported to the Committee as well as the Board of Directors. The Committee met 23 times during the year 2008 - 2009. All queries pertaining to non-receipt of annual reports, redemption of debentures, transfer of shares, duplicate share certificates, change of address, dematerialization, rematerialization of shares, etc. were resolved to the satisfaction of the shareholders / investors.

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 Shareholders' / Investor's Grievance and Transfer Committee has been delegated the powers to consider the transfer and transmission related issues and meets every fortnightly to look after share transfer process and redressal of investor's complaints. Link Intime India Private Limited, Pune (Formerly known as 'Intime Spectrum Registry Limited') 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.

• **DISCLOSURES**

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.

None of the Senior Management Personnel has material, financial and commercial interest in the transactions that may have a potential conflict with that of the Company. As required by clause 49(IV)(F)(ii) of the Listing Agreement the Senior Management Personnel have given declarations to that effect.

There are no significant related party transactions 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. Some of the employees nominated by Sharp Corporation, Japan holding positions in the Senior Management may be deemed to be interested as employees of Sharp Corporation, Japan.

The Company has complied with all the mandatory requirements of the clause 49 of the listing agreement and it is having remuneration committee which is the only non mandatory requirement adopted by 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

The Code of Conduct can be viewed on the company's website www.sharpindialimited.com.

• **COMMUNICATION TO SHAREHOLDERS :**

The Company has its own website- www.sharpindialimited.com - for the benefit of the various stakeholders like customers, suppliers, investors and public at large. The Shareholding Pattern, Unaudited and Audited Financial Results, Annual reports are uploaded on the company's website and also on SEBI's website viz. www.sebidifor.nic.in through EDIFAR System of Filing. Since the company deals only in one primary segment of products i.e. consumer durables, segment wise reporting as required by AS - 17 issued by Institute of Chartered Accountants of India is not applicable. The quarterly unaudited results and audited yearly results are published generally in, Business Standard (English Daily) and Loksatta (Marathi daily). The shareholders can seek communication with the Company on the email address dedicated for investor communication -mayuresh.vaze@sharpindialimited.com.

• **DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:**

Financial Year	Date	Time	Venue
March 31, 2006	Sept. 9, 2006	11:00 a.m.	Registered Office
March 31, 2007	August 21, 2007	11:00 a.m.	Registered Office
March 31, 2008	August 29, 2008	11:00 a.m.	Registered Office

During the year no resolutions were put through postal ballot.

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. **ANNUAL GENERAL MEETING :**

Date : 2nd September 2009
 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 Tuesday, 25th August 2009 to Wednesday, 2nd September, 2009 (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, 2009 – Last week of July 2009
 : Results for quarter and half-year ending September 30, 2009 – Last week of October 2009
 : Results for quarter and nine months ending December 2009 – Last week of January 2010
 : Results for the year ending March 31, 2010 – Last Week of May 2010

5. **LISTING ON STOCK EXCHANGES :**

The shares of the Company are listed on Bombay Stock Exchange Limited and Pune Stock Exchange Limited. The Company has paid the Listing fee for the year 2009-2010 to both the Stock Exchanges.

6. **STOCK CODE AND ISIN**

Stock codes : Pune Stock Exchange Limited, **KALSH**
 : Bombay Stock Exchange Limited, **523449**
 ISIN : INE207B01011 with NSDL and CDSL

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 2008 -2009 is given below.

Table 3

MONTH	HIGH (Rs.)	LOW (Rs.)	BSE Sensex	
			High	Low
April 2008	32.00	24.50	17,480.74	15,297.96
May 2008	44.05	28.00	17,735.70	16,196.02
June 2008	33.70	23.80	16,632.72	13,405.54
July 2008	32.25	21.55	15,130.09	12,514.02
August 2008	33.85	23.65	15,579.78	14,002.43
September 2008	27.00	19.00	15,107.01	12,153.55
October 2008	19.95	12.20	13,203.86	7,697.39
November 2008	14.39	11.45	10,945.41	8,316.39
December 2008	14.70	10.91	10,188.54	8,467.43
January 2009	13.94	11.10	10,469.72	8,631.60
February 2009	13.58	11.00	9,724.87	8,619.22
March 2009	13.00	09.11	10,127.09	8,047.17

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

Link Intime India Private Limited (Formerly known as 'Intime Spectrum Registry Limited') are the Registrar and Share Transfer Agents of the Company. 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. There are no legal proceedings against the Company on any share transfer matter.

9. SHAREHOLDING PATTERN (as on March 31, 2009) :

Category	No of Shares Held	Percentage to Total (%)
Promoters	20755200	80.0000
Mutual Funds	1700	00.0066
Financial Institutions / Banks	400	00.0015
Foreign Institutional Investors	800	00.0031
Bodies Corporate	480404	01.8516
Individuals below 1 Lakhs	3672667	14.1561
Individuals above 1 Lakhs	812097	03.1301
Clearing Members	112962	00.4354
Non – Resident Indian (Repat)	64827	00.2498
Non Resident Indians (Non – Repat)	42943	00.1655
TOTAL	25944000	100.0000

10. Distribution of Shareholding as on March 31, 2009

Shareholding of Nominal Value of		Share		Share Amount	
Rs.	Rs.	Number of Shareholders	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto 5,000		13289	91.93	18429580	7.10
5,001 - 10,000		597	4.13	5156100	1.98
10,001 - 20,000		272	1.88	4294880	1.65
20,001 - 30,000		94	0.65	2423020	0.93
30,001 - 40,000		46	0.31	1658040	0.63
40,001 - 50,000		38	0.26	1844300	0.71
50,001 - 100,000		63	0.43	4686590	1.80
100,001 and above		56	0.38	220947490	85.16
TOTAL		14455	100.00	259440000	100.00

11. Dematerialisation :

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading. As on March 31, 2009, shares in dematerialized form accounted for 15.70% of total equity.

12. Details of Public funding obtained in the last three years :

No capital has been raised from Public during the last three years.

