

SHARP

SHARP INDIA LIMITED

Registered Office & Factory
Gat no. 686/4, Koregaon Bhima, Tal. Shrirur,
Dist.: Pune : Pin 412 216
Phones : (02137) 252417 (4 LINES)
Fax : (02137) 252453
Website:www.sharpindialimited.com

CIN : L36759MH1985PLC036759

31.08.2020

To,

Corporate Relationship Dept,
Bombay Stock Exchange Limited
25th Floor, P J Towers, Dalal Street,
Mumbai 400001

Company Scrip Code : 523449

Dear Sir,

Sub: Annual Report of 35th Annual General Meeting:

Pursuant to the regulation 34 (1) (a) of SEBI (Listing obligation and disclosure requirement) Regulation 2018, Kindly find enclosed 35th Annual Report for Financial year 2019-2020 of our Company.

Kindly requested to take submissions on record.

Thanking you,
Yours faithfully,
For Sharp India Limited


Chandranil Belvalkar
Company Secretary
Encl : a/a.



**35th Annual Report
2019-2020**

SHARP

SHARP INDIA LIMITED

BOARD OF DIRECTORS

NAOKI HATAYAMA
[Managing Director]

SEIJI HAYAKAWA
(Non-executive Director)

PRASHANT ASHER
(Independent Director)

BHUMIKA BATRA
(Independent Director)

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BANKERS

BANK OF INDIA
THE MFG BANK LTD.
THE MIZUHO CORPORATE BANK LTD.
CITIBANK N.A.

SOLICITORS & ADVOCATES

CRAWFORD BAYLEY & CO., MUMBAI.

AUDITORS

M/S. PRICE WATERHOUSE CHARTERED
ACCOUNTANTS LLP, CHARTERED ACCOUNTANTS.

REGISTERED OFFICE & FACTORY

Gat No.686/4, Koregaon Bhima,
Tal. Shirur, Dist. Pune 412 216
Phone No. (02137) - 252417

REGISTRARS & TRANSFER AGENTS

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

Phone No. (020) - 26161629

SHARP INDIA LIMITED

Registered Office :

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

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

Website : www.sharpindialimited.com

CIN : L36759MH1985PLC036759

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Sharp India Limited will be held on Friday 25th September 2020 at 12:00 Noon (I.S.T.) through Video Conferencing ('VC') / Other Audio Visual Means ('OVAM') facility to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2020 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Naoki Hatayama (DIN No. 08390564) who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 Mr. Naoki Hatayama (DIN: 08390564), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

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

To Approve the Material Related Party Transactions:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents, sanctions and permissions of any authorities as may be necessary, the Members of the Company hereby approve the material related party arrangements or transactions as detailed bellow entered / to be entered into during the financial year 2020 - 2021 with authority to the Audit Committee and the Board of Directors of the Company to authorize the Management of the Company to enter into the aforesaid material related party arrangements or transactions upon the principal terms mentioned in the Explanatory Statement annexed hereto.

- 1) Reimbursement of expenses paid/ received, payment of guarantee fees for loans from subsidiaries and associate companies located in India or abroad, repayment /rollover of External Commercial Borrowing (ECB) Loan, or any other activity relating to ECB loan, payment of Interest on loan and any other transaction totally amounting to Rs.3,820.00 Lacs with Sharp Corporation, Japan.
- 2) Reimbursement of expenses paid/ received, Repayment / Rollover of Unsecured Loan, any other activity relating to unsecured loan, payment of Interest and any other transaction totally amounting to Rs.330 Lacs with Sharp Software Development India Private Limited.

- 3) Repayment/ Rollover of Unsecured Loan, payment of Interest as per the terms of loan agreement and any other transaction relating to the loan. Purchase of services, Reimbursement of Expenses paid /received and any other transactions totally amounting to Rs.4,500.00 Lacs with Sharp Business Systems (India) Private Limited.

- 4) Obtaining working Capital loans, any other loans, secured or unsecured, short term or long term, payment of interest on such loans acquired, repayment of the loans, rollover of the loan, extension of time for repayment of the loan, totally amounting to Rs.5,000.00 Lacs from Sharp Corporation, Japan and its subsidiaries in India or abroad and reimbursement of expenses paid/received upto Rs. 55.00 Lacs from subsidiaries in India or abroad of Sharp Corporation, Japan.

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

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

To ratify the payment of remuneration to the Cost Auditors for the financial year 2020-21 :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of Rs. 40,000/- (Rupees Forty thousand only) plus out of pocket expenses, if any, for the financial year ending on March 31, 2021 to M/s. C.S. Adawadkar & Co, Practicing Cost Accountants, (Firm Registration No.100401) who are appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending on 31st March 2021."

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto"

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

Date : August 11, 2020
Place : Pune

Chandranil Belvalkar
Company Secretary
Membership No.ACS-24015

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting (AGM) through Video Conference (VC) or other audio visual means (OAVM) without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC or OAVM. The deemed venue for the meeting shall be registered office of the Company located at Gat No 686/4, Koregaon Bhima, Taluka Shirur, Dist - Pune- 412 216.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are also encouraged to attend the AGM to be held through VC/OAVM. They are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sridhar@clcindia.net with copies marked to the Company at Chandranil.belvalkar@sil.sharp-world.com.
4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under Item Nos.3 and 4 above is annexed hereto. The Board of Directors of the Company at its meeting held on 11th August 2020 considered that the Special Business under Item Nos 3 and 4 being considered unavoidable, be transacted at the AGM of the Company.
5. In case of Joint Holders attending the AGM through, VC/OAVM only such Joint Holder whose name appear first in the order of names will be entitled to vote.
6. A statement giving details of the Directors to be re-appointed is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
7. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act 2013 and relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection by the Members in electronic mode during the AGM.
8. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the physical shareholder has not registered his/her/ their email address with the Company/its RTA and not updated the Bank Account mandate, the following instructions to be followed:

 - (i) The shareholder may please forward a letter duly signed by him/her containing email ID, mobile number and Bank Account details alongwith self-attested copies of PAN and Aadhar Cards and cancelled cheque leaf of his/her bank account. In case cheque does not contain sole/first shareholder's pre-printed name then also attach 1st page of bank passbook **OR**
 - (ii) *In the case of Shares held in Dematerialised (Demat) mode:*

The shareholder may please contact their Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

Members are requested to register their e-mail ID and choose to receive Company's communication through e-mail and support the green initiative efforts of the Company.
9. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.sharpindialimited.com and websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
10. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday 19th September 2020 to Friday, 25th September 2020 (both days inclusive).
12. 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 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune 411 001, in respect of their physical share folios.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime India Pvt. Ltd.

14. SEBI vide its notification dated 8th June 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1st April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to demat their physical holdings. Members holding shares in physical form are requested to consider converting their holding to demat form.
15. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting. The procedure for the same is provided separately in the notes of this notice.
16. Mr. Sridhar G. Mudaliar, Partner of M/s. SVD & Associates, Company Secretaries has been appointed as the Scrutinizer for scrutinizing the e-voting & poll process in a fair and transparent manner.
17. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed to the Notice.
18. Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 (Fifteen) minutes before the time scheduled for the Annual General Meeting and shall be kept open till expiry of 15 (Fifteen) minutes after scheduled time and will be available to the Members on first come first serve basis.
19. Participation in AGM through VC/OAVM is restricted upto 1000 members only and will be available on first come first serve basis upto 1000 member. This rule will however not apply to participation of shareholding of 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Persons, Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc.
20. Relevant documents referred to in the accompanying notice and the statement are open for inspection by the members at the registered office of the Company / electronic mode during the business hours on all the working days up to the date of 35th annual general meeting. Members seeking the inspection of such documents can send an e-mail on chandranil.belvalkar@sil.sharp-world.com
21. The Company has appointed Link Intime India Private Limited to provide VC/OAVM facility wherein Member shall register their details and attend the Annual General Meeting as under:
22. Instructions for e-voting and joining VC/OAVM Annual General Meeting are as follows:

A. Remote e-Voting Instructions for Members:

- (1) Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- A) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
 - a) User ID: Enter your User ID
 - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
 - Members holding shares in physical form shall provide Event Number and Folio Number registered with the Company.
 - b) PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - c) DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - d) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Members holding shares in CDSL demat account shall provide either 'c' or 'd', above.
 - Members holding shares in NSDL demat account shall provide 'd', above.
 - Members holding shares in physical form but have not recorded 'c' and 'd', shall provide their Folio number in 'd' above
- B) Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numerical, at least one alphabet and at least one capital letter).
- ▶ Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

- (2) Click on 'Login' under '**SHARE HOLDER**' tab.
- (3) Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
- (4) After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
- (5) E-voting page will appear.
- (6) Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

- (7) After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, **else** to change your vote, click on **'No'** and accordingly modify your vote.
- (8) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.
- (9) The e-voting period begins on *Tuesday, 22nd September 2020 at 09:00 a.m.* and ends on *Thursday, 24th September 2020 at 05:00 p.m.* During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Friday, *18th September 2020* may cast their vote electronically.

If you have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
In case shareholder is having valid email address, Password will be sent to his / her / their registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ◆ For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.
 - ◆ During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".
 - ◆ Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

For detailed procedure kindly refer the link provided in the e-mail for Insta Vote instructions

In case shareholders/members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

B. Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM)

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - 1.1 Select the **"Company"** and **'Event Date'** and register with your following details: -
 - A. Demat Account No. or Folio No.:** Enter your 16 digit Demat Account No. or Folio No 8 digit
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/ Company
 - 1.2 Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

For detailed procedure, software requirements and its installation, kindly refer the link provided in the e-mail for Insta Meeting Video conference instructions

Note:

- Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

(C) Instructions for Members to register themselves as Speakers during Annual General Meeting:

- (1) Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at chandranil.belvalkar@sil.sharp-world.com upto 21st September, 2020.

- (2) The Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
- (3) Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- (4) Other shareholder may ask questions to the panellist, via active chat-board during the meeting
- (5) Please remember speaking serial number shall start your conversation with panellist by switching on video mode and audio of your device. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves and depending on the availability of time at the AGM.

Shareholders are requested to speak only when moderator of the meeting will announce the name and serial number for speaking.

(d) Instructions for Members to Vote during the Annual General Meeting:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) during registration for Insta Meet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

- Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on

the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

- Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

For detailed procedure kindly refer the link provided in the e-mail for Insta Meeting Video conference instructions

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

ITEM NO.3

As per Regulation 23 of the Listing Regulations, all material related party transactions, that is to say, transactions by a listed entity with a related party if entered individually or taken together with previous transactions during a financial year, exceeding 10 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, shall require approval of the members by an ordinary resolution.

Sharp Corporation (SC) Japan and its subsidiary companies are related parties, with reference to the Company within the meaning of sub-section (76) of section 2 of the Companies Act, 2013 and Regulation 2 (1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**").

Your company has availed ECB Loan of Rs.1,584.11 Lacs from Sharp Corporation Japan and Inter corporate Loan of Rs. 285.00 Lacs from Sharp Software Development India Private Limited (SSDI) and 2,355 Lacs from Sharp Business Systems (India) Private Limited. As per the loan agreement the ECB loan of Rs 1,584.11 Lacs from Sharp Corporation and Inter Corporate Loan from SBI of Rs 700.00 Lacs will be due for Repayment in the financial year 2020-2021.

Your Company continues to rely on SC Japan for necessary financial and operational support. Considering the current situation for meeting the day today expenses in the financial year 2020-2021, your company will need financial support from Sharp Corporation Japan and its subsidiaries.

The particulars of transactions proposed to be entered between your company and Sharp Corporation and its subsidiary companies are as follows.

Name of the Related Party	Nature of Transactions	Estimated Value (Rs. in Lacs)	Period
Sharp Corporation - Japan	Reimbursement of expenses received /paid,payment of guarantee fees for loans from subsidiaries and associate companies located in India or abroad, repayment/rollover and any other activity relating to ECB Loan, payment of interest on ECB Loan and any other transactions.	Rs. 3820.00	1.4.2020 to 31.3.2021
Sharp Software Development India Private Limited	Reimbursement of expenses paid/ received, Repayment/ Rollover of Unsecured Loan , payment of Interest as per the terms of loan agreement and any other transaction relating to the loan.	Rs. 330.00	1.4.2020 to 31.3.2021
Sharp Business Systems (India) Private Limited	Repayment/ Rollover of Unsecured Loan, payment of Interest as per the terms of loan agreement and any other transaction relating to the loan. Purchase of services, Reimbursement of Expenses paid / received.	Rs. 4500.00	1.4.2020 to 31.3.2021
Sharp Corporation, Japan and its subsidiary companies located in India or abroad	Availing loans, secured or unsecured, short term or long term, and other related transactions.	Rs. 5000.00	1.4.2020 to 31.3.2021
Subsidiaries of Sharp Corporation, Japan in India and abroad	reimbursement of expenses paid/received.	Rs. 55.00	1.4.2020 to 31.3.2021

As per the estimates, the above transactions would qualify as material related party transactions as they are likely to exceed 10% of the annual turnover of the Company for the financial year 2020-2021.

Other information:

- 1) Name of the Related Party and relationship : As stated above
- 2) Name of the Directors / Key managerial Personnel who is related, if any- . Currently Mr. Naoki Hatayama- Managing Director and Mr. Seiji Hayakawa is nominated by Sharp Corporation, Japan on the Board of Sharp India Limited. Mr.Naoki Hatayama & Mr. Seiji Hayakawa nominated by Sharp Corporation, Japan are related party.
- 3) Duration- as stated in the resolution
- 4) Monetary value:Estimated Annual values as mentioned in the resolution
- 5) Nature, material terms and particulars of the arrangement: As stated above
- 6) Any other information relevant or important for the Members to make a decision on the proposed transaction: None.

Member's approval is sought for the aforesaid material related party transactions entered/ to be entered in the financial year 2020-2021.

Except Mr. Naoki Hatayama and Mr. Seiji Hayakawa, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in

the resolution set out at Item No.3 of this Notice.

Directors recommend the resolution at Item No. 3 for the acceptance by the Members of the Company.

Item No. 4:

Cost Audit is applicable to your company for the financial year 2020-2021. The Board of Directors on the recommendation of the Audit Committee have appointed M/s. C. S. Adawadkar & Co, Practicing Cost Accountant as the 'Cost Auditor' of the Company for the financial year ending 31st March 2021 to audit the cost records of the Company. As per section 148 (3) of the Companies Act, 2013 read with rule no.14 of the Companies (Audit & Auditors) Rules 2014 the remuneration payable to the 'Cost Auditor' requires to be ratified by the members of the Company. Accordingly members are requested to ratify the remuneration payable to the 'Cost Auditor' for the financial year ending 31st March 2021 as set out in the resolution for the aforesaid services to be rendered by them .

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

PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT DIRECTORS RETIRING BY ROTATION AT THE ANNUAL GENERAL MEETING :

Particulars	Mr. Naoki Hatayama
Age, Qualification and Experience/brief resume	Age: 39 years, Qualification: Graduate from the Graduate School of Hiroshima University Experience: 15 years' experience of working in Sharp Corporation, Japan during the tenure has held various positions like Manager in Corporate Governance Unit, Manager in Health and Environment Business Unit and Now is Division Manager New Business Planning and Development Division Global health and Environment Systems BU. He is working as Managing Director for Sharp India Limited since April 2, 2019.
Terms and Conditions of re- appointment	As per the resolution at item No. 2 of notice conveying Annual General Meeting Mr. Naoki Hatayama, is proposed to be re-appointed as Director liable to retire by rotation
Date of first appointment on Board	02nd April 2019
Shareholding in Company as on 31st March 2020.	Nil
Relation with any Director/ other Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company.

For other details such as number of meetings of the board attended during the year, Directorship and committee membership of other companies, remuneration drawn in respect of above Director please

refer to the corporate governance report which is a part of this Annual Report. There is no change in the remuneration sought to be paid in terms of his re- appointment.

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

Date : August 11, 2020
Place : Pune

Chandranil Belvalkar
Company Secretary
Membership No.ACS-24015

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Thirty Fifth Report together with the Audited Financial Statement of Accounts for the year ended on March 31, 2020.

1. FINANCIAL RESULTS

Rs. In Lacs

	Year ended March 31, 2020	Year ended March 31, 2019
INCOME		
Revenue from operations	2.15	35.94
Other Income	57.43	15.42
Total Income	59.58	51.36
EXPENDITURE		
Manufacturing and other expenses	912.98	919.22
Depreciation	153.01	159.98
Financial expenses	391.80	208.99
Total Expenses	1,457.79	1,288.19
PROFIT/(LOSS) BEFORE TAX	(1,398.21)	(1,236.83)
PROVISION FOR TAX	0.00	0.00
NET PROFIT/(LOSS) FOR THE YEAR	(1,398.21)	(1,236.83)
PROFIT AND LOSS ACCOUNT, beginning of the year	(6,650.24)	(5,413.41)
PROFIT AND LOSS ACCOUNT, end of the year	(8,048.45)	(6,650.24)

2. PERFORMANCE & OPERATIONS:

Gross Revenue from operations during the year under review was Rs. 59.58 Lacs. The net loss of the company for the fiscal year 2019-2020 is Rs. 1,398.21 Lacs. There was no production of LED TVs since April 2015 (Except in the month of August 2015) and of Air conditioners since June 2015 in the absence of any orders. During the period under review there was no change in the nature of business carried on by Company.

GLOBAL HEALTH PANDEMIC FROM CORONAVIRUS (COVID-19)

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To enforce social distancing and to contain the spread of disease, the employees were asked to work from home since 23rd March 2020. Our office is now operating at minimal

staff after following safety and sanitization guideline prescribed by government authorities.

As the Company does not have manufacturing activities during the year, as such no much significant impact was caused due to COVID 19. However considering the uncertainties on its future impact on global economy, the impact on the subsequent events in terms of action for revival of Company is dependent on the circumstances as they evolve.

3. MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

The Management Discussion Analysis and the report on Corporate Governance are attached to the Directors' Report and form parts of this Annual Report.

The Company is committed to achieving and adhering to the highest standards of Corporate governance and it constantly benchmark itself with best practices in this regards. A report on corporate governance for financial year 2019-20 along with a certificate issued by the Company Secretary in whole time practice confirming compliance with the mandatory requirements as stipulated in chapter IV of the listing regulations, forms part of this report.

4. INDUSTRIAL RELATIONS:

Industrial Relations have been and continue to be harmonious and cordial

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

The Board of Directors based on the recommendations of the Audit Committee in the meeting held on 9th August 2017, has appointed M/s Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company for a period of five years from the conclusion of 32nd annual general meeting till the conclusion of 37th annual general meeting of the Company. The provision for ratification of appointment of statutory auditors is omitted under the Companies amendment Act 2017 notified on 7th May 2018. Accordingly no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing Annual General Meeting.

ii) Cost Auditors:

The Board of Directors has appointed M/s. C.S. Adawadkar & Co, Practicing Cost Accountant, as the Cost Auditor for the financial year ended on 31st March, 2020 upon recommendation of the Audit Committee. M/s. C.S. Adawadkar & Co, Cost Accountant will submit the cost audit report along with annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your company.

The Board of Directors have appointed M/s. C.S. Adawadkar & Co. Practicing Cost Accountant, to conduct the Cost Audit of the Company for the financial year ending on 31st March, 2021 upon recommendation of the Audit Committee. The remuneration payable to the Cost Auditors for the financial year 2020-2021 requires ratification by the members of the Company. The same is put up before the members of the company for their consideration and approval.

iii) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed M/s. SVD & Associates, Practicing Company Secretaries as the 'Secretarial Auditors' of the company for the financial year 2019-2020. The Secretarial Audit Report given by M/s. SVD & Associates, Practicing Company Secretaries for the financial year 2019-2020 is annexed as **Annexure - C**.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Company has submitted the Annual Secretarial Compliance Report, issued by M/s. SVD & Associates, Practicing Company Secretaries with the Bombay stock exchange Ltd. where shares of the Company are listed.

6. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12 (1) the Companies (Management and Administration) Rules, 2014, as amended, the extract of the Annual Return in Form MGT 9, is provided as an '**Annexure -A**' to this report and is also available on the website of the company www.sharpindialimited.com

7. CORPORATE GOVERNANCE

In terms of regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 the report on Corporate Governance along with the Certificate of Compliance forms part of this report.

8. NUMBER OF MEETINGS OF THE BOARD

During the year under review, Five Board Meetings were convened on 8th May 2019, 6th August 2019, 12th August 2019, 13th November 2019 and 11th February 2020. The gap between the said meetings did not exceed 120 days as prescribed under relevant provisions of Companies Act, 2013, the rules made thereunder and Listing regulations relating to Corporate Governance. The details of which are given in the Corporate Governance Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the financial year ended on 31st March 2020, the applicable accounting standards have been followed and that there are no material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

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

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

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

i. Qualifications of Director:

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

ii. Positive attributes of Directors:

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

iii. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI Listing Regulations 2015 concerning independence of directors.

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

The Statutory Audit Report, Secretarial audit report and the Cost Audit Report for the financial year ended 31st March 2020 do not contain any comments, qualifications, reservations, adverse remarks or disclaimer.

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

The Company has not given any loans, guarantees or has not made any investments during the financial year 2019-2020 under review.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the Financial year the Company has entered into contracts or arrangements with the related parties in the ordinary course of business and on arm's length basis. Prior approval of the Audit Committee was obtained for all the related party transactions entered into by the Company for the financial year ended on 31st March 2020. A statement giving details of all related party transactions entered pursuant to the approval so granted is placed before the Audit Committee for their review on quarterly basis. The policy on related party transactions as approved by the Board of Directors has been displayed on the website of the Company: www.sharpindialimited.com.

During the period under review, no related party transaction was entered by the company which attract the provisions of section 188 of Companies Act, 2013. There were no material individual transactions with related parties accordingly AOC-2 is not applicable to Company. The related party transaction under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2020-21 are put up for approval of members.

15. THE STATE OF THE AFFAIRS OF THE COMPANY:

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

16. THE AMOUNT, IF ANY, WHICH, IT PROPOSES TO CARRY TO ANY RESERVES: Nil**17. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND: Nil.****18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT: NIL****19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO etc.:****Conservation of Energy & Technology Absorption etc:**

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

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

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

Even though the nature of company's operations is not energy-intensive, in line with the company's commitment towards conservation of energy, all departments in the company continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction by your company are as given below: Making constant efforts to reduce consumption of energy, light, oil, water & fuel in following ways:

- (i) Reduction of energy consumption by turning off lights, personal computers, fans and other electronic equipments when not in use;
- (ii) Timely maintenance and up-gradation of machinery & equipments;
- (iii) Plantation of trees in the factory
- (v) Awareness programs towards optimum utilization of natural resources at managerial as well as employee level;
- (v) Timely repairs & maintenance of water taps in the factory.

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

Expenditure on Research & Development :

Amount Rs. Lacs

Capital	0
Recurring	0
Total	0
Total R&D Expenditure as a percentage of total sales turnover	-

Foreign Exchange Earnings and Out go:

Amount Rs. Lacs

Foreign Exchange outgo	16.21
Foreign Exchange earning	0

20. RISK MANAGEMENT POLICY:

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

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

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

As per the policy and criteria laid down by the Nomination & Remuneration Committee, provisions of the Companies Act 2013 & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the performance evaluation of the independent directors was carried out by the entire board, excluding the Director being evaluated and the performance of the non-independent directors was carried out by the independent directors who also reviewed the performance of the Board as a whole. The Board's functioning was evaluated on various aspects including structure of the Board, and qualifications, experience of the directors being evaluated.

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

a) Change in Directors during the year:

Mr. Masahiko Nakagawasai had resigned as Director of Company with effect from 02th April 2019. The Board places on record its sincere appreciation for valuable contribution during his tenure as Managing Director. Mr. Naoki Hatayama was appointed as Managing Director of Company w.e.f 2nd April 2019. Mr. Naoki Hatayama being non-resident the approval of Central government was obtained on 22nd October 2019 for the term of three year from 2nd April 2019 to 01st April 2022.

b) Director proposed to be re-appointed at the ensuing Annual General Meeting:

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Naoki Hatayama retire by rotation as Director of the Company and being eligible he has offered himself for re-appointment.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Board/Committee of the Company.

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

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

25. DEPOSITS:

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

26. SECRETARIAL STANDARDS

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October 2017. The Company is in compliance with the revised secretarial standards.

27. SIGNIFICANT AND MATERIAL ORDERS:

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

28. REPORTING OF FRAUDS BY AUDITORS

During the reporting year, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

29. INTERNAL FINANCIAL CONTROLS:

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

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

The relevant information required to be given under section 197(12) of the Companies Act, 2013 and Rule no. 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed at 'Annexure - D' to this Report.

31. COMPOSITION OF THE COMMITTEE MEETINGS:

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

The compositions and other relevant information of Nomination & Remuneration Committee and Stake holders' relationship Committee has been given in the section Corporate Governance.

32. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy to provide a formal vigil mechanism to the directors and employees to

report concerns about unethical behavior, actual or suspected fraud. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee to report the concerns. During the year under review your company has not received any complaints, under the said mechanism. This policy has been posted on the website of the company- www.sharpindialimited.com

33. FAMILIARIZATION PROGRAM OF INDEPENDENT DIRECTORS:

Familiarization programs are conducted for the independent directors of the company to make them familiar with the company's policies, operations, business models etc. and the details about the same are available on the website of the Company-www.sharpindialimited.com.

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

Company has zero tolerance for sexual harassment at the workplace and in terms of the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy to prevent sexual harassment of women at the workplace. The policy aims to provide protection to the women employees at the workplace and prevent and redress the complaints of sexual harassment at the workplace. Internal compliant committee has been setup for redressal of complaints received regarding sexual harassment. All employees are covered under the policy. Disclosure of cases/status during the year under review Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- a. Number of complaints filed during the financial year : Nil
- b. Number of Complaints deposited of during financial year: Nil
- c. Number of Complaints pending as on end of the financial year: Nil.

35. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Date: August 11, 2020
Place : Pune

Naoki Hatayama
Managing Director
DIN : 08390564

Bhumika Batra
Director
DIN : 03502004

Annexure- A

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L36759MH1985PLC036759
2.	Registration Date	5th July 1985
3.	Name of the Company	Sharp India Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Gat No.686/4, Koregoan Bhima, Taluka: Shirur, Dist: Pune - 412 216, Tel No. 91-02137-252417 Fax No. 91-02137-252453
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, 202, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Mandir, Pune - 411 001 Phone No.91-020 -26161629 Fax No.91-020 - 26163503

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	—	—	—*

* There was no production during the period due to absence of any order.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SR.No.	Name & Address of the Company	CIN/GLN	Holding /Subsidiary Associate Company	Percentage of Shares Held	Applicable section
1.	Sharp Corporation, 1, Takumi -Cho, Sakai-ku, Sakai- City, Osaka, 590-8522, Japan.	NA	Holding Company	75.00%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0.00	0	0	0	0	0.00
a) Individual/ HUF	0	0	0	0.00	0	0	0	0	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any other	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A1)	0	0	0	0.00	0	0	0	0	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Others- Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corporate	19458000	0	19458000	75.00	19458000	0	19458000	75.00	0.00
d) Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0	0.00
e) Any others	0	0	0	0.00	0	0	0	0	0.00
Sub- Total (A2)	19458000	0	19458000	75.00	19458000	0	19458000	75.00	0.00
Total Shareholding of Promoters A= (A1) + (A2)	19458000	0	19458000	75.00	19458000	0	19458000	75.00	0.00
B. Public Shareholding	0	0	0	0.00	0	0	0	0	0.00
1. Institutions	0	0	0	0.00	0	0	0	0	0.00
a) Mutual Funds	0	1700	1700	0.0066	0	1700	1700	0.0066	0.00
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
c) Alternate Investment funds	0	0	0	0.00	0	0	0	0	0.00
d) Foreign Venture capital Investors	0	0	0	0.00	0	0	0	0	0.00
e) Foreign Portfolio Investor	0	1200	1200	0.0046	0	1200	1200	0.0046	0.00
f) Financial Institution/Banks	2773	0	2773	0.0107	0	0	0	0	-0.0107
g) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
h) Provident Funds/ pension funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B1):-	2773	2900	5673	0.0219	0	2900	2900	0.0112	-0.0107
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	218285	11480	229765	0.8856	367849	10480	378329	1.4583	0.5727
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2524928	791852	3316780	12.7844	2504220	773952	3278172	12.6356	-0.1488
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2480083	0	2480083	9.5594	2412749	0	2412749	9.2998	-0.2596
c) Others (specify)									
Non Resident Indians (Repat)	78212	100	78312	0.3019	78358	100	78458	0.3024	0.0005
Non Resident Indians (Non- Repat)	40003	0	40003	0.1542	38723	0	38723	0.1493	-0.0049
Clearing Members	65391	0	65391	0.2520	2192	0	2192	0.0084	-0.2436
Hindu Undivided family	269593	400	269993	1.0407	294077	400	294477	1.1350	0.0943
Sub-total (B2):-	5676495	803832	6480327	24.9781	5698168	784932	6483100	24.9888	0.0107
Total Public Shareholding (B)=(B1)+ (B2)	5679268	806732	6486000	25.0000	5698168	787832	6486000	25.0000	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	00.00	00.00
Grand Total (A+B+C)	25137268	806732	25944000	100.00	25156168	787832	25944000	100.00	0.00

ii) Shareholding of Promoter -

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sharp Corporation, Japan	19,458,000	75.00	0.00	19,458,000	75.00	0.00	0.00

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

SN	Particulars	Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the Year (31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	19,458,000	75.00	19,458,000	75.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0.00	0	0.00
3	At the end of the year	19,458,000	75.00	19,458,000	75.00

iv) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2019)		Increase/ (Decrease) in the shareholding during the year		Shareholding at the end of the year (31-03-2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Manu Gopaldas Chhabria	282225	1.09	1700	0.00	283925	1.09
2	Hitesh Ramji Javeri	182570	0.70	0	0.00	182570	0.70
3	M Shikar	246671	0.95	(89574)	0.35	157097	0.60
4	Mitesh C Gandhi	101500	0.39	46,524	0.18	148024	0.57
5	Somani Stock Broking Pvt. Ltd	0	0.00	135000	0.52	135000	0.52
6	Mayur Shah	120156	0.46	3844	0.02	124000	0.48
7	Shankar K. Chatterjee	51125	0.20	53550	0.20	104675	0.40
8.	Hridaan Chopraa	103133	0.40	0	0.00	103133	0.40
9.	Kamal Gadabay	82126	0.32	0	0.00	82126	0.32
10.	Harsha H. Javeri	76427	0.29	0	0.00	76427	0.29
11.	Ami Hitesh Javeri	66892	0.26	0	0.00	66892	0.26
12.	Sarita Himatsingka	135038	0.52	(135038)	(0.52)	0	0.00

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

v) Shareholding of Directors and Key Managerial Personnel:

SN	Names of Directors & Key managerial Personnel	Shareholding at the beginning of the year (01.04.2019)		Increase/ (Decrease) in the shareholding during the year		Shareholding at the end of the year (31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Naoki Hatayama- Managing Director	0	00.00	0	0.00	0	00.00
2	Mr. Seiji Hayakawa - Director	0	00.00	0	0.00	0	00.00
3	Mr. Prashant Asher- Independent Director						
4	Ms. Bhumika Batra - Independent Director	0	00.00	0	0.00	0	00.00
5	Mr. Sunil K. Sane- Chief Financial Officer	10	00.00	0	0.00	10	00.00
6	Mr. Chandranil Belvalkar- Company Secretary	0	00.00	0	0.00	0	00.00

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

	Secured Loans excluding deposits (Rs. In Lacs)	Unsecured Loans (Rs. In Lacs)	Deposits (Rs. In Lacs)	Total Indebtedness (Rs. In Lacs)
Indebtedness at the beginning of the financial year (01-04-2019)				
i) Principal Amount	0	2,854.11	0	2,854.11
ii) Interest due but not paid	0	4.85	0	4.85
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	2,858.96	0	2,858.96
Change in Indebtedness during the financial year				
* Addition	0	1670.00	0	1670.00
* Reduction	0	300.00	0	300.00
Net Change	0	1370.00	0	1370.00
Indebtedness at the end of the financial year (31-03-2020)				
ii) Principal Amount	0	4224.11	0	4224.11
ii) Interest due but not paid	0	16.79	0	16.79
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	4240.90	0	4240.90

VII. Remuneration of Directors & Key Managerial Personnel :

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

SN.	Particulars of Remuneration	Total Amount in Rupees		
		*Mr. Masahiko Nakagawasai. (Managing Director) (from 01.04.2019 to 2.04.2019)	*Mr. Naoki Hatayama (Managing Director) (from 2.04. 2019 to 31.03.2020)	Total amount in Rupees
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,333	14,36,000	14,43,333
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	220	39,600	39,820
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify, Employer's Contribution to Provident Fund			
	Total (A)	7,553	14,75,600	14,83,153
	** Ceiling as per the Companies Act. 2013			

* Mr. M. Nakagawasai resigned as Managing Director and Mr. Naoki Hatayama was appointed as managing Director w.e.f 02.04.2019.

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount In Rupees
		Mr. Prashant Asher	Ms. Bhumika Batra	
1	Independent Directors			
	@ Sitting Fee for attending board & committee meetings	3,77,500	3,77,500	7,55,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	3,77,500	3,77,500	7,55,000
2	Other Non-Executive Directors	Mr.Seiji Hayakawa	0	0
	@ Sitting Fee for attending board & committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)= (1+2)	0	0	7,55,000
	Total Managerial Remuneration (A+B)	-	-	22,38,153
	@Overall Ceiling as per the Act	-	-	-

** - Remuneration paid to the Managing Director is within the limits of the Companies Act 2013.

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

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

No	Particulars of Remuneration	Total Rupees		Total Rupees
		Mr. Sunil K.Sane (Chief Financial officer)	Mr. Chandranil Belvalkar (Company Secretary)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,72,262	9,68,344	25,40,606
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,13,673	0	1,13,673
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify Employers' Contribution to Provident Fund	61,488	31,680	93,168
	Employer's Contribution to Superannuation Fund	76,860	0	76,860
	Total	18,26,683	10,00,024	28,26,707

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure- B
NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

- 1.1 Sharp India Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.
- 1.2 The Companies Act, 2013 and Rules and Regulations made there under and amended from time to time and Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 (SEBI(LODR)) makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee. The new set of policy was adopted on 6th February 2019 to be in line with the amendments in Companies Act 2013 and SEBI (LODR).
- 1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by :
- 1.3.1. ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance and
- 1.3.2. ensuring that the nomination processes and remuneration policies are equitable and transparent.
- 1.4 The responsibilities of the Nomination and Remuneration Committee include :
- 1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;
- 1.4.2 recommending to the Board of Directors a policy, relating to the remuneration in whatever form, payable to the directors, key managerial personnel and senior management personnel.
- 1.4.3 formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;
- 1.4.4 devising a policy on Board diversity; and
- 1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommending to the Board of Directors the appointment and removal of such personnel.
- 1.5 This Nomination and Remuneration Policy has been formulated with a view to :
- 1.5.1 devise a transparent system of determining the appropriate level of remuneration for the directors , key managerial personnel and senior management personnel .

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

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

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

2. DEFINITIONS

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

- 2.1 'Board' means the Board of Directors of Sharp India Limited or the Company.
- 2.2 'Committee' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.
- 2.3 'Director' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.
- 2.4 'Key managerial personnel' includes managing director, or Chief Executive Officer or manager and in their absence, a whole-time director; company secretary; and Chief Financial Officer.
- 2.5 'Member' means a director of the Company appointed as member of the Committee.
- 2.6 'Nomination and Remuneration Policy' shall mean the policy of remuneration of directors, key managerial personnel and senior management personnel of the Company determined by the Nomination and Remuneration Committee.
- 2.7 'Senior management' shall mean officers/ personnel of the company means who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below chief executive officer/ Managing Director/ whole time Director/ manager including chief executive officer/manager, in case they are not part of the Board and shall specifically include Company Secretary and Chief Financial Officer

3. NOMINATION AND REMUNERATION COMMITTEE

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

4. LETTER OF ENGAGEMENT OR CONTRACT OF EMPLOYMENT

- 4.1 Non-executive independent directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package and added incentives for the director, if any, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance defined by the Company.
- 4.2 Executive directors and key managerial personnel shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.
- 4.3 The Committee and the Board must approve the terms and conditions of employment for the Executive Directors and the Key Managerial Personnel at the time of their appointment and re-appointment.
- 4.4 The Company shall pay remuneration to the senior management personnel taking into account their roles and responsibilities.
- 4.5 The Board shall disclose the terms and conditions of employment of the executive directors and key managerial personnel in accordance with the law, if necessary.

5. REMUNERATION STRUCTURE

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

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

5.1.1 Fixed Remuneration

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

5.1.2 Performance Based Remuneration or Incentive-Based Payments

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

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

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

5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

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

6. DISCLOSURES:

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

7. REVIEW AND IMPLEMENTATION

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

8. AMENDMENT

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

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

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

and

Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,

The Members,

Sharp India Limited

Gat No 686/4, Koregaon Bhima, Tal Shirur-,

Pune - 412216

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

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

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the Audit Period);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

- (i) The Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standards etc. mentioned above.

We further report that,

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

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

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

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

We further report that during the audit period, there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. subject to following observation:

1. The Company's name was shortlisted by BSE Limited under Graded Surveillance Measures (GSM) - Stage I
2. The Company observed Block closure for all its Bargainable Employees for the period 3rd February, 2020 to 15th February, 2020.

For SVD & Associates
Company Secretaries

Sridhar G. Mudaliar
Partner

Date : August 11, 2020

Place : Pune

FCS No: 6156

C P No: 2664

UDIN: F006156B000558488

Note : This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE- A

To

The Members

SHARP INDIA LIMITED

Gat No 686/4, Tal Shirur,

koregaon Bhima,

Pune - 412216.

4. We have also relied on the documents and evidences provided on email to us, in view of the prevailing Pandemic situation of COVID -19.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

For SVD & Associates
Company Secretaries

Sridhar G. Mudaliar
Partner

Date: August 11, 2020

Place : Pune

FCS No: 6156

C P No: 2664

UDIN: F006156B000558488

Annexure- D

Note for (a) and (b) :

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

- (a) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-2020;

Name of the Director	Ratio to Median Remuneration
*Mr. Naoki Hatayama - Managing Director	4.13
**Mr. Masahiko Nakagawasai- Managing Director	3.79
Mr. Seiji Hayakawa Non executive Director	0.00
Mr. Prashant Asher Independent Director	1.05
Ms. Bhumika Batra Independent Director	1.05

- (b) **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;- 2019-2020**

Name of the Director	Percentage increase/ (decrease) in Remuneration
*Naoki Hatayama - Managing Director	0.00%
**Mr. Masahiko Nakagawasai Managing Director	0.00%
Mr. Seiji Hayakawa Non-executive Director	0.00
Mr. Prashant Asher- Independent Director	(5.03)%
Ms. Bhumika Batra Independent Director	(6.79)%
Mr. Sunil K Sane, Chief Financial Officer	3.89%
Chandranil Belvalkar Company Secretary	2.88%

- Percentage in the bracket indicate negative percentage

* Mr. Naoki Hatayama is appointed as Managing Director w.e.f 2nd April 2019. His salary is annualized for the purpose of calculation.

** Mr. Masahiko Nakagawasai has resigned as Managing Director w.e.f 2nd April 2019. His salary is Annualized for the purpose of calculation.