13. Outstanding GDRs / ADRs / Warrants and their likely impact on Equity :

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

14. Address for Investor Correspondence :

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

2) Link Intime India Private Limited
202, 2nd Floor Akshay Complex,
Off. Dhole Patil Road, Near Ganesh Mandir,
Pune- 411 001
Tel: (020) 26051629
Fax: No.(020)- 2605 3503
Email: pune@linkintime.co.in

CERTIFICATE ON CORPORATE GOVERNANCE - MARCH 31, 2009

To,

The Members of Sharp India Limited

I have examined the compliance of conditions of Corporate Governance by Sharp India Limited ("the Company") for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one-month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

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

Sridhar G. Mudaliar
Company Secretary

Date : 26th May, 2009
Place : Pune

Membership No.: ACS10535
C P No : 2664

AUDITORS' REPORT

To
The Members of Sharp India Limited

- We have audited the attached balance sheet of Sharp India Limited as at March 31, 2009 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - in the case of the profit and loss account, of the profit for the year ended on that date; and
 - in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & Co.
Chartered Accountants

per Arvind Sethi
Partner

Membership No.: 89802

Pune
May 26, 2009

Annexure referred to in paragraph 3 of our report of even date

Re : Sharp India Limited

- (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - Fixed assets have been physically verified by management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - There was no substantial disposal of fixed assets during the year.
- (i) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the Order are not applicable to the Company.
 - As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence clauses 4(v) (b) of the Order are not applicable to the Company.
- The Company has not accepted any deposits from the public
- In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.
- 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 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (i) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us and the records of the Company examined by us, the particulars of disputed amounts of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31, 2009, which have not been deposited, are referred to as below:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise Act 1944	MODVAT on WIP destroyed in fire	3,504,746	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal, Pune
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, Pune
Service Tax (Finance Act 1994)	Service Tax on Royalty paid to Sharp Corporation Japan	478,629	August 2002 to March 2004	Commissioner Central Excise, Pune
Service Tax (Finance Act 1994)	Service Tax credit availed on Contract Carriage Services.	362,066	Feb.06 to Nov.08	Commissioner Central Excise, Pune
Service Tax (Finance Act 1994)	Service Tax credit availed on Canteen Services	448,658	Feb.06 to Nov.08	Dy. Commissioner Central Excise, Pune
Customs Act 1962	Demand notice for import of Refrigerators	3,161,503	April, 08 to Sep.08	Assistant Commissioner Customs, Pune
Customs Act 1962	Provisional Assessment for import of refrigerators	1,778,298	Oct.08 to Dec.08	Assistant Commissioner Customs, Pune

- The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash loss in the current year and immediately preceding financial year.
- Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any dues payable to a financial institution or any debentures outstanding during the current year.
- According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion the Company is not a chit fund or nidhi / mutual benefit fund/societies and therefore the provisions of clause 4(xiii) of the Order are not applicable.
- In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments and therefore clause 4(xiv) of the Order is not applicable to the Company.
- According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- The Company did not have any term loans outstanding during the year.
- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore clause 4(xviii) of the Order is not applicable to the Company
- The Company did not have any outstanding debentures during the year.
- The Company has not raised any money through a public issue during the year.
- Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. BATLIBOI & Co.
Chartered Accountants

per Arvind Sethi
Partner

Membership No.: 89802

Pune
May 26, 2009

BALANCE SHEET AS AT MARCH 31, 2009
(All amounts in thousands of Rupees, unless otherwise stated)

	<u>Schedules</u>	<u>2009</u>	<u>2008</u>
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share capital	1	259,440	259,440
Reserves and surplus	2	180,600	180,600
		440,040	440,040
Loan Funds			
Secured loans	3	8,838	14,421
Unsecured loans	4	10,000	100,000
		18,838	114,421
		458,878	554,461
<u>APPLICATION OF FUNDS</u>			
Fixed Assets (including intangible assets)			
Gross block	5	872,882	865,782
Less: Accumulated depreciation/amortisation		749,447	733,645
Net block		123,435	132,137
Capital work-in-progress (including capital advances)		-	1,750
		123,435	133,887
Investments			
	6	-	36
Current Assets, Loans and Advances			
Inventories	7	115,360	159,091
Sundry debtors	8	73,282	115,007
Cash and bank balances	9	34,363	34,627
Other current asset	10	440	-
Loans and advances	11	92,673	88,914
		316,118	397,639
Less: Current Liabilities and Provisions			
Current liabilities	12	174,990	169,695
Provisions	13	24,392	26,913
		199,382	196,608
Net Current Assets		116,736	201,031
Profit and Loss account		218,707	219,507
		458,878	554,461
Notes to Accounts			
	20		

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet

As per our report of even date

S. R. Batliboi & Co.
Chartered Accountants

per **Arvind Sethi**
Partner
Membership No. : 89802

Pune
May 26, 2009

For and on behalf of the Board of Directors

K. Ajikawa
Managing Director

T. Sakamoto
Executive Director

M. P. Vaze
Company Secretary

Pune
May 26, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

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

	<u>Schedules</u>	<u>2009</u>	<u>2008</u>
INCOME			
Sales (Gross)		1,008,493	979,592
Service		5,580	6,461
Sales and service (Gross)		<u>1,014,073</u>	<u>986,053</u>
Less: Excise duty		(98,959)	(71,862)
Sales and service (Net)		915,114	914,191
Other income	14	<u>4,190</u>	<u>18,153</u>
		<u>919,304</u>	<u>932,344</u>
EXPENDITURE			
Raw materials and components consumed	15	454,413	214,537
Purchase of traded products		136,215	306,663
Decrease in work-in-progress and finished goods	16	38,905	138,243
Personnel expenses	17	102,478	109,665
Operating and other expenses, net	18	155,424	134,911
Depreciation/amortisation, net	5	18,660	17,870
Financial expenses	19	10,953	27,021
		<u>917,048</u>	<u>948,910</u>
PROFIT/(LOSS) BEFORE TAX		2,256	(16,566)
PROVISION FOR TAX			
Wealth Tax		(27)	(20)
Fringe benefit tax		(1,217)	(1,236)
Taxes of earlier year (Fringe Benefit Tax)		(212)	-
NET PROFIT/(LOSS) FOR THE YEAR		800	(17,822)
(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR		(219,507)	(201,685)
(DEFICIT) carried to Balance sheet		(218,707)	(219,507)
Basic and diluted earnings/loss per share (in Rupees)		0.031	(0.687)
Weighted average number of shares outstanding during the year		25,944,400	25,944,400
Nominal value of shares (in Rupees)		10	10