(c) **The Percentage increase (decrease) in the median remuneration of employees in the financial year : 6.66%**

(d) **The number of permanent employees on the roll of the Company as on 31st March 2020: 126**

(e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

(1) The average percentage increase in salaries of the employees other than managerial personnel in the financial year 2019-2020 was Nil

(2) The average percentage increase in the managerial remuneration for the financial year 2019-2020 was Nil

Company does not pay any variable component of remuneration to any of its directors.

(f) **Affirmation that the remuneration is as per the remuneration policy of the Company**

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

(g) **Information required under Section 197 (12) of the Companies Act, 2013 read with rule 5 (2) (i) to (iii) of the Companies (Appointment and remuneration of managerial personnel) Rules 2014 is not given since there is no employee who received remuneration in excess of the limits prescribed therein.**

MANAGEMENT DISCUSSION & ANALYSIS

As per press release of Government of India's National Statics office, the real GDP is during the year 2019 – 20 is estimated at 5.0 percent as compared to the growth rate of 6.8 % in 2018-19 and The growth rate in Per Capita Income is estimated at 4.3 per cent during 2019-20, as against 5.6 per cent in the previous year. Due to outbreak of Coronavirus pandemic the GDP is expected to remain negative in the year 2020-21 as the economic activities are disrupted. However if the situation improves the economy may show some upward movement in second half of the year.

Industry Structure & Development:

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

The Indian television sector had changed drastically due to technological advancement. The markets are changing rapidly from the conventional CRT technology to flat panel display televisions. The LED TV segment shall have significant growth in coming years. Its demand is witnessing an increasing preference for full high definition TV with better image quality, audio clarity, and colour resolution. The reduction in the LED TV price has resulted in the shift of trend. The demand of television section has resulted mainly due to nuclear families, upgradation of technology, increase in entertainment channels, electrification in rural area and increasing demand from rural areas. The average time spent for watching television has increased over the years which again has raised demand for TVs.

The demand for Air conditioners has raised for household customers and corporates. The expansion of sectors like mall, hotels, the new industrial setup, retail outlets etc. has raised the demand for Air Conditioners. The main growth drivers of Air conditioners are increase in disposable income, easy finance options, acceptance as utility product than luxury. The work from home and de centralization of workforce will further increase the demand for Air conditioner market in India .

With the development of e-commerce industry, the customers are more attracted to online trading platforms which offers competitive prices, availability of various options and easy comparison between the same, easy return and replacement spolicies and a professionally managed logistics with easy loan and convenient monthly installments which has boosted the demand of consumer goods in Indian market.

The Indian and global market at large has been prominently affected due to Coronavirus (CLOVID 19) pandemic in the year of 2020, the purchasing power of consumers is affected which will further curtail their hand for purchase of consumer products. The economy shall suffer from combined impact of compression in demand and supply chain disruption in economic activities in first half of the fiscal year.

Risks & Concerns:

The risk associated with the consumer electronics are:-

- The consumer electronic products and home appliances business is highly competitive.
- There is a risk of assuming product liability, warranty and recall costs which may adversely affect results of operations and financial condition.
- There is a risk of obsolescence of technology due to changes in the technology in a short time span. Keeping pace, making necessary changes and up gradations in the products along with the ever changing consumer preferences is also a challenge & concern for your company.
- The emerge of Coronavirus (COVID – 19) lockdown since March 2020 and long lasting effect of this pandemic will affect the purchasing power of consumers. The investment in consumer electronic is likely to be affect due effect on the income of people.

Financial and operational performance:

The financial highlights for the fiscal 2019-2020 are dealt with in the Directors' Report. During the current year under review, your company has suffered a loss of Rs.1,398.21 Lacs. This was mainly due to absence of any orders.

Our strategic objective is to build a sustainable organization that remains relevant to the requirements of consumer while generating profitable growth for our investors. The Company is constantly trying to carryon efforts for revival of its operations.

As nationally and globally most of the companies are suffering financial and operational difficulties, your company is not an exception to the same. Considering the current uncertainties and its impact on global economy, it shall impact the further actions and revival of company.

Risk Management:

The objective of risk management is to ensure that it is adequately estimated and controlled to enhance shareholder as well as stakeholder's values. Risk is pertinent to virtually all business activities though in varying degrees and forms. It is the constant endeavor of the Company to identify, assess, prioritize and manage existing as well as emerging risks in a planned and cohesive manner

Internal control systems and their adequacy:

The Internal Control Structure of Company is adequate to ensure the effectiveness of its operations, propriety in the utilization of funds, safeguarding of assets against unauthorized use or disposition, true and fair reporting and compliance with all the applicable regulatory laws and company policies. Executing transactions with proper authorization and ensuring compliance of internal policies. The Company's internal controls are supported by an extensive program for internal audit, review by the management and documented policies, guidelines and procedures.

The Company has independent Internal Auditors to conduct Internal Audit. The Internal Auditors every quarter place its report before Audit committee. Suggestions for improvement are considered and the audit committee follows up on corrective action.

Human resources:

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

Your Company firmly believes that its people are its most precious asset and have been one of the major forces behind the rapid and successful growth of the organization. The company emphasis on training and development of employees at all levels. It commits itself to grow hand-in-hand with its employees, encouraging and aiding them to reach their full potential and improve their standard of living.

The Company believes in building a performance driven organization characterised by Performance, Pride & Happiness. HR acting as a catalyst to achieve the goals by taking care of professional growth & aspiration of the people Industrial relations were cordial during the year under review. The total number of employees as on March 31, 2020 is 126.

CAUTIONERY STATEMENT :

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

CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders. The necessary information as stipulated by SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 is incorporated in the present annual report at appropriate places to ensure adequate disclosures. Towards this end, the information given under this section, the 'Management Discussion and Analysis' and the 'Shareholder Information' together constitute the report on Corporate Governance for the financial year 2019 -2020.

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

The Board of Directors of the Company represents an optimum

combination of Executive Directors, Non - Executive Directors and Independent Directors with at least one woman Director as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. As on 31st March 2020 total strength of the directors is four. There are Two Directors relating to the promoters and out of which one is Managing Director and the other is Non- Executive Director. There are two Non-Executive Independent Directors. The details of number of meetings held and attended by the directors and other related information is given in Table 1.

The Board Meetings are generally held in Pune. During the financial year under review, 5 (Five) Board Meetings were held on 8th May 2019, 6th August 2019, 12th August 2019, 13th November 2019 and 11th February 2020 respectively and the time gap between two consecutive meetings did not exceed One hundred and Twenty days. 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. Further the necessary quorum was present at all the Board Meetings.

Table 1: Details about Board of Directors and their Board Meeting etc.,

Name of Director	Category	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM	No. of directorships of other public limited companies	Number of *Committees in which Chairman / Member (Other than Sharp India Limited)		Directorship in other listed entity (Category of Directorship)
						Chairman	Member	
a) Mr. Naoki Hatayama	Executive Managing Director	5	4	Yes	0	0	0	0
b) Mr. Seiji Hayakawa	Non-Executive Director	5	1	No	0	0	0	0
c) Mr. Prashant Asher	Non-Executive Independent	5	5	No	8	2	2	1) NXT Digital Limited (Formerly know as Hinduja Ventures Ltd) (Independent Non-Executive)
								2. Keltech Energies Ltd. (Independent Non-Executive)
d) Ms. Bhumika Batra	Non-Executive	5	5	Yes	9	3	9	1. Repro India Limited - (Independent Non-Executive)
								2. Jyothy Laboratories Limited- (Independent Non-Executive)
								3. NXT Digital Limited (Formerly know as Hinduja Ventures Ltd) (Independent Non-Executive)
								4. Finolex Industries Ltd (Independent Non-Executive)
								5. Hinduja Global Solutions Ltd (Independent Non-Executive)

Notes :

- 1) Mr. M. Nakagawasai has resigned as Managing Director w.e.f 2nd April 2019 and Mr. Naoki Hatayama is appointed as Managing Director of Company w.e.f 2nd April 2019.
- 2) None of the directors is a Member of more than 10 Board level committees of the public Companies in which they are directors or is a Chairman of more than 5 such committees as included for the purposes of Corporate Governance laid down by SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies.

*For this purpose, only Audit Committee and Stakeholder's Relationship & Share Transfer Committee have been considered.

Information placed before the Board:

Agenda papers along with detailed notes are being circulated in advance of each meeting of the Board. Information pursuant to Corporate Governance practices as required under Part A of Schedule II of Listing Regulations have been made available to the Board from time to time.

The Company periodically places Compliance Reports with respect to all applicable laws before the Board of Directors for its review.

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

Number of Shares & Convertible instruments held by the Non- Executive Directors : Nil

Independent Directors

In the Opinion of Board of Directors, the Independent Directors fulfill the conditions specified in the section 149 (6) of the Companies

Act, 2013 and SEBI (Listing obligation and disclosure requirement) Regulations, 2015 and are independent of Management. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company viz www.sharpindialimited.com

Meeting of Independent Directors: During the year under review, the Independent Directors met on 4th March 2020, inter-alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations. All the Independent Directors were present at the meeting.

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

Matrix setting out skills/ expertise/ competence of the Board of Directors

Your company operates in consumer electronics segment. Company while appointing Directors always ensures that such candidature of Director possesses appropriate knowledge, experience and skills in the fields of business management, sales, marketing, finance & Accounting, law, leadership, corporate governance, technical operations or other disciplines related to your Company's business. Your Company believes that each person appointed on the Board of your Company shall have expertise in one or more of the aforesaid fields. The Directors on the Board possess the requisite core skill/expertise/competence that are required for operation of company's business:

Following is the list of core expertise /skills /competencies identified by the Board as required in the context of Company's business and to function effectively and those actually available with the Directors.

Sr.No	List of skills/ expertise/ competencies	Name of Director having the identified skills/ expertise/ competencies
1	Business management, sales, marketing, finance & Accounting, leadership, Corporate governance	Naoki Hatayama - Managing Director
2	Business management, sales, marketing, finance & Accounting, law, technical operations	Seiji Hayakawa - Non executive Director
3	finance, law, corporate governance, business management, leadership	Bhumika Batra - Independent Director
4	finance, law, corporate governance, business management	Prashant Asher - Independent Director

DIRECTORS' ATTENDANCE RECORD FOR AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2019-2020 :

Name of Director	Audit Committee Meetings			Nomination & Remuneration Committee Meetings		
	Number of Meetings Held	Number of Meetings Attended	Position Held	Number of Meetings Held	Number of Meetings Attended	Position Held
a) *Mr. Naoki Hatayama	4	4	Member	-	-	-
b) Mr. Prashant Asher	4	4	Member	1	1	Member
c) Ms. Bhumika Batra	4	4	Chairperson	1	1	Chairperson
d) Mr. Seiji Hayakawa	-	-	-	1	-	Member

* Mr. M. Nakagawasai has resigned as Managing Director w.e.f 2nd April 2019 and ceased to be member of Audit Committee. Mr. Naoki Hatayama is appointed as Managing Director and member of Audit Committee w.e.f 2nd April 2019.

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

The Terms of Reference of the Audit Committee of your Company are in accordance with the Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Regulation 18 read with Part C of Schedule II of the Listing Regulations, which inter alia include the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
 - b) changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - d) significant adjustments made in the financial statements arising out of audit findings
 - e) compliance with listing and other legal requirements relating to financial statements
 - f) disclosure of any related party transactions
 - g) modified opinion(s) in the draft audit report
5. reviewing, with the management, examine the quarterly, limited review and auditors' report before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties
9. scrutiny of inter-corporate loans and investments
10. valuation of undertakings or assets of the listed entity, wherever it is necessary
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Review of Information by the Audit Committee :
 - (1) Management discussion and analysis of financial condition and results of operations;
 - (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (4) Internal audit reports relating to internal control weaknesses;
 - (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - (6) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

Composition of the Committee etc.:

The Audit Committee consist of two non-executive independent directors and one executive director (Managing Director) of the Company since the beginning of the year. It consists of Ms. Bhumika Batra (Chairman), Mr. Prashant Asher and Mr. Naoki Hatayama - Managing Director. (Mr. Naoki Hatayama was appointed as Managing Director w.e.f 2nd April 2019).

All the members are financially literate and at least one member has accounting or related financial management expertise.

The representatives of Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings.

Number & Date of the Meetings Held : The Audit Committee met 4 (four) times in the year on 8th May 2019, 6th August 2019, 13th November 2019 and 11th February 2020. The Audit Committee Chairperson, Ms. Bhumika Batra attended the last annual general meeting held on 25th September 2019. The Company Secretary of the Company also acts as the Secretary to this Committee. The attendance of the committee members is given in the separate table attached. The Audit Committee

inter alia reviews on quarterly basis the reports submitted by Internal Auditors, Unaudited and Audited Financial Results and also reviews the matters falling within the scope of the committee as defined by the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE:

Terms of References Nomination & Remuneration Committee :

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

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

Composition of the Committee etc.:

The Committee consists of three Non-Executive Directors, and two of these directors are Independent Directors. This committee at the beginning of the year consisted of Ms. Bhumika Batra (Chairman) and Mr. Prashant Asher and Mr. Seiji Hayakawa. The attendance of the committee members is given in the separate table attached and the remuneration paid to the Directors is provided elsewhere in this report.