Notes to Accounts

20

The schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss account

As per our report of even date

S. R. Batliboi & Co.
Chartered Accountants

per **Arvind Sethi**
Partner
Membership No. : 89802

Pune
May 26, 2009

For and on behalf of the Board of Directors

K. Ajikawa
Managing Director

T. Sakamoto
Executive Director

M. P. Vaze
Company Secretary

Pune
May 26, 2009

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2009

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

	<u>2009</u>	<u>2008</u>
CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax	2,256	(16,566)
Adjustments to reconcile profit/(loss) before tax to cash provided by operations:		
Depreciation/ amortization	18,660	17,870
Loss on sale of fixed assets (net)	283	257
Interest expense	5,811	20,793
Provision for doubtful debts	1,264	4,332
Dividend income	(1)	(1)
Profit on sale of investment	(2)	-
Operating profit before working capital changes	<u>28,271</u>	<u>26,685</u>
(Increase)/Decrease in Current Assets, Loans and Advances		
Inventories	43,731	137,531
Sundry debtors	40,461	176,934
Loans and advances and other current assets	(4,198)	9,488
Increase / (Decrease) in current liabilities and provisions	<u>2,737</u>	<u>(171,498)</u>
Cash provided by operating activities	<u>111,002</u>	<u>179,140</u>
Direct tax (paid)	(1,446)	(1,309)
Net cash provided by operating activities	<u>109,556</u>	<u>177,831</u>
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES :		
Purchase of fixed assets	(8,910)	(23,435)
Proceeds from sale of fixed assets/settlement of insurance claim	418	155
Dividend income	1	1
Sale of investments	38	1
Net cash (used in) investing activities	<u>(8,453)</u>	<u>(23,278)</u>
CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES :		
Proceeds from/(repayment of) short-term secured loans	(5,583)	(11,811)
Proceeds from/(repayment of) short-term unsecured loans	(90,000)	(160,000)
Interest paid	(5,784)	(21,771)
Net cash (used in) financing activities	<u>(101,367)</u>	<u>(193,582)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(264)	(39,029)
Cash and Cash Equivalents, beginning of year [Refer Schedule 9]	<u>34,627</u>	<u>73,656</u>
Cash and Cash Equivalents, end of year [Refer Schedule 9]	<u>34,363</u>	<u>34,627</u>
Notes :	<u>2009</u>	<u>2008</u>
1. Components of cash and cash equivalents		
Cash in hand	259	129
Balances with scheduled banks		
- current accounts	1,756	2,815
- cash credit accounts	2,182	1,915
Cheques in hand and in transit	<u>30,166</u>	<u>29,768</u>
	<u>34,363</u>	<u>34,627</u>

2. The schedules referred to above and Notes to Accounts form an integral part of the Cash Flow Statement.

As per our report of even date

S. R. Batliboi & Co.
Chartered Accountants

per **Arvind Sethi**
Partner
Membership No. : 89802

Pune
May 26, 2009

For and on behalf of the Board of Directors

K. Ajikawa
Managing Director

T. Sakamoto
Executive Director

M. P. Vaze
Company Secretary

Pune
May 26, 2009

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

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

1. SHARE CAPITAL	<u>2009</u>	<u>2008</u>
Authorised 40,000,000 (Previous year 40,000,000) equity shares of Rs. 10/- each	<u>400,000</u>	<u>400,000</u>
Issued and subscribed and paid up 25,944,000 (Previous year 25,944,000) equity shares of Rs. 10/- each, fully paid-up	<u>259,440</u>	<u>259,440</u>
Of the above, 20,755,200 (Previous year 20,755,200) equity shares of Rs. 10/- each, are held by Sharp Corporation, Japan, the Holding Company.		
 2. RESERVES AND SURPLUS	 <u>2009</u>	 <u>2008</u>
Capital reserve - Special capital incentive received from the Government of Maharashtra	2,000	2,000
Securities premium account	<u>178,600</u>	<u>178,600</u>
	<u>180,600</u>	<u>180,600</u>
 3. SECURED LOANS	 <u>2009</u>	 <u>2008</u>
Cash credit from banks	<u>8,838</u>	<u>14,421</u>
The above is secured by first hypothecation charge on the Company's entire stock of raw materials, finished goods, work-in-progress, spares and packing material, book debts and movable plant and machinery.		
 4. UNSECURED LOANS	 <u>2009</u>	 <u>2008</u>
Short term loans from banks	<u>10,000</u>	<u>100,000</u>

5. FIXED ASSETS (INCLUDING INTANGIBLE ASSETS)

	Land- Freehold	Factory Buildings	Plant and machinery	Moulds, jigs and fixtures	Furniture fittings and equipment	Computers	Vehicles	Total	Previous year	SAP Software	Technical know how	Total	Previous year	Grand Total	Grand Total Previous year
Gross Block															
At 01.04.2008	1,931	90,916	367,318	274,124	30,444	51,794	10,383	826,910	807,487	25,272	13,600	38,872	38,836	865,782	846,323
Additions	-	-	1,210	1,885	1,327	1,865	872	7,159	21,649	3,500	-	3,500	36	10,659	21,685
Deductions	-	-	171	-	1,468	369	1,551	3,559	2,226	-	-	-	-	3,559	2,226
At 31.03.2009	1,931	90,916	368,357	276,009	30,303	53,290	9,704	830,510	826,910	28,772	13,600	42,372	38,872	872,882	865,782
Depreciation/Amortisation															
At 01.04.2008	-	35,412	331,662	254,583	20,653	47,527	4,993	694,830	679,822	25,215	13,600	38,815	37,767	733,645	717,589
For the year	-	2,820	5,242	5,308	2,338	1,516	1,042	18,266	16,822	394	-	394	1,048	18,660	17,870
Deletions	-	-	170	-	996	369	1,323	2,858	1,814	-	-	-	-	2,858	1,814
At 31.03.2009	-	38,232	336,734	259,891	21,995	48,674	4,712	710,238	694,830	25,609	13,600	39,209	38,815	749,447	733,645
Net Block															
At 31.03.2009	1,931	52,684	31,623	16,118	8,308	4,616	4,992	120,272	132,080	3,163	-	3,163	57	123,435	132,137
At 31.03.2008	1,931	55,504	35,656	19,541	9,791	4,267	5,390	132,080	127,665	57	-	57	1,069	132,137	
Capital Work in Progress	-	-	-	-	-	-	-	-	-	1,750	-	-	-	-	1,750