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

Performance Evaluation criteria for all Directors:

i. Qualifications of Director:

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

ii. Positive attributes of Directors:

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

iii. Independence of Independent Directors:

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

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

There have been no transactions or pecuniary relationships between the company and its Non-Executive and/or Independent directors during the financial year 2019 -2020.No payment other than the sitting fees was made to any of the Non- Executive Independent Directors, None of the directors holds any shares in the company.

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

The details of the remuneration package for the financial year 2019-2020 of directors and relationship, if any are given in the following table:

Table 2

Name of the Director	Relationship With other Directors	Sitting Fees (Rs.)	Salaries & Perquisites (Rs.)	Total (Rs.)
Mr. M. Nakagawasai	None	NIL	7,553	7,553
Mr. Naoki Hatayama	None	Nil	14,75,600	14,75,600
Mr. Seiji Hayakawa	None	Nil	Nil	Nil
Mr. Prashant Asher	None	3,77,500	0	3,77,500
Ms. Bhumika Batra	None	3,77,500	0	3,77,500

The payments made to the Managing Director are in the nature of salary and perquisites as approved by the Nomination & Remuneration Committee, the shareholders and if required by the Central Government as required by the Companies Act, 2013 and other applicable regulations. No other benefits/stock options/bonuses, pensions are given to any of the Directors. There is no fixed component and performance linked incentive. The company had entered into the service agreement with the Managing Director for a period of three years from 29.09.2016, however since Mr. M. Nakagawasai resigned w.e.f 2nd April 2019, the said agreement has been terminated with a requisite notice.Mr. Naoki Hatayama was appointed as Managing Director of Company w.e.f 2nd April 2019. There are no severance fees payable to the Managing Director. The Company has not issued any stock options or any other convertible instruments to any of its Directors.The Company does not pay any remuneration to the non-executive independent directors except sitting fees. Rs. 20,000/- are paid as sitting fees for attending every Board Meeting & Audit Committee meeting, Rs.10,000/- are paid for attending every nomination & remuneration committee meeting and Rs. 7,500/- are paid for attending every stakeholder's relationship and share transfer committee meeting.

STAKEHOLDER'S RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee consists of Mr. Prashant Asher (Chairman), Ms. Bhumika Batra and Mr. Naoki Hatayama as the members of the committee. (Mr. Masahiko Nakagawasai has resigned as Managing Director w.e.f. 2nd April 2019 and ceased to be member of this Committee. Mr. Naoki Hatayama is appointed as Managing Director and member of this Committee w.e.f 2nd April 2019.) The Committee met 25 times during the year 2019-2020. All the members of the Committee were present for the committee meetings held during the financial year 2019-2020 except for two committee meetings Mr. Naoki Hatayama was absent in the committee meetings held on 25th October 2019 and 3rd January 2020. All queries pertaining to non-receipt of annual reports, transfer of shares, duplicate share certificates, change of address, dematerialization, rematerialization of shares, etc, were resolved to the satisfaction of the shareholders/investors and there were no complaints received during of the financial year.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS :

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

DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:

Financial Year	Date	Time	Venue
March 31, 2017	September 27, 2017	12:00 Noon.	Registered Office
March 31, 2018	September 28, 2018	12:00 Noon.	Registered Office
March 31, 2019	September 25, 2019	12:00 Noon.	Registered Office

Special Resolutions during last three years:

- (1) The Special Resolution was passed on 34th Annual General meeting held on 25th September 2019 for re- appointment of Mr. Prashant Asher and Ms. Bhumika Batra as Independent Directors of the Company for the period of five years effective from 11th November 2019 to 10th November 2024.
- (2) No Special Resolution was passed in the 33rd Annual General Meeting held on 28th September 2018.
- (3) A Special Resolution was passed in the 32nd Annual General Meeting held on 27th September 2017 for appointment of Mr. Masahiko. Nakagawasai as Managing Director of Company for the period of three years with effect from 29th September 2016 to 28th September 2019.

Resolutions passed by way of Postal Ballot held during the Financial Year 2019-20

No resolution was passed by way of Postal Ballot during the Financial Year 2019-20.

MEANS OF COMMUNICATION TO SHAREHOLDERS ETC.:

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

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. ANNUAL GENERAL MEETING :

Day & Date	:	Friday, 25th September 2020
Time	:	12:00 Noon
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 (Every Year)
3. **BOOK CLOSURE** : The Books will be closed from Saturday, 19th September 2020 to Friday, 25th September 2020 (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, 2020- first week of August 2020
- : Results for quarter and half-year ending September 30, 2020- First week of November 2020
- : Results for quarter and nine months ending December 2020 - First week of February 2021
- : Results for the year ending March 31, 2021 - Last Week of May 2021.

5. LISTING ON STOCK EXCHANGES :

The shares of the Company are listed on Bombay Stock Exchange P.J. Towers, Dalal Street, Mumbai - 400 001.(BSE Limited)

The Company has paid the Listing fees for the year 2019-2020 to BSE in the prescribed time .

6. STOCK CODE AND ISIN

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

7. MARKET PRICE DATA :

The monthly High and Low prices of the Equity Shares of the Company quoted on the Bombay Stock Exchange Limited along with the monthly Sensex for the year 2019-20 is given below:

Table 3

MONTH	HIGH (Rs.)	LOW (Rs.)	S & P BSE Sensex	
			High	Low
April 2019	30.75	25.35	39487.45	38460.25
May 2019	29.95	23.95	40124.96	36956.10
June 2019	28.00	21.75	40312.07	38870.96
July 2019	24.70	19.15	40032.41	37128.26
August 2019	21.00	15.00	37807.55	36102.35
September 2019	16.80	13.65	39441.12	35987.80
October 2019	16.70	12.85	40392.22	37415.83
November 2019	18.30	13.80	41163.79	40014.23
December 2019	16.25	10.60	41809.96	40135.37
January 2020	19.31	14.25	42273.87	40476.55
February 2020	18.35	11.95	41709.30	38219.97
March 2020	13.13	08.56	39083.17	25638.90

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

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

9. SHAREHOLDING PATTERN (as on March 31, 2020):

Category	No of Shares Held	Percentage to Total (%)
Promoters (Sharp Corporation, Japan)	1,94,58,000	75.00
Mutual Funds	1,700	00.00
Foreign Portfolio Investor	1,200	00.00
Financial Institution	0	0.00
Individuals up to Rs. 2 Lacs	36,49,224	14.06
Individuals in excess of Rs. 2 Lacs	20,41,697	07.87
Hindu Undivided Family	2,94,477	01.13
Non Resident Indians (non- Repat)	38,723	00.15
Non Resident Indians (Repat)	78,458	00.30
Clearing Members	2192	00.25
Bodies Corporate	3,78,329	01.47
TOTAL	2,59,44,000	100.00

10. Distribution of Shareholding as on March 31, 2020:

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)
1 - 5,000	11221	90.7261	14870940.00	5.7319	
5,001 - 10,000	520	4.2044	4409660.00	1.6997	
10,001 - 20,000	267	2.1588	4124850.00	1.5899	
20,001 - 30,000	97	0.7843	2532600.00	0.9762	
30,001 - 40,000	41	0.3315	1456790.00	0.5615	
40,001 - 50,000	59	0.4770	2829970.00	1.0898	
50,001 - 100,000	84	0.6792	6271770.00	2.4174	
100,001 and above	79	0.6387	222943420.00	85.9326	
TOTAL	12368	100	259440000	100.0000	

11. Dematerialisation :

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading as on March 31, 2020, shares in dematerialized form accounted for 96.96% of total equity shares.

12. Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

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

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

14. Commodity Price Risk or foreign Exchange Risk and hedging activities: Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in the financial statements.**15. Pricewaterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:**

(Rs in Lakhs)

Particulars	Amounts
Services as Statutory Auditors	
Audit fees	8.75
Tax Audit fees	1.40
Limited Review Report	2.45
Re-imbursement of expenses	0.09
Total	12.72

16. Plant Location : Gat No.686/4., Koregoan Bhima, Taluka: Shirur, District: Pune - 412 216.**17. Address for Investor Correspondence :**

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

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

OTHER DISCLOSURES:

- (1) There are no significant related party transactions made by the Company of material nature, with its directors or their relatives, the management or any relative of the Senior Management personnel that may have potential conflict with the interests of the Company.
- (2) There have 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 three years.
- (3) Company has adopted and implemented the Whistle Blower Policy. The same has been posted on the website of the Company- www.sharpindialimited.com. No personnel have been denied access to the Audit Committee.
- (4) The Policy on Related Party Transactions has been posted on the website of the Company- www.sharpindialimited.com
- (5) Commodity Price Risk & Commodity Hedging Activities: Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in the financial statements.
- (6) The Company has complied with all mandatory requirements of Corporate Governance and it has adopted the following discretionary requirement of as specified in Part- E of Schedule-II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. :
 - (i) There are no qualifications on the financial statements of the company for the year ended 31st March 2020 made by the statutory auditors in their audit report.
 - (ii) Internal auditor directly reports to the Audit Committee.
- (7) The Company has complied with the Corporate Governance requirements and Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 relating to the dissemination of the information on the website of the Company.
- (8) A certificate has been received from SVD & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- (9) The details of complaints filed, deposed and pending during financial year pertaining to complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 is provided in directors report.
- (10) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable.

- (11) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: Not applicable

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.

For Sharp India Limited

Naoki Hatayama
Managing Director
(DIN: 08390564)

DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:
 NIL:

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY
 ON CORPORATE GOVERNANCE**

To,

The Members of Sharp India Limited

We have examined the compliance of conditions of corporate governance by Sharp India Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2020 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For SVD & Associates
 Company Secretaries

Sridhar Mudaliar
 Partner

Date: August 11, 2020
 Place : Pune

Membership No.: FCS -6156
C P No : 2664
UDIN : F006156B000558499

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHARP INDIA LIMITED

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Sharp India Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Material Uncertainty Related to Going Concern

4. We draw your attention to Note 32 to the financial statements which states that the Company has accumulated losses as at March 31, 2020 and has also incurred losses during the current year. These events, along with the other matters set out in the aforesaid Note indicate that a material uncertainty related to going concern exists. However, the financial statements have been prepared using the going concern basis of accounting in view of the support letter received from Sharp Corporation, Japan, the holding company for financial and operational support until March 31, 2021.

Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER

Assessment of impairment to carrying amount of property, plant and equipment ('PPE')

Refer note 4 to the financial statements.

The net carrying value of property, plant and equipment as of March 31, 2020 is Rs. 582.60 lakhs.

The Company has accumulated losses aggregating to Rs. 8,048.45 lakhs, its net-worth has eroded and its total liabilities exceed its total assets as at March 31, 2020. Further, the Company has ceased its manufacturing activities since the last 5 years. The above factors indicate a potential impairment of the carrying values of the Property, Plant and Equipment.

The Management considered the entire plant as a cash generating unit ('CGU') and had involved an external valuation firm (management expert) for valuation of PPE. The recoverable value has been determined as the fair value less costs of disposal and is dependent on the valuation methodology adopted and the inputs into the valuation model. Factors such as prevailing market conditions, individual nature, conditions and location directly impact the fair value.

Based on the valuation exercise carried out by the Company, the management determined that the recoverable value is higher than the carrying value and therefore, no impairment charge is warranted.

We focused on this area as the inputs to the valuation model are dependent on Management judgement and the significance of the amount of PPE to the financial statements.

How our audit addressed the key audit matter

Our procedures in relation to the assessment for the impairment testing of PPE included the following:

- a) Assessed and tested the design and operating effectiveness of the Company's controls over the impairment assessment.
- b) Evaluated the Company's accounting policy in respect of impairment assessment of PPE.
- c) Evaluated whether the assessment of CGU was consistent with our knowledge of the Company's operations.

- d) Assessed the competency and capabilities of the external valuer engaged by the management.
- e) Read the valuer's terms of engagement and assessed the objectivity and scope of their work.
- f) We assessed the valuation methodology adopted by the valuer and the reasonableness and the source of the assumptions considered such as per unit rate of land.
- g) Evaluated the adequacy of disclosures made in the financial statements.