10

Freehold land includes Rs.1,812 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.

6. INVESTMENTS

	Number		Face value	Cost	
	2009	2008	per unit Rupees	2009	2008
Long term, non-trade, quoted					
Equity Shares (fully paid-up)					
Videocon Industries Limited	-	20	10	-	5
BPL Limited	-	100	10	-	13
MIRC Electronics Limited	-	1000	01	-	4
	-			-	22
Aggregate market value of quoted non-trade investments	-			-	27
Philips (India) Limited	-	100	10	-	14
[Long-term, non-trade, unquoted]					
Total				-	36

The following Investments were sold during the year

20 (previous year Nil) equity shares of Rs. 10 each of Videocon Industries Ltd	-	5
100(previous year Nil) equity shares of Rs 10 each of BPL Ltd	-	13
1000 (previous year Nil) equity shares of Rs 10 each of MIRC Electronics Limited	-	4
100 (previous year Nil) equity shares of Rs 10 each in Philips (India) Ltd.	-	14

7. INVENTORIES

	2009	2008
Raw materials and components (including material in transit Rs. 5,489, Previous Year Rs.2,218)	45,514	50,443
Stores and packing materials	407	304
Work-in-progress	1,781	993
Traded and manufactured finished goods (including material in transit Rs. 5,036, Previous Year Rs.6,897)	67,658	107,351
	115,360	159,091

8. SUNDRY DEBTORS (unsecured)

	2009	2008
Debts outstanding for a period exceeding six months		
- Considered good	568	15,793
- Considered doubtful	70,756	90,746
Other debts		
- Considered good	72,714	99,214
- Considered doubtful	641	-
Less: Provision for doubtful debts	(71,397)	(90,746)
	73,282	115,007
Included in Sundry Debtors		
Dues from companies under the same management		
P T Sharp Electronics Indonesia	1,242	-

9. CASH AND BANK BALANCES

	2009	2008
Cash in hand	259	129
Balances with scheduled banks		
- current accounts	1,756	2,815
- cash credit accounts	2,182	1,915
Cheques in hand and in transit	30,166	29,768
	34,363	34,627

10. OTHER CURRENT ASSET

	2009	2008
Forward contract receivable	440	-
	440	-

11. LOANS AND ADVANCES (unsecured, considered good)	2009	2008
Advances recoverable in cash or kind or for value to be received	75,170	70,375
Balances with customs and excise authorities	3,750	5,486
Sundry deposits	13,369	13,052
Advance tax for FBT (net of provision for FBT Rs.2,453 Previous year Rs. 1,236)	10	1
Advance tax paid (including tax deducted at source)	374	-
	<u>92,673</u>	<u>88,914</u>
Included in 'Advances recoverable in cash or kind or for value to be received :		
Dues from companies under the same management as listed below :	2009	2008
Sharp Electronics (Malaysia) SDN. BHD. Malaysia	2,870	1,039
Sharp Manufacturing Thailand Co. Ltd., Thailand	-	367
Sharp Appliances (Thailand) Ltd., Thailand	29	25
Sharp Roxy Electronics Corporation (M) SDN.BHD	-	348
Sharp Business Systems (India) Limited	679	1,435
Maximum amount outstanding during the year, from companies under the same management as listed below :	<u>2009</u>	<u>2008</u>
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	4,852	1,265
Sharp Manufacturing Thailand Co. Ltd., Thailand	367	4,975
Sharp Appliances (Thailand) Ltd., Thailand	29	25
Sharp Roxy Electronics Corporation (M) SDN.BHD	348	348
Sharp Business Systems (India) Limited	1,590	1,435
12. CURRENT LIABILITIES	2009	2008
Acceptances	63,642	28,254
Sundry creditors (Refer note no. 20.14)	84,580	116,930
Other liabilities	24,309	21,624
Advance from customer	1,914	2,806
Security deposits and advances from customers	59	62
Interest accrued but not due on loans	46	19
Unamortized premium liability	440	-
	<u>174,990</u>	<u>169,695</u>
13. PROVISIONS	2009	2008
Provision for wealth tax	27	17
Provision for gratuity (Refer note no. 20.11)	10,130	9,930
Provision for leave encashment	11,615	14,067
Provision for product warranties (Refer note no. 20.6)	2,620	2,899
	<u>24,392</u>	<u>26,913</u>
14. OTHER INCOME	2009	2008
Sale of scrap	2,225	1,262
Interest income (TDS Rs. 8 Previous Year: Nil)	39	26
Sales tax refunds for earlier years	1045	9,720
Miscellaneous income	8	6,104
Profit on sale of investments	2	-
Dividend income	1	1
Sundry credit balances written back (net)	870	1,040
	<u>4,190</u>	<u>18,153</u>
15. RAW MATERIALS AND COMPONENTS CONSUMED	2009	2008
Opening balance	50,443	49,692
Add: Purchases during the year	449,484	215,288
Less: Closing balance	45,514	50,443
	<u>454,413</u>	<u>214,537</u>
16. DECREASE IN WORK IN PROGRESS AND FINISHED GOODS	2009	2008
Opening balance		
Traded and manufactured finished goods (including material in transit)	107,351	242,704
Work-in-progress	993	3,883
TOTAL (A)	<u>108,344</u>	<u>246,587</u>
Less: Closing balance		
Traded and manufactured finished goods (including material in transit)	67,658	107,351
Work-in-progress	1,781	993
TOTAL (B)	<u>69,439</u>	<u>108,344</u>
Decrease in WIP and FG (A – B)	<u>38,905</u>	<u>138,243</u>