On the basis of the above procedures performed, we did not find any material exceptions to the management's assessment of impairment of property, plant and equipment.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

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

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14 and 30 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

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

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

Amit Borkar
Partner
Membership Number 109846
UDIN:20109846AAAADE1232

Pune
Date : June 26, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Sharp India Limited on the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Sharp India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Borkar
Partner
Membership Number 109846
UDIN:20109846AAAADE1232

Pune
Date : June 26, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Sharp India Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and service tax and other material statutory dues, with the appropriate authorities though there has been a slight delay in a few cases. Also refer note 30 to the financial statements regarding management's assessment on certain matters relating to provident fund.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	CST Payable on completion of assessment	11,195,295	April 2013 to March 2014	Joint Commissioner of Sales tax (Appeals)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

-
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Amit Borkar
Partner
Membership Number 109846
UDIN:20109846AAAADE1232

Pune
Date : June 26, 2020

BALANCE SHEET AS AT MARCH 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No	As at March 31, 2020 (Rs. Lakhs)	As at March 31, 2019 (Rs. Lakhs)
ASSETS			
I. Non-current assets			
Property, plant and equipment	4	582.60	730.00
Intangible assets	4	1.44	2.79
Financial assets			
(i) Loans	5	7.63	9.03
Assets for current tax (net)	6	0.13	2.76
Deferred tax assets	7	-	-
Other non-current assets	8	6.62	16.78
Total non-current assets		598.42	761.36
II. Current assets			
Inventories	9	-	-
Financial assets			
(i) Cash and cash equivalents	10 (a)	242.88	82.62
(ii) Loans	5	1.40	1.40
(iii) Other financial assets	10 (b)	3.54	0.66
Other current assets	8	146.42	104.86
Total current assets		394.24	189.54
Total assets		992.66	950.90
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11 (a)	2,594.40	2,594.40
Other equity	11 (b)	(6,032.10)	(4,744.06)
Total equity		(3,437.70)	(2,149.66)
LIABILITIES			
I. Non-current liabilities			
Financial liabilities			
(i) Borrowings	12	1,733.87	849.82
(ii) Other financial liabilities	13	74.24	17.78
Provisions	14	20.80	68.20
Total non-current liabilities		1,828.91	935.80
II. Current liabilities			
Financial liabilities			
(i) Borrowings	12	675.78	-
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises; and		68.16	79.55
Total outstanding dues of creditors other than micro enterprises and small enterprises			
(iii) Other financial liabilities	13	1,658.26	1,940.88
Provisions	14	113.90	124.90
Other current liabilities	16	85.35	19.43
Total current liabilities		2,601.45	2,164.76
Total liabilities		4,430.36	3,100.56
Total equity and liabilities		992.66	950.90

The accompanying notes are an integral part of these financial statements.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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

Amit Borkar
Partner
Membership No. 109846
Place : Pune
Date : June 26, 2020

Naoki Hatayama
Managing Director
Place : Pune
Date : June 26, 2020

Bhumika Batra **Chandranil Belvalkar** **Sunil Sane**
Independent Director Company Secretary Chief Financial officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No	For the year ended	For the year ended
		March 31, 2020 (Rs. Lakhs)	March 31, 2019 (Rs. Lakhs)
Revenue from operations	17	2.15	35.94
Other income	18	57.43	15.42
Total income		59.58	51.36
Expenses			
Employee benefits expense	19	628.46	609.87
Depreciation and amortisation expense	20	153.01	159.98
Other expenses	21	284.52	309.35
Finance costs	22	391.80	208.99
Total expenses		1,457.79	1,288.19
Loss before tax		(1,398.21)	(1,236.83)
Income tax expense	23		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(1,398.21)	(1,236.83)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,398.21)	(1,236.83)
Loss per share			
Basic and Diluted	31	(5.39)	(4.77)

The accompanying notes are an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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

Amit Borkar
Partner
Membership No. 109846
Place : Pune
Date : June 26, 2020

Naoki Hatayama
Managing Director
Place : Pune
Date : June 26, 2020

Bhumika Batra
Independent Director
Chandranil Belvalkar
Company Secretary

Sunil Sane
Chief Financial officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	31 March 2020 (Rs. Lakhs)	31 March 2019 (Rs. Lakhs)
Cash flows from operating activities		
Loss before income tax	(1,398.21)	(1,236.83)
Adjustments for:		
Depreciation and amortisation expense	153.01	159.98
Liabilities no longer required written back	(52.01)	(13.53)
Interest income classified as investing cash flows	(0.76)	(1.11)
Gain on disposal of property, plant and equipment	(4.41)	(0.52)
Finance costs	391.80	208.99
Changes in operating assets and liabilities		
(Increase)/Decrease in loans	-	(9.32)
(Increase)/Decrease in other current financial assets	(2.88)	(0.21)
(Increase)/Decrease in other current and non-current assets	(31.40)	41.97
Increase/(Decrease) in trade payables	(11.39)	(14.94)
Increase/(Decrease) in other current financial liabilities	0.81	3.25
Increase/(Decrease) in other current liabilities	65.92	(0.79)
Increase/(Decrease) in provisions	(6.39)	(7.17)
Cash generated from/(used in) operations	(895.91)	(870.23)
Income tax refund received	2.63	3.30
Net cash inflow/(outflow) from operating activities (A)	(893.28)	(866.93)
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	4.41	0.64
Payments for property, plant and equipment	(4.26)	-
Proceeds from security deposits	1.40	-
Interest received	0.76	1.11
Net cash inflow from investing activities (B)	2.31	1.75
Cash flow from financing activities		
Interest paid	(318.77)	(236.09)
Proceeds from borrowings	1,670.00	970.00
Repayment of borrowings	(300.00)	-
Net cash inflow from financing activities (C)	1,051.23	733.91
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	160.26	(131.27)
Cash and cash equivalents at the beginning of the financial year	82.62	213.89
Cash and cash equivalents at the end of the year	242.88	82.62

This is the statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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

Amit Borkar

Partner
Membership No. 109846
Place : Pune
Date : June 26, 2020

Naoki Hatayama
Managing Director

Place : Pune
Date : June 26, 2020

Bhumika Batra **Chandranil Belvalkar**
Independent Director Company Secretary

Sunil Sane
Chief Financial officer

STATEMENT OF CHANGES IN EQUITY
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

	Notes	
As at 1 April 2018		2,594.40
Changes in equity share capital	11 (a)	-
As at 31 March 2019		2,594.40
Change in equity share capital	11 (a)	-
As at 31 March 2020		2,594.40

B. Other Equity

	Reserves and surplus		Other equity	Total
	Securities premium reserve	Retained earnings	Equity component Fair value adjustment on loans	
As at 1 April 2018	1,786.00	(5,413.41)	-	(3,627.41)
Loss for the year	-	(1,236.83)	-	(1,236.83)
Total comprehensive income for the year	-	(1,236.83)	-	(1,236.83)
Fair valuation adjustments made during the year	-	-	120.18	120.18
Balance as at 31 March 2019	1,786.00	(6,650.24)	120.18	(4,744.06)

	Reserves and surplus		Other equity	Total
	Securities premium reserve	Retained earnings	Equity component Fair value adjustment on loans	
As at 1 April 2019	1,786.00	(6,650.24)	120.18	(4,744.06)
Loss for the year	-	(1,398.21)	-	(1,398.21)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(1,398.21)	-	(1,398.21)
Fair valuation adjustments made during the year	-	-	110.17	110.17
Balance as at 31 March 2020	1,786.00	(8,048.45)	230.35	(6,032.10)

The accompanying notes are an integral part of these financial statements.
This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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

Amit Borkar
Partner
Membership No. 109846
Place : Pune
Date : June 26, 2020

Naoki Hatayama
Managing Director

Bhumika Batra **Chandranil Belvalkar**
Independent Director Company Secretary

Sunil Sane
Chief Financial officer

Place : Pune
Date : June 26, 2020

(All amounts in INR lakhs, unless otherwise stated)**Note 1 : General Information**

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

Sharp Corporation ('Sharp'), incorporated in Japan, holds 75 per cent of the issued share capital of the Company. The Company has a technical collaboration with Sharp for the manufacture of 'LED TVs' and 'ACs'. Refer Note 32 of the financial

Note 2 : Significant accounting policies**(a) Basis of preparation***(i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Board of Directors have authorised these financial statements for issue on June 26, 2020.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Defined benefit plans - plan assets measured at fair value.

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April, 2019:

- Ind AS 116, Leases
- Long-term Interests in Associates and Joint Ventures - Amendments to Ind-AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments - Appendix C to Ind-AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to Ind-AS 19, Employee benefits
- Amendment to Ind-AS 103, Business Combinations and Ind-AS 111, Joint Arrangements
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowings costs

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(b) Segment reporting

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

The board of directors of the Company are identified as the Chief operating decision maker. Refer note 28 for segment information presented.

(c) Foreign currency translation*(i) Functional and presentation currency*

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

(ii) Transactions and balances

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

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses as the case may be.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue recognition

The Company manufactures and sells a range of electronic items. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(e) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

(f) Impairment of assets

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

The management periodically assesses using external or internal source, whether there is an indication that an asset may be impaired.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(h) Inventories

Raw materials and stores, packing material, work in progress, traded and finished goods

Raw materials and components, stores and packing material, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Financial assets*(i) Classification*

The Company classifies its financial assets at amortised cost.

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at fair value. Subsequently these assets are measured at amortised cost.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives:

Particulars	Useful lives
Buildings	
- Factory	29.94
- Others	60
Plant and machinery	2-15
Furniture, fittings and equipment (including office equipments)	4-10
Computers	3-6
Vehicles	5

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

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses as the case maybe.

(l) Intangible assets*(i) Computer software*

Computer softwares are shown at historical cost and are subsequently carried at cost less accumulated amortization and impairment losses.

(ii) Amortisation methods and periods

The Company amortises computer software over a period of 6 years

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(p) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted only if the impact of discounting is considered material.

(q) Employee benefits*(i) Short-term obligations*

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These are recognised on the basis of the actual obligations calculated and are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident & pension fund, superannuation fund and employee deposit linked insurance scheme.

Gratuity obligations

The Company, on a prudent basis, accrues its gratuity obligations on the basis of actual liability using gross undiscounted basis. Accordingly, the changes in the gratuity obligations are recognized in profit or loss.

Defined contribution plans

The Company pays provident, pension, superannuation and employee deposit linked insurance scheme contributions to publicly administered provident & pension fund, contribution to superannuation fund and employee deposit linked insurance schemes as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(r) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings/(Loss) per share*(i) Basic earnings/(loss) per share*

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings/(loss) per share

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

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

(t) Rounding of amounts

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

Note 3: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

1. Legal Contingencies

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operation or cash flows. Management regularly analyses current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or disclosure of any such suit or assertion, does not automatically indicate that a provision of a loss may be appropriate.

2. Going concern

Refer Note 32

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Fair valuation measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 25 for further disclosures.

Notes to Financial Statements
(All amounts in INR lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment and Intangible assets

	Land - freehold	Factory buildings	Plant and machinery	Furniture fittings and equipment	Computers	Vehicles	Total	Intangible assets -SAP Software
Year ended 31 March 2019								
Gross carrying amount								
Opening gross carrying amount	19.31	306.09	857.88	19.24	10.21	6.39	1,219.12	8.51
Disposals	-	-	(0.40)	-	-	-	(0.40)	-
Closing gross carrying amount	19.31	306.09	857.48	19.24	10.21	6.39	1,218.72	8.51
Accumulated depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	53.91	255.53	9.26	7.43	4.34	330.47	4.27
Depreciation/amortisation charge during the year	-	26.62	124.68	2.69	2.55	1.99	158.53	1.45
Disposals	-	-	(0.28)	-	-	-	(0.28)	-
Closing accumulated depreciation	-	80.53	379.93	11.95	9.98	6.33	488.72	5.72
Net carrying amount	19.31	225.56	477.55	7.29	0.23	0.06	730.00	2.79
Year ended 31 March 2020								
Gross carrying amount								
Opening gross carrying amount	19.31	306.09	857.48	19.24	10.21	6.39	1,218.72	8.51
Additions	-	-	-	3.19	1.07	-	4.26	-
Closing gross carrying amount	19.31	306.09	857.48	22.43	11.28	6.39	1,222.98	8.51
Accumulated depreciation/amortisation								
Opening accumulated depreciation/amortisation	-	80.53	379.93	11.95	9.98	6.33	488.72	5.72
Depreciation/amortisation charge during the year	-	26.61	120.59	3.27	1.13	0.06	151.66	1.35
Closing accumulated depreciation	-	107.14	500.52	15.22	11.11	6.39	640.38	7.07
Net carrying amount	19.31	198.95	356.96	7.21	0.17	-	582.60	1.44

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

5 Loans

	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-current
Unsecured, considered good				
Security deposits	1.40	7.63	1.40	9.03
Total non-current loans	1.40	7.63	1.40	9.03

6 Assets for current tax (net)

	As at 31 March 2020	As at 31 March 2019
Opening balance	2.76	6.06
Add: Taxes paid/(refund received)	(2.63)	(3.30)
Less: Current tax payable for the year	-	-
Total assets for current tax (net)	0.13	2.76

7 Deferred tax assets

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset		
Expenditure allowed on payment basis	10.62	7.33
	10.62	7.33
Deferred tax liability		
Provision for depreciation and amortisation	10.62	7.33
	10.62	7.33
Total deferred tax assets (net)	-	-

Changes in Deferred tax assets/ (liabilities) in Statement of Profit and Loss [charged/(credited) during the year]

	Year Ended	
	31 March 2020	31 March 2019
Expenditure allowed on payment basis	(3.29)	(5.09)
Provision for depreciation and amortisation	3.29	5.09
Total	-	-

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits there from

	As at 31 March 2020		As at 31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	263.01	68.38	245.81	63.91
Tax losses	6,867.21	1,785.47	5,888.05	1,530.89
	7,130.22	1,853.85	6,133.86	1,594.80

The tax losses expire by 2028-29. The deductible temporary differences do not expire under current tax legislation.

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows :

	As at 31 March 2020	As at 31 March 2019
Expire	4,586.70	3,743.49
Never expire	2,280.51	2,144.56
Total	6,867.21	5,888.05

The expiry dates are as follows:

	As at 31 March 2020	As at 31 March 2019
2024-25	508.57	508.57
2025-26	1,219.36	1,219.36
2026-27	713.75	932.76
2027-28	1,050.41	1,082.80
2028-29	1,094.61	-
Total	4,586.70	3,743.49

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

8 Other assets

Non current portion -

	As at 31 March 2020	As at 31 March 2019
Customs duty deposits	-	10.16
Sales tax and service tax deposits	6.62	6.62
Total other non-current assets	6.62	16.78

Current Portion

	As at 31 March 2020	As at 31 March 2019
Prepayments	27.37	29.76
Sales tax receivable	33.02	21.87
Balances with statutory/government authorities	86.03	53.23
Total other current assets	146.42	104.86

9 Inventories

	As at 31 March 2020	As at 31 March 2019
Raw materials and components	-	-
Stores and packing materials	-	-
Work-in-progress	-	-
Finished goods	-	-
Total Inventories	-	-

The Company has certain inventories of accessories that have been fully written down as on 31 March 2020.