	<u>2009</u>	<u>2008</u>
17. PERSONNEL EXPENSES		
Salaries, wages and bonus	79,535	75,574
Staff welfare	12,034	12,258
Contributions to provident fund	3,094	3,197
Grauity Expenses (Refer note no. 20.11)	3,440	13,036
Contributions to pension fund	1,912	1,950
Contributions to super annuation fund	2,391	3,580
Contributions to employees' deposit linked insurance	72	70
	<u>102,478</u>	<u>109,665</u>
18. OPERATING AND OTHER EXPENSES, net	2009	2008
Advertisements, net (Refer note no. 20.8)	5,198	10,647
Freight, octroi and transit insurance	37,229	40,582
Sales promotion,	23,447	18,004
Stores and packing materials consumed	20,067	11,495
Travel	12,002	15,053
Rent	14,091	14,362
Communication expenses	10,316	10,069
(Decrease) of Excise duty on inventory (Refer note no. 20.12)	(3,442)	(4,991)
Repairs and maintenance:		
- Plant and machinery	1,429	714
- Building	293	511
- Others	3,780	3,974
Director's sitting fees	515	378
Provision for doubtful debts (Refer note no. 20.8)	1,264	4,347
Power, fuel and water charges	5,473	5,548
Insurance	2,004	2,718
Professional fees and expenses	6,253	7,844
Turnover and additional sales-tax	94	67
Packing and forwarding	15,217	10,452
Printing and stationery	1,029	1,449
Processing charges	16	158
Rates and taxes	1,440	1,355
Service tax	1,780	2,274
Loss on sale of assets, net	283	257
After sales service charges	14,059	18,497
Other expenses	12,053	14,641
	<u>185,890</u>	<u>190,405</u>
Less: Reimbursements (Refer note no. 20.8)	(28,327)	(51,429)
Less: Insurance claims*	(2,139)	(4,065)
	<u>155,424</u>	<u>134,911</u>
19. FINANCIAL EXPENSES	2009	2008
Interest- On fixed loans	4,876	19,798
Interest- Others	935	995
Bank Charges	5,142	6,228
	<u>10,953</u>	<u>27,021</u>

* Insurance claims represent recovery of amounts from the insurance company towards incidental expenses incurred towards warranty claims.

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

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

Schedule 20 : NOTES TO ACCOUNTS**1. Background**

Sharp India Limited ('the Company') was incorporated on July 5, 1985. The Company is principally engaged in the manufacture and sale of colour televisions & LCD TV's. Further, the Company is also engaged in trading microwave ovens, refrigerators, colour televisions, LCD TV's, air conditioners and audio systems.

Sharp Corporation ('Sharp'), a company incorporated in Japan, holds 80 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').

2. Statement of significant accounting policies**(a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed assets, Intangible Assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment loss if any. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Intangible assets are recorded at the consideration paid for their acquisition. Further assets held for disposal are stated at the lower of the net book value or the estimated net realizable value.

Depreciation is provided based on management's estimate of useful lives of the fixed assets, on the straight-line method pro-rata to the period of use of asset or at rates specified in Schedule XIV to the Act, whichever is higher, at the following annual rates:

	%
Buildings	
- Factory	3.34
- Others	1.63
Plant and machinery	5.38*
Moulds, jigs and fixtures	16.21*
Furniture, fittings and equipment	4.75 - 6.33
Computers and SAP	16.21 - 25.00#
Vehicles	9.50
Technical Knowhow	10

* Plant and machinery, Moulds, jigs and fixtures identified and evaluated technically as obsolete by management are stated at their estimated net realisable values.

Computers include capitalised software (SAP), which is depreciated over a period of six years.

Assets individually costing below Rs 5,000 are fully depreciated in the year of purchase.

(d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(e) Leases

Operating Lease

Where Company is Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value

determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(g) Inventories

Inventories of raw material and components, stores and packing material, Traded and manufactured finished goods, and work-in-progress are valued at the lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of materials and traded goods are determined on the weighted average method. Cost of finished goods and work-in-progress comprises materials, labour and manufacturing overheads. 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.

(h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods and Services

Sales are recognised on the basis of actual despatch to customers and are recorded net of discounts and sales taxes, but including excise duty. Service income is recognised over the period of the service contracts, in accordance with the terms of the contracts.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(i) Product Warranty Costs

Product warranty costs have been provided in the books of account on the basis of expected claims as estimated by management.

(j) 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 reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year 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 contracts is amortised as 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 year 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 year.

(k) Retirement benefits

Retirement benefits to employees comprise contributions to gratuity, superannuation and provident funds as per the approved scheme of the Company.

Defined contributions to provident fund are charged to the profit and loss Account on accrual basis.

Contributions to superannuation fund with LIC through its employees' trust are charged to the profit and loss account on an accrual basis.

Gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(l) Provision for tax

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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. Deferred income

taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet 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 reasonably certain or virtually certain, as the case may be, 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 reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(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 events and 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 are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed by way of Notes to the accounts. Contingent assets are not recognised.

(o) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand.

3. PAYMENT TO DIRECTORS	<u>2009</u>	<u>2008</u>
Salary	1,380	1,295
Perquisites [See note (a) below]	<u>952</u>	<u>867</u>
(i) Director Remuneration (Managing Director and Executive Director)	<u>2,332</u>	<u>2,162</u>
(ii) Other Cost - Director sitting fees (Non-executive directors)	<u>515</u>	<u>378</u>
	<u><u>2,847</u></u>	<u><u>2,540</u></u>

Note :

- (a) Perquisites have been determined on actual cost basis.
 (b) The Company has made payments for managerial remuneration for which Central Government approval has been received.

4. CONTINGENT LIABILITIES	<u>2009</u>	<u>2008</u>
Claims against the Company not acknowledged as debts		
- Central Excise authorities	<u>20,095</u>	<u>11,762</u>
	<u><u>20,095</u></u>	<u><u>11,762</u></u>

Based on the opinion of the legal counsel of the Company, all contingent liabilities as at balance sheet date have been assessed as remote. Claims against the Company for Central Excise pertain to claim for (i) cenvat on work-in-progress and finished goods destroyed by fire and (ii) service tax on royalty paid to Sharp Corporation, Japan, and service tax on contract carriage services, repairs and maintenance and canteen services.

5. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of Derivatives

Forward contract outstanding as at Balance Sheet date
 Buy USD 1,414,296 (2008– USD 622,775)
 (These amounts are not in thousands)

Purpose
 Hedge against USD liabilities

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

<u>Particulars</u>	<u>In Currency In Thousand</u>	<u>Amount (Rs.'000)</u>
Creditors	USD 123	6,746
Loans and Advances	USD 56	2,870
	JPY 1,720	886
Debtors	USD 24	1,242

6. PRODUCT WARRANTY

In pursuance of accounting standard-29, 'Provisions, contingent liabilities and contingent assets' notified under the Companies (Accounting Standards) Rules, 2006, the provisions required have been incorporated in the books of account in the following manner;

Particulars	Product Warranty
Opening Balance	2,899
Additions	1,165
Utilisation/ (Reversal)	(1,444)
Closing Balance	<u>2,620</u>

The provision for product warranty represents the expected claims on account of field failure of parts and expected expenditure of servicing the products over the period of free warranty, which varies on the product type and model sold, the field failure rate of key parts and the current cost of components etc.

7. LEASE COMMITMENTS

The Company has entered into operating lease agreements for the rental of property. Typically, lease agreements are for a period of one to three years and contain provisions for early termination. There is also an office premises taken by the Company on operating lease with a non-cancellable three year term. There are no subleases. The lease rental charge during the year for such agreement is Rs. 4,345 and maximum obligation on long-term non-cancellable operating lease payable as per the rentals stated in the agreement is as follows;

<u>Obligations on non-cancellable operating leases</u>	Year ended March 31	
	2009	2008
Not later than one year	4,345	4,345
Later than one year and not later than five years	2,172	6,517
Later than five years	-	-

The disclosure made above is only in case of non-cancellable lease.

8. REIMBURSEMENTS FROM HOLDING COMPANY

During the year ended March 31, 2009, the Company has provided for doubtful debts aggregating Rs.15,864 of which Rs.14,600 (Previous Year Nil) has been reimbursed by Sharp Corporation, Japan. The provision for doubtful debts aggregating Rs. 1,264 debited to profit and loss account is after netting off the reimbursement of Rs. 14,600.

During the current year, the Company has received Rs.28,327 (Previous year Rs.51,249) as reimbursements from Sharp Corporation, Japan, towards Selling and General Administration expenses and Rs.42,472 (Previous Year Rs. Nil) as yearly discount on raw material and components and finished goods purchased from it and other group companies.

9. RELATED PARTY TRANSACTIONS**(a) Name of the related party and nature of relationship where control exists**

Name of the related party	Nature of relationship
Sharp Corporation, Japan	Holding Company

(b) Transactions with related parties as per the books of account during the year ended March 31, 2009

Nature of the transaction	2009				2008			
	Holding Company	Fellow Subsidiary	Key Management Personnel	Total 2009	Holding Company	Fellow Subsidiary	Key Management Personnel	Total 2008
Sale of Goods	-	2,894	-	2,894	-	27	-	27
Purchases of Fixed Assets	-	436	-	436	-	-	-	-
Purchase of goods	11,837*	217,821*	-	229,658	71,218	183,491	-	254,709
Reimbursement of expenses received from (Net)	46,615	3,358	-	49,973	55,800	3,715	-	59,515
Salary paid for services received	-	-	2,332	2,332	-	-	2,162	2,162

* Net of discounts received

List of material transactions with fellow subsidiaries:

Type of transaction	Type of relationship	Name of the entity/person	2009	2008
Purchase of goods	Fellow subsidiary	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	90,431	40,312
		Sharp Manufacturing Thailand Co. Ltd., Thailand	4,691	98,564
		Sharp Appliances Thailand Ltd., Thailand	42,918	32,783
		Sharp Manufacturing Co.(M) SDN BHD	49,496	242
		Others	30,285	11,590
			<u>2,17,821</u>	<u>183,491</u>

Type of transaction	Type of relationship	Name of the entity/person	2009	2008
Sale of goods	Fellow subsidiary	Sharp Business Systems India Limited	-	27
		P T Sharp Electronics Indonesia	2,894	-
			<u>2,894</u>	<u>27</u>
Managerial remuneration	Key management personnel	Mr Y. Mizuno	1,064	1,124
		Mr T. Yamazaki	-	333
		Mr. K. Ajikawa	1,268	705
			<u>2,332</u>	<u>2,162</u>

(c) Amounts outstanding as at March 31, 2009

	Balance outstanding at year end			
	2009		2008	
	Holding Company	Fellow Subsidiary	Holding Company	Fellow Subsidiary
Sundry Debtors	-	1,242	-	-
Sundry Creditors	27	15,300	47,123	14,433
Loans and Advances	50,695	3,578	46,058	3,214

(d) The names of the related parties under the appropriate relationship included in notes 12(b) and 12(c) above are as follows :

Sr. No	Type of relationship	Name of the party
1.	Holding Company	Sharp Corporation – Japan
2.	Fellow Subsidiary	Sharp Electronics (Malaysia) SDN. BHD., Malaysia Sharp Manufacturing Co.(M) SDN BHD Sharp Business Systems (India) Limited Sharp Roxy Electronics Corporation (M) SDN.BHD Sharp Manufacturing Thailand Co. Ltd., Thailand Sharp Appliances (Thailand) Ltd., Thailand P.T. Sharp Electronics Indonesia. Sharp Roxy Sales (Singapore) Pte. Ltd.
3.	Key Management Personnel	Y. Mizuno K. Ajikawa T. Yamazaki

10. SEGMENT REPORTING

The Company is exclusively engaged in the business of 'consumer electronics' consisting of all types of Colour Televisions and other products. Further the Company has only one geographical segment. These, in the context of Accounting Standard 17 ('AS-17') on Segment Reporting, notified under the Companies (Accounting Standards) Rules, 2006 are considered to constitute one single primary segment. Hence, segment information as per AS 17 is not required to be disclosed.