10 (a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	242.41	82.55
Cash on hand	0.47	0.07
Total cash and cash equivalents	242.88	82.62

10 (B) Other financial assets - current

	As at 31 March 2020	As at 31 March 2019
Receivable from related parties (Refer note 29)	3.38	0.51
Other receivables	0.16	0.15
Total other financial assets	3.54	0.66

Other receivables pertains to insurance claim receivable.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11 : Equity share capital and other equity

11 (a) Equity share capital

Authorised equity share capital

	Number of shares	Amount
As at 1 April 2018	4,00,00,000	4,000.00
Increase during the year	-	-
As at 31 March 2019	4,00,00,000	4,000.00
Increase during the year	-	-
As at 31 March 2020	4,00,00,000	4,000.00

(i) Movements in equity share capital - Issued, subscribed and fully paid-up

	Number of shares	Equity share capital (par value)
As at 1 April 2018	2,59,44,000	2,594.40
Increase during the year	-	-
As at 31 March 2019	2,59,44,000	2,594.40
Increase during the year	-	-
As at 31 March 2020	2,59,44,000	2,594.40

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Shares of the company held by holding/ultimate holding company

Name of the shareholder	As at 31 March 2020	As at 31 March 2019
	(No.)	(No.)
Sharp Corporation Japan, Holding company (The ultimate holding company is Hon Hai Precision Industry Co. Ltd.)	1,94,58,000	1,94,58,000

(iii) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Sharp Corporation Japan	1,94,58,000	75.00%	1,94,58,000	75.00%

The Company has not issued any bonus shares and has not allotted any shares without payment being received in cash in 5 years immediately preceding year ended March 31, 2020

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

11 (b) Other Equity

(a) Reserves and surplus

	31 March 2020	31 March 2019
Securities premium reserve (i)	1,786.00	1,786.00
Retained earnings (ii)	(8,048.45)	(6,650.24)
Total reserves and surplus	(6,262.45)	(4,864.24)

(b) Other equity

	31 March 2020	31 March 2019
Equity component - Fair value adjustment on loans (iii)	230.35	120.18
Total reserves and surplus	230.35	120.18

(i) Securities premium reserve

	31 March 2020	31 March 2019
Balance as at the beginning and end of the year	1,786.00	1,786.00

(ii) Retained earnings

	31 March 2020	31 March 2019
Opening balance	(6,650.24)	(5,413.41)
Net loss for the year	(1,398.21)	(1,236.83)
Closing Balance	(8,048.45)	(6,650.24)

(iii) Equity component - Fair value adjustment on loans

	31 March 2020	31 March 2019
Opening balance	120.18	-
Additions during the year	110.17	120.18
Closing Balance	230.35	120.18

Nature and purpose of other reserves*Securities premium reserve*

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Equity component - Fair value adjustment on loans

The fair value adjustment on loans from group companies at inception is recorded in Other equity in accordance with provisions of Ind AS 109.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

12 Non-current borrowings

	As at 31 March 2020	As at 31 March 2019
Unsecured Term Loans		
From related parties (Refer Note 29)		
Loan from holding company [Refer note (a)]	1,584.11	1,584.11
Loan from fellow subsidiaries [Refer note (b)]	1,820.11	1,172.45
Total non-current borrowings	3,404.22	2,756.56
Less : Current maturities of long-term debt (Included in note 13)	(1,584.11)	(1,884.11)
Less : Interest accrued and due on borrowings (Included in note 13)	(12.00)	(4.85)
Less : Interest accrued but not due on borrowings (Included in note 13)	(74.24)	(17.78)
Non-current borrowings (as per balance sheet)	1,733.87	849.82

Note (a) :

The Company has taken External Commercial Borrowings from Sharp Corporation, Japan, which have been withdrawn in 3 tranches as below :

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
06-Feb-13	600.00	600.00
15-Apr-13	650.00	650.00
19-Jul-13	334.11	334.11
Total Withdrawals	1,584.11	1,584.11

The loan carries a fixed interest of 6.90% per annum and is repayable after 4 years from the date of withdrawal. During the current year, repayment date for External Commercial Borrowings taken from Sharp Corporation, Japan, has been extended to 31 December 2020.

Note (b) :

Particulars	As at March 31, 2020	As at March 31, 2019
Sharp Software Development India Private Ltd (Note i)	-	300.00
Sharp Software Development India Private Ltd (Note ii)	285.00	285.00
Sharp Business System India Private Ltd (Note iii)	285.00	285.00
Sharp Business System India Private Ltd (Note iv)	500.00	400.00
Sharp Business System India Private Ltd (Note v)	570.00	-
Sharp Business System India Private Ltd (Note vi)	300.00	
Total Withdrawals	1,940.00	1,270.00

(i) Loan taken from Sharp Software Development India Private Limited for Rs. 300 lakhs is repayable anytime after 3 years (i.e. 17, December 2015) but before expiry of loan term of 5 years. The loan carries an interest of 10% per annum (12% per annum w.e.f. 1 January, 2019).

(ii) Loan from Sharp Software Development India Private Limited has been withdrawn in three tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
08-May-18	95.00	95.00
06-Jun-18	95.00	95.00
06-Jul-18	95.00	95.00
Total Withdrawals	285.00	285.00

The loan carries an interest of 9.10% per annum and is repayable after 3 years from the date of each withdrawal. The loan has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(iii) Loan from Sharp Business System India Private Limited has been withdrawn in three tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
06-Aug-18	95.00	95.00
06-Sep-18	95.00	95.00
04-Oct-18	95.00	95.00
Total Withdrawals	285.00	285.00

The loan carries an interest of 9.10% per annum and is repayable after 3 years from the date of each withdrawal.

The loan has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

(iv) Loan from Sharp Business System India Private Limited has been withdrawn in four tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
14-Dec-18	100.00	100.00
04-Jan-19	100.00	100.00
05-Feb-19	100.00	100.00
05-Mar-19	100.00	100.00
03-Apr-19	100.00	-
Total Withdrawals	500.00	400.00

The loan carries an interest of 9.10% per annum and is repayable after 3 years from the date of each withdrawal.

The loan has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

(v) Loan from Sharp Business System India Private Limited has been withdrawn in five tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
03-May-19	100.00	-
06-Jun-19	100.00	-
05-Jul-19	100.00	-
03-Aug-19	100.00	-
05-Sep-19	170.00	-
Total Withdrawals	570.00	-

The above loan carries an interest of 9.75% per annum and is repayable after 3 years from the date of each withdrawal.

The loan has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

(vi) Loan from Sharp Business System India Private Limited has been withdrawn in three tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
04-Oct-19	100.00	-
05-Nov-19	100.00	-
06-Dec-19	100.00	-
Total Withdrawals	300.00	-

The above loan carries an interest of 9.45% per annum and is repayable after 3 years from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

A corporate guarantee has been provided by the ultimate holding company, Sharp Corporation, Japan for this loan.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Current borrowings

	31 March 2020	31 March 2019
Unsecured		
Term loans		
From related parties (Refer Note 29)		
Loan from fellow subsidiaries [Refer note (a)]	685.20	-
Total current borrowings	685.20	-
Less : Interest accrued and due on borrowings (Included in note 13)	(4.79)	-
Less : Interest accrued but not due on borrowings (Included in note 13)	(4.63)	-
Current borrowings (as per balance sheet)	675.78	-

Note (a)

Particulars	As at March 31, 2020	As at March 31, 2019
Sharp Business Systems India Private Limited (i)	300.00	-
Sharp Business Systems India Private Limited (ii)	400.00	-
	700.00	-

(i) The loan is secured by a corporate guarantee provided by the ultimate holding company, Sharp Corporation, Japan and has a term of one year ending December 2020.

The loan carries an interest of 9% and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

(ii) Loan from Sharp Business System India Private Limited has been withdrawn in three tranches as below:

Date of Withdrawals	As at March 31, 2020	As at March 31, 2019
06-Jan-20	100.00	-
05-Feb-20	100.00	-
04-Mar-20	200.00	-
Total Withdrawals	400.00	-

The above loan carries an interest of 9.00% per annum, repayable after 3 years from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

A corporate guarantee has been provided by the ultimate holding company, Sharp Corporation, Japan for this loan.

Net debt reconciliation

This section sets out an analysis of net debt and the movements of net debt for each of periods presented. Also, refer to the cash flow statement for cash flows.

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	242.88	82.62
Borrowings		
- Current borrowings	(685.20)	-
- Non-current borrowings	(1,820.11)	(872.45)
- Current maturities of long-term debt	(1,584.11)	(1,884.11)
Net debt	(3,846.54)	(2,673.94)

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Net debt reconciliation

	Other assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Borrowings	
Net debt as at 1 April 2018	213.89	(1,933.84)	(1,719.95)
Cash flows	(131.27)	-	(131.27)
Interest expense	-	(208.99)	(208.99)
Interest paid	-	236.09	236.09
Proceeds from loans	-	(970.00)	(970.00)
Non-cash movement - Fair value adjustments	-	120.18	120.18
Net debt as at 31 March 2019	82.62	(2,756.56)	(2,673.94)

	Other assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Borrowings	
Net debt as at 1 April 2019	82.62	(2,756.56)	(2,673.94)
Cash flows	160.26	-	160.26
Interest expense	-	(391.80)	(391.80)
Interest paid	-	318.77	318.77
Proceeds from loans	-	(1,670.00)	(1,670.00)
Repayment of loans	-	300.00	300.00
Non-cash movement - Fair value adjustments	-	110.17	110.17
Net debt as at 31 March 2020	242.88	(4,089.42)	(3,846.54)

13 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Interest accrued but not due on borrowings	74.24	17.78
	74.24	17.78
Current		
Interest accrued but not due on borrowings	4.63	-
Current maturities of long-term debt	1,584.11	1,884.11
Interest accrued and due on borrowings (Refer note 29)	16.79	4.85
Employee benefits payable	52.73	51.92
	1,658.26	1,940.88
Total other financial liabilities	1,732.50	1,958.66

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

14 Provisions

	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Provisions for dues under dispute [Refer note below]	-	20.80	-	68.20
Provision for employee benefits				
Provision for compensated absences (Refer note 24)	75.54	-	69.34	-
Provision for gratuity (Refer note 24)	31.84	-	35.65	-
Other provisions	6.52	-	19.91	-
Total non-current provisions	113.90	20.80	124.90	68.20

Note :

- (i) The Company had imported refrigerators during the financial year ended 31 March 2009 by paying nil duty on such imports under the free trade agreement with Thailand. The custom authorities have challenged the classification under which the refrigerators were imported under concessional rate of duty. The dispute is pending with the CESTAT authorities. The Company has deposited Rs. 54.04 Lakhs under protest against this demand with the customs authorities which has been fully provided for. During the year ended 31 March 2019, the company has received an order stating the appeal of the company has been dismissed.

The outstanding provision amount of Rs. 20.80 Lakhs as on 31 March 2020 represents interest on the demand upto the date of payment.

- (ii) The Company was inter alia engaged in trading of "Sharp" brand consumer electronic goods during the period from 2007-08 to 2010-11. The Company has availed CENVAT credit of various common input services with respect to manufacturing activity and trading activity, such as Security, House-keeping, Auditing, etc. The Addl. Commissioner of Central Excise, Pune III commissionerate has issued a Show Cause Notice for non-reversal of CENVAT credit on such input services for the period 2007-08 to 2010-11. A personal hearing has been conducted by Addl. Commissioner on 20.03.2014 and the Order-in-Original is awaited. The Company has made full provision of the amount involved Rs. 47.40 lakhs.

During the current year, the Company made an application under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 under which the above case has been settled by way of a payment of Rs. 18.96 Lakhs. The balance amount of Rs. 28.44 Lakhs has been written back and included under Other Income.

- (c) Other provisions pertain to various provisions made towards indirect taxes such as Customs duty, Value Added Tax etc.

Movement in provisions

Particulars	Provision for dues under dispute	Other provisions
As at 1 April, 2019	68.20	19.91
Charged/(credited) to profit or loss	(28.44)	(13.39)
Amount paid	(18.96)	-
As at 31 March, 2020	20.80	6.52
Non-current	20.80	-
Current	-	6.52

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

15 Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to related parties (Refer note 29)	9.87	2.96
Other trade payables	58.29	76.59
Total trade payables	68.16	79.55

There are no dues to micro, small and medium enterprises as at 31 March 2020 (31 March 2019: Nil), as no supplier has intimated the Company about its status as Micro or Small enterprise or its registration with the appropriate authorities under the Micro Small and Medium Enterprises Development Act, 2006.

16 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	20.71	19.08
Advances from customers	1.32	0.35
Other payables	63.32	-
Total other current liabilities	85.35	19.43

Other payables pertains to payable towards Value Added Tax.