11. POST EMPLOYMENT BENEFITS

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

Particulars	March 31, 2009
Discount rate	7.10%
Expected rate of return on plan assets	7.50%
Salary escalation rate	5% for Bargainable & 7.0% for Non-Bargainable
Attrition rate	2%

The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

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

Particulars	March 31, 2009	March 31, 2008
Opening defined benefit obligation	35,420	30,514
Interest cost	2,904	2,365
Current service cost	2,844	2,393
Benefits paid	(1,062)	(3,238)
Actuarial (gains)/losses on obligation	352	3,386
Closed defined benefit obligation	40,458	35,420

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

Particulars	March 31, 2009	March 31, 2008
Opening fair value of plan assets	25,489	23,986
Expected return	1,965	1,800
Contributions by employer	3,077	2,953
Benefits paid	(1,062)	(3,238)
Actuarial gains / (losses)	859	(11)
Closing fair value of plan assets	30,328	25,490
Actual return on plan assets	2,823	1,788

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

Particulars	2009	2008
Investments with LIC	100%	100%

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

Details of defined benefit gratuity plan

Particulars	March 31, 2009	March 31, 2008
Defined benefit obligation	40,458	35,420
Fair value of plan assets	30,328	25,490
Present value of unfunded obligations	10,130	9,930

Net employees benefit expense recognised in the Profit and Loss Account

Particulars	March 31, 2009	March 31, 2008
Current Service Cost	2,845	2,393
Interest on defined benefit obligation	2,904	2,365
Expected return on plan assets	(1,965)	(1,800)
Net actuarial (gain)/loss recognised in the year	(507)	3,397
Past service cost	-	-
Benefit expense (a)	3,277	6,355
Amounting arising on account of transitional adjustment (b)	-	6,528
Other adjustments (c)	-	154
Total amount charged to profit and loss account (a+b+c) **	3,277	13,037

* The Company expects to contribute Rs.3,000 to gratuity in 2009-10.

** During the Company has paid premium to LIC Rs. 163 (Previous Year: Rs. Nil), which has been included in the Gratuity expenses.

12. Excise duty on sales amounting to Rs. 98,959 (Previous year Rs. 71,862) has been reduced from sales in profit & loss account and excise duty on increase in stock amounting to Rs. 3,442 (Previous year Rs. 4,991) has been considered as income in Schedule 18 of financial statements.

13. DEFERRED TAX BALANCES

The break up of components of deferred tax, net is as given below

	March 31, 2009	March 31, 2008
Deferred tax asset		
Provision for Product Warranty	891	985
Provision for Doubtful Debts	24,268	30,845
Provision for leave salary	3,948	4,781
VRS Expenditure	1,509	3,017
(A)	30,616	39,628
Deferred tax liabilities		
Depreciation on fixed assets	(17,358)	(17,764)
(B)	(17,358)	(17,764)
Deferred tax asset/(liability), net	13,258	21,864

In accordance with Accounting Standard 22 "Accounting for Taxes On Income" notified under the Companies (Accounting Standards) Rules, 2006, in view of there being no virtual certainty for availability of sufficient future taxable income against which the deferred tax assets of Rs.13,258 (Previous Year Rs. 21,864) (net) as at the close of the year can be realized, the same have not been recognized and has been restricted to the deferred tax liability.

14. As at March 31, 2009, no supplier has intimated the Company about its status as micro or small enterprise or its registration with the appropriate authority under the Micro Small and Medium Enterprises Development Act, 2006, hence the total outstanding dues to micro, small and medium enterprises have not been provided.

15. SUPPLEMENTARY PROFIT AND LOSS DATA

a) Payment to auditors comprises:

	2009	2008
As auditors	1,430	1,430
As tax auditors	150	150
Limited review	400	400
Reimbursement of out-of-pocket expenses and service tax	298	337
	<u>2,278</u>	<u>2,317</u>

(b) Licensed capacity, installed capacity and production (in number of units)

Items	Licensed capacity per annum		Installed capacity per annum*		Production for the year	
	2009	2008	2009	2008	2009	2008
Colour TV receivers, LCD and sub-assemblies thereof	300,000	300,000	200,000	200,000	109,881	64,011
Video cassette recorders/ video cassette players/ video tape deck mechanisms	500,000	500,000	335,000	335,000	-	-
Two-in-one radio-cum-cassette recorders (audio products)	**	**	90,000	90,000	-	-
Radio receivers combined with sound recorders reproducing apparatus	**	**	24,000	24,000	-	-
Video Compact Disk Player	**	**	10,000	10,000	-	-

* On single shift basis, some of the capacities are inter-changeable with other products depending on the need.

** Registered with Ministry of Industry, Government of India.
Installed capacity has been certified by the Company, this being a technical matter.

(c) Quantitative details of manufactured goods

	Year	OPENING STOCK		CLOSING STOCK		SALES		*OTHERS
		Qty	Amount	Qty	Amount	Qty	Amount	Qty
Colour TV receivers	2009	7,908	38,913	3,062	20,155	110,748	700,977	28
	2008	11,029	68,024	7,908	38,913	67,071	467,090	61
CTV-Sub-Assembly	2009	-	-	-	-	946	2,894	-
	2008	-	-	-	-	-	-	-
LCD TV	2009	-	-	104	3,234	2,893	65,460	8
	2008	-	-	-	-	-	-	-
VCR-EXPORT	2009	11	-	11	-	-	-	-
	2008	-	-	-	-	-	-	-
AUDIO	2009	-	-	-	-	-	-	-
	2008	9	-	-	-	(1)	(17)	10
SPARES	2009	-	10,820	-	8,789	-	8,911	-
	2008	-	15,393	-	10,820	-	11,787	-
Total	2009		49,733		32,178		778,242	
	2008		83,417		49,733		478,860	

* Others pertain to Stock written off during the year.

(d) Quantitative details of traded goods

	Year	OPENING STOCK		PURCHASES		CLOSING STOCK		SALES		*OTHERS
		Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty
Colour TV receivers	2009	440	1,730	1,078	10,636	946	7,803	548	3,892	24
	2008	12,232	66,635	29,596	134,255	440	1,730	41,231	237,357	157
Audio products	2009	-	-	-	-	-	-	-	-	-
	2008	18	-	-	-	-	-	1	6	17
Microwave Ovens	2009	32	103	1	43	8	-	15	125	10
	2008	406	1,813	421	3,634	32	103	784	6,171	11
LCD Projectors	2009	-	-	-	-	-	-	-	-	-
	2008	8	-	-	-	-	-	-	-	8
View Cams	2009	-	-	-	-	-	-	-	-	-
	2008	1	-	-	-	-	-	-	-	1
Fax Machines	2009	-	-	-	-	-	-	-	-	-
	2008	14	-	-	-	-	-	-	-	14
VCD	2009	-	-	-	-	-	-	-	-	-
	2008	1	-	-	-	-	-	-	-	1
DVD	2009	25	-	-	-	1	-	1	(9)	23
	2008	2,931	5,249	20	1,736	25	-	2,816	5,918	110
LCD TV	2009	785	44,263	4,537	56,536	475	7,016	4,807	140,686	40
	2008	879	47,328	3,283	121,467	785	44,263	3,369	159,354	8
Refrigerator	2009	591	11,522	3,797	68,999	863	20,662	3,491	85,528	34
	2008	1,729	28,009	2,472	45,099	591	11,522	3,599	81,967	11
Air Purifier	2009	-	-	-	-	-	-	-	-	-
	2008	30	-	-	-	-	-	5	45	25
Air Conditioner	2009	-	-	-	-	-	-	-	-	-
	2008	384	8,321	-	472	-	-	377	7,801	7
Washing Machine	2009	3	-	-	-	-	-	3	29	-
	2008	133	1,933	-	-	3	-	128	2,113	2
Total	2009		57,618		136,214		35,481		230,251	
	2008		159,288		306,663		57,618		500,732	

* Others pertain to Stock written off during the year.

** The above does not include service income of Rs.5,580 (Previous year Rs.6,461)

(e) Raw materials and components consumed (quantities in number of units)

	2009		2008	
	Qty	Amount	Qty	Amount
Colour picture tubes	106,150	191,547	64,190	92,974
Other	**	262,866	**	121,563
		<u>454,413</u>		<u>214,537</u>

** It is not practicable to furnish quantitative information of components consumed in view of considerable number of items, of diverse in size and number.

(f) (i) Value of imported and indigenous raw materials and components consumed

	2009		2008	
	%	Amount	%	Amount
Imported	82.07	372,914	71.42	153,212
Indigenous	17.93	81,499	28.58	61,325
	<u>100.00</u>	<u>454,413</u>	<u>100.00</u>	<u>214,537</u>

(f) ii) Value of imported and indigenous stores and packaging materials consumed

	2009		2008	
	%	Amount	%	Amount
Imported	0.52	104	0.34	39
Indigenous	99.48	19,963	99.66	11,456
	<u>100.00</u>	<u>20,067</u>	<u>100.00</u>	<u>11,495</u>

(g) Value of imports on CIF basis

	2009	2008
Raw material and components	334,806	155,611
Capital goods	1,084	13,105
Spare parts	2,674	2,182
Traded items	142,730	240,065
	<u>481,294</u>	<u>410,963</u>

(h) Expenditure in foreign currency (on cash basis)

	2009	2008
Travel	792	1,044
Management Consultancy Fees	909	1,935
Interest and bill negotiation charges	1,330	1,406
	<u>3031</u>	<u>4,385</u>

(h) Earnings in foreign currency (on cash basis)

	2009	2008
Sale of Assembly to P.T. Sharp Electronic Indonesia (Export)	1,652	-

16. PRIOR YEAR COMPARATIVES

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

As per our report of even date

S. R. Batliboi & Co.
Chartered Accountants

per **Arvind Sethi**
Partner
Membership No. : 89802

Pune
May 26, 2009

For and on behalf of the Board of Directors

K. Ajikawa
Managing Director

T. Sakamoto
Executive Director

M. P. Vaze
Company Secretary

Pune
May 26, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

(a) Registration detailsRegistration number State code Balance sheet date
Date Month Year**(b) Capital raised during the year**

Public issue	Rights issue	Bonus issue	Private placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>

(c) Position of mobilisation and deployment of funds

Total liabilities and shareholders funds:	Total assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/>

Sources of funds

Paid-up capital	Reserves and surplus	Secured loans	Unsecured loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

Application of funds

Net fixed assets	Investments	Net current assets	Miscellaneous expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

Accumulated losses

(d) Performance of the company

Turnover	Total expenditure	+ - Profit before tax	+ - Profit after tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="8"/>	<input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="6"/>	<input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/>

Earnings per share in Rs	Dividend rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

(e) Generic names of three principal products/services of the company

Item Code No (ITC Code)

Product Description

PROXY

SHARP INDIA LIMITED

Regd. Office : Gat No.686/4, Koregaon Bhima,
Taluka Shirur, District Pune 412 216.

I/We _____ (Folio No./ Client ID No. _____)

of _____

being a Member / Members of **SHARP INDIA LIMITED**, Pune, hereby appoint

of _____ or

failing him _____

of _____



as my/our Proxy to vote for me/us and on my/our behalf, at the TWENTY - FOURTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 02, 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Please affix
30 Paise
Revenue
Stamp
here

Signature(s) of Member(s)
across the stamp

Note : The Proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.