17 Revenue from operations

	31 March 2020	31 March 2019
Sale of products	-	32.68
Other Operating Revenue		
Scrap sales	2.15	3.26
Total revenue from operations	2.15	35.94

18 Other income

	31 March 2020	31 March 2019
Interest income from financial assets at amortised cost	0.76	1.11
Liabilities no longer required written back	52.01	13.53
Gain on disposal of property, plant & equipment	4.41	0.52
Miscellaneous income	0.25	0.26
Total other income	57.43	15.42

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

19 Employee benefits expense

	31 March 2020	31 March 2019
Salaries, wages and bonus	552.41	526.08
Contribution to provident and other funds	38.10	36.38
Staff welfare expenses	37.95	47.41
Total employee benefit expense	628.46	609.87

20 Depreciation and amortization expense

	31 March 2020	31 March 2019
Depreciation on property, plant and equipment	151.66	158.53
Amortisation of intangible assets	1.35	1.45
Total depreciation and amortisation expense	153.01	159.98

21 Other expenses

	31 March 2020	31 March 2019
Freight, Octroi, Transit Insurance	-	0.27
Bank charges	0.96	0.74
Power, fuel, water charges	30.22	33.79
Rates and taxes	16.82	15.53
Repairs & maintenance		
- Plant & Machinery	0.64	0.57
- Buildings	-	0.83
- Others	27.92	31.19
Insurance	17.17	21.93
Travelling expenses	1.34	0.93
Communication expenses	19.54	21.02
Directors sitting fees	7.55	8.03
Legal and professional fees	68.43	86.37
Auditors' remuneration [Refer note 21(a)]	12.72	12.69
Printing and stationery	5.74	5.17
Net foreign exchange losses	0.21	0.46
Security charges	53.72	46.95
License and application fees	1.82	1.79
Membership fees	3.00	2.50
Housekeeping expenses	11.12	11.69
Miscellaneous expenses	5.60	6.90
Total other expenses	284.52	309.35

(a) Auditors' remuneration

	31 March 2020	31 March 2019
Payment to auditors		
As auditor:		
Audit fee	8.75	8.75
Tax audit fee	1.40	1.40
Limited review	2.45	2.45
Re-imbursment of expenses	0.12	0.09
	12.72	12.69

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

22 Finance costs

	31 March 2020	31 March 2019
Interest and finance charges on financial liabilities at amortised cost	391.80	208.99
Total finance costs	391.80	208.99

23 Income tax

	31 March 2020	31 March 2019
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	(3.29)	(5.09)
(Decrease) increase in deferred tax liabilities	3.29	5.09
Total current tax expense	-	-

Reconciliation of tax expense and accounting profit multiplied by India's tax rate

	31 March 2020	31 March 2019
Accounting profit/ (loss) before tax	(1,398.21)	(1,236.83)
At Indian tax rate of 26%* (31 March 2019: 26%)	(363.53)	(321.58)
Tax losses for which no deferred income tax was recognised	363.53	321.58
Income tax expense reported in the statement of profit or loss	-	-

* The Company has not opted for a lower tax rate.

24 Provision for employee benefits

Particulars	31 March 2020	31 March 2019
Provision for compensated absences (Refer Note A)	75.54	69.34
Current	75.54	69.34
Non-current	-	-
Gratuity (Refer Note B)	31.84	35.65
Current	31.84	35.65
Non-current	-	-

Defined Contribution Plan

The Company has certain defined contribution plans i.e., contribution to provident and pension fund, contribution to superannuation fund and employee deposit linked insurance scheme. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as follows:

Particulars	31 March 2020	31 March 2019
Defined contribution plans		
-Provident fund	15.98	14.80
-Pension fund	19.03	18.52
-Superannuation fund	1.95	1.95
-Employees' deposit linked insurance scheme	1.14	1.11
Total	38.10	36.38

A Provision for compensated absences

Provision for compensated absences cover the Company's liability for earned leave which are classified as other long-term benefits. The entire amount of provision is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all the employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

B Gratuity

The Company has accrued gratuity on the basis of actual liability using gross undiscounted basis. The liability is net of the amounts contributed to an Insurer, along-with interest accrued thereon, specifically to fund these liabilities.

As at 31 March 2020, the net liability is Rs. 31.84 Lakhs (31 March 2019 Rs. 35.65 Lakhs) (net of plan assets amounting to Rs. 697.35 Lakhs (31 March 2019 Rs. 656.34 Lakhs).

25 Fair value measurements**Financial instruments measured at amortised cost by category**

	31 March 2020	31 March 2019
Financial assets		
Security deposits	9.03	10.43
Cash and cash equivalents	242.88	82.62
Other financial assets	3.54	0.66
Total financial assets	255.45	93.71
Financial liabilities		
Borrowings	4,089.42	2,756.56
Trade payables	68.16	79.55
Other financial liabilities	52.73	51.92
Total financial liabilities	4,210.31	2,888.03

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020					
Financial liabilities					
Borrowings	12	-	-	4,085.99	4,085.99
Total financial liabilities		-	-	4,085.99	4,085.99

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2019					
Financial liabilities					
Borrowings	12	-	-	2,769.19	2,769.19
Total financial liabilities		-	-	2,769.19	2,769.19

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However, the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Fair value of financials assets and liabilities measured at amortised cost

The carrying amounts of all financial assets and liabilities except for borrowings are a reasonable approximation of their fair values.

The fair value of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Notes to Financial Statements**(All amounts in INR lakhs, unless otherwise stated)****26 Financial risk management**

The Company's activities exposes it to market risk, liquidity risk and credit risk. The operative management of the treasury activities of the Company is responsible for managing the financial risk position and maintaining adequate liquidity. The financial risks are reviewed and monitored on a regular basis.

(A) Credit risk

Credit risk mainly arises from cash and cash equivalents, deposits with banks as well as security deposits. The maximum exposure arising from these financial assets is their carrying value as disclosed in the balance sheet.

(i) Credit risk management

For banks and financial institutions, only high rated banks are accepted and hence, these are subject to low credit risk with risk of default being negligible. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. Further, the Company has sales on one-off basis, which are made solely to its related parties. As such, it does not bear any credit risk with respect to receivables, if any.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company obtains necessary funds mainly through loans from its parent company i.e. Sharp Corporation, Japan and fellow subsidiaries. The management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities.

31 March 2020	Less than 1 year	1-3 years
Borrowings	2,284.11	1,940.00
Employee benefits payable	52.73	-
Trade payables	68.16	-
Other financial liabilities	16.79	-
Total	2,421.79	1,940.00

31 March 2019	Less than 1 year	1-3 years
Borrowings	1,884.11	970.00
Employee benefits payable	51.92	-
Trade payables	79.55	-
Other financial liabilities	4.85	-
Total	2,020.43	970.00

The amounts disclosed in the tables above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to Financial Statements**(All amounts in INR lakhs, unless otherwise stated)****(C) Market risk****(i) Foreign currency risk and exposure**

The Company operates internationally context where transactions are conducted in currencies different from the Indian Rupees (INR). This exposes the Company to risks arising from exchange rates fluctuations. For this purpose, the Company has an exchange rate risk management policy which aims to neutralise the possible negative effects of the changes in exchange rates on Company cash-flows. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Japanese Yen. However, due to minimal operations, the gross exposure is not very significant.

(ii) Interest rate risk exposure :

The Company has availed fixed - rate borrowings and hence is not exposed to any interest rate risk.

27 Capital Management**Risk management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Refer Note 32 on Going Concern.

28 Segment reporting

The Company is exclusively engaged in the business of 'consumer electronics' consisting of all types of Colour Televisions, LED TVs and Air conditioners which is considered to constitute one single segment.

The Company is domiciled in India. The location wise break up of revenue is shown in the table below:

	31 March 2020	31 March 2019
India	-	28.87
Hongkong	-	3.81
Total	-	32.68

All non-current assets are located within India.

In the previous year ended 31 March 2019, 2 customers contributed to revenues of approximately Rs. 30.48 Lakhs.

Notes to Financial Statements**(All amounts in INR lakhs, unless otherwise stated)****29 Related party transactions****A Name of the related parties and nature of relationship****(i) where control exists :****a. Ultimate Holding Company**

Hon Hai Precision Industry Co. Ltd.

b. Intermediate Holding Company

Sharp Corporation, Japan

c. Shareholders of the Intermediate Holding Company

Hon Hai Precision Industry Co. Ltd.

Foxconn (Far East) Limited

Foxconn Technology Pte Limited

SIO International Holdings Limited

(ii) Other Related Parties with whom transactions have taken place during the year:**Fellow Subsidiaries :**

Sharp Electronics (Malaysia) SDN. BHD., Malaysia

Sharp Business Systems (India) Private Limited

Sharp Software Development India Private Limited

(iii) Key management personnel :

Mr. M. Nakagawasai (Managing Director) (till April 2, 2019)

Mr. Naoki Hatayama (Managing Director) (w.e.f April 2, 2019)

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

29 B. Disclosure of transactions/balances with related parties:

Name of related party	Nature of transactions	Year ended	
		31 March 2020	31 March 2019
Sharp Corporation, Japan	Interest on loan	111.13	112.28
	Reimbursement of expenses received	48.18	43.76
	Reimbursement of expenses paid	7.22	6.90
	Loan guarantee fees	14.73	4.09
Sharp Business Systems (India) Private Limited	Sale of goods, spares and raw materials**	-	2.20
	Purchase of goods/services/others*	0.25	0.26
	Reimbursement of expenses received	1.45	1.45
	Reimbursement of expenses paid	1.03	0.86
	Interest on loan	139.26	22.14
	Proceeds from loan	1,670.00	400.00
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	Reimbursement of expenses paid	11.64	-
	Reimbursement of expenses received	2.64	15.00
Sharp Software Development India Private Limited	Interest on Loan	51.55	52.70
	Proceeds from loan	-	570.00
	Repayment of loan	300.00	-
Key management personnel	Managerial Remuneration	15.60	13.60

* Net of discounts received

** Domestic Sales are net of taxes & duties.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Disclosure of outstanding balances**(i) Trade and other payables**

Name of the party	As at 31 March 2020	As at 31 March 2019
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	2.45	2.96
Sharp Corporation, Japan	7.42	-
Total	9.87	2.96

(ii) Other Receivables

Name of the party	As at 31 March 2020	As at 31 March 2019
Sharp Business Systems (India) Private Limited	0.12	-
Sharp Corporation, Japan	3.26	0.51
Total	3.38	0.51

(iii) Borrowings*

Name of the party	As at 31 March 2020	As at 31 March 2019
Sharp Software Development India Private Limited	285.00	585.00
Sharp Corporation, Japan	1,584.11	1,584.11
Sharp Business Systems India Private Limited	2,355.00	685.00
Total	4,224.11	2,854.11

*amounts disclosed above are proceeds from borrowings and do not include fair value adjustments made.

(iv) Interest accrued*

Name of the party	As at 31 March 2020	As at 31 March 2019
Sharp Business Systems India Private Limited	16.79	4.85
Total	16.79	4.85

*amounts disclosed represent amounts at interest rates as per the loan agreement and do not include fair value adjustments made.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

30 Contingencies

	As at 31 March 2020	As at 31 March 2019
Claims against the company not acknowledged as debts, pending in appeal with:		
- Sales tax authorities	111.95	111.95
Total	111.95	111.95

- (i) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these financial statements.

31 Loss per share

	31 March 2020	31 March 2019
Basic and diluted loss per share		
a) Profit attributable to the equity holders of the company (Rs. In Lakhs)	(1,398.21)	(1,236.83)
b) Weighted average number of equity shares outstanding (Nos.)	2,59,44,000	2,59,44,000
c) Loss per share		
- Basic	(5.39)	(4.77)
- Diluted	(5.39)	(4.77)

32 Going concern assessment

During the year ended 31 March 2020, the Company has incurred a loss of Rs. 1,398.21 Lakhs and accumulated loss at 31 March 2020 is Rs. 8,048.45 Lakhs. There was no production of LED TVs from April, 2015 (except in August, 2015) and of Air Conditioners since June, 2015, in the absence of any orders.

As at 31 March 2020, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until 31 March 2021. Sharp Corporation, Japan is a group company of Hon Hai/Foxconn Group, one of the world's largest contract electronics manufacturer information technology company in terms of revenue.

The Company has also received a letter from the parent company on the potential actions that the Group is planning to take for revival of the business which are expected to be finalized by September 30, 2020.

Based on this continued support from the holding company, the management is of the opinion that the Company will be able to continue as a going concern.

Notes to Financial Statements**(All amounts in INR lakhs, unless otherwise stated)****33 Impact of COVID-19**

The COVID-19 outbreak has affected countries across the globe. There are several measures taken by governments of various countries to contain the spread of the virus. These measures include imposing lock-downs, travel bans and other measures that have affected the regular business operations. The Company has not had any manufacturing operations during the current year. As such, the Company has had no significant impact of COVID-19. The Management believes that it has considered all the possible impact of the known events arising from COVID-19 pandemic in the preparation of the financial statements.

However, given the uncertainties around its impact on future global economic activity, the impact on the subsequent events in terms of actions of revival of business is dependent on the circumstances as they evolve.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

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

Amit Borkar

Partner
Membership No. 109846
Place : Pune
Date : June 26, 2020

Naoki Hatayama
Managing Director

Place : Pune
Date : June 26, 2020

Bhumika Batra
Independent Director

Chandranil Belvalkar
Company Secretary

Sunil Sane
Chief Financial officer

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SHARP

SHARP INDIA LIMITED

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