

**SHARP INDIA LIMITED**

Registered Office & Factory  
Gat.no. 686/4, Koregaon Bhima, Tal. Shirur  
Dist. : Pune : Pin : 412 216  
Phones : (02137) 670000/01/02  
Fax : (02137) 252453  
Website: www.sharpindialimited.com  
CIN : L36759MH1985PLC036759

23/11/2022

To,

Corporate Relationship Dept,  
BSE Limited  
25<sup>th</sup> Floor, P J Towers, Dalal Street,  
Mumbai 400001

Company Scrip Code: 523449

**Subject: Outcome of Board meeting held on 23<sup>rd</sup> November, 2022.**

Dear Madam/Sir,

Pursuant to Regulation 30 of Securities Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015, we wish to inform that Board of Directors, in its today's meeting held on Wednesday, **23<sup>rd</sup> November 2022** considered and approved the Audited Financial Results of the Company for the quarter and Financial Year ended on 31<sup>st</sup> March 2022 which were reviewed by the audit committee.

Accordingly in term of regulation 33 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, we enclose herewith –

- 1) Audited financial results for the year ended 31<sup>st</sup> March 2022
- 2) Statutory Auditor Report on the Audited financial Results for the year ended 31<sup>st</sup> March 2022
- 3) A Statement of Impact of Audit qualification for audited financial results for the financial year ended March 31, 2022.

The meeting of Board of Directors commenced at 3:30 pm and concluded at 5:00 pm.

Kindly acknowledge receipt of the same.

Thanking you,  
Yours faithfully,  
For Sharp India Limited

Chandranil Belvalkar  
Company Secretary  
Encl : a/a.



**SHARP INDIA LIMITED**  
REGISTERED OFFICE : GAT NO. 6864, KOREGAON BHIMA  
TALUKA - SHIRUR, DIST. PUNE - 412 216

Phone No. 02137-252417, Fax No. 02137-252433, Website: www.sharpindialimited.com  
CIN: L36759MH1985PLC036759

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2022**

Sr. No.	Particulars	Amount Rs. Lakhs				
		3 months ended Mar 31, 2022	3 months ended Dec 31, 2021	Corresponding 3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
		(Refer Note 7)				
		Unaudited	Unaudited	Unaudited	Audited	Audited
I	Revenue from operations	3.75	5.28	-	11.58	-
II	Other income (net)	13.25	0.11	6.84	13.75	11.32
III	Total Income (I+II)	17.00	5.39	6.84	25.33	11.32
IV	Expenses					
a)	Employee benefit expense	142.21	145.63	145.97	585.47	592.09
b)	Finance costs	142.64	163.65	136.36	602.40	525.82
c)	Depreciation, amortisation and impairment expense	3.88	3.88	267.79	16.78	380.79
d)	Other expenses	79.97	64.75	178.64	291.50	362.49
	Total expenses (IV)	368.70	377.91	728.76	1,496.15	1,861.19
V	Loss before tax (III-IV)	(351.70)	(372.52)	(721.92)	(1,470.82)	(1,849.87)
VI	Tax expense					
(1)	Current tax	-	-	-	-	-
(2)	Deferred tax	-	-	-	-	-
VII	Loss for the period (V-VI)	(351.70)	(372.52)	(721.92)	(1,470.82)	(1,849.87)
VIII	Other comprehensive income (net of tax) Items that will not be reclassified to profit or loss	-	-	-	-	-
IX	Total comprehensive income for the period (VII+VIII)	(351.70)	(372.52)	(721.92)	(1,470.82)	(1,849.87)
X	Paid up equity share capital (Face Value per share Rs.10/- each)	2,594.40	2,594.40	2,594.40	2,594.40	2,594.40
XI	Loss per share (Rs.10/- each) Basic and diluted	(1.36)	(1.44)	(2.78)	(5.67)	(7.13)
	See accompanying notes to the financial results					

**Notes :-**

- 1) The above Statement has been reviewed by the Audit Committee and has been approved by the Board of Directors at their meeting held on Nov 23, 2022.
- 2) This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3) The Company operates in only one segment i.e. 'consumer electronics'.



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TALUKA - SHIRUR, DIST. PUNE - 412 216

Phone No. 02137-352417, Fax No. 02137-352453, Website: www.sharpindialimited.com  
CIN: L36799MH1985PLC076759

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2022**

4) During the year ended 31 March 2022, the Company incurred a loss of Rs. 1,470.82 Lakhs and the accumulated loss as at 31 March 2022 is Rs. 11,369.14 Lakhs. There was no production of LED TVs from April, 2015 (except in August 2015) and of Air Conditioners since June, 2015 in the absence of any orders. The Company continues to receive financial and operational support from Sharp Corporation, Japan, the majority shareholder and holding company.

As at 31 March 2022, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until 31 March 2023. Sharp Corporation, Japan is a group company of Hon Hai Foxconn Group, one of the world's largest contract electronics manufacturer.

Based on this continued support from the holding company, and the fact that the Company has entered into (i) Basic Services Agreement with Sharp Corporation dated 3rd June 2021; (ii) Service Agreement with Sharp Business Systems (India) Private Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 with Sharp Business Systems (India) Private Limited dated 1st June 2021 for the revival of business operations, the management is of the opinion that the Company will be able to continue as a going concern. Further, the management based on prima facie assessment, is of the opinion that the values of the assets (except freehold land) and liabilities disclosed in the financial statements are close to their fair value and no material impact would possibly be there on financial statements if actual exercise of fair valuation is undertaken.

However, taking into consideration the current economic scenario in India and Japan, the revival of the operations of the Company may take longer than anticipated earlier.

The auditors have qualified their audit report with respect to this matter.

- 5) There was delay in submission of financial results of company for the year ended March 31, 2022 due to unforeseen difficulties. The letter stating reason for delay in submission of financial results as per SEBI Circular No. CIR/CFD/CMD-1/142/2018 dated November 19, 2018 was submitted to stock exchange on 28th May 2022. The Company has provided for the applicable penalty in the books of account.
- 6) Management has made an assessment of the impact of COVID-19 in preparation of these financial results. Management has considered all relevant external and internal factors in measurement of assets and liabilities including recoverability of carrying values of its assets and liquidity position. No adjustment to key estimates and judgements that impact the financial results have been identified.
- 7) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules are notified and become effective.
- 8) The Statutory Auditors have carried out the audit for the year ended March 31, 2022. The figures for the fourth quarter are the balancing figures between the audited figures in respect of the full financial year and published figures upto the third quarter of the current financial year which were subject to limited review.
- 9) Previous period figures have been regrouped/rearranged, wherever considered necessary.

For Sharp India Limited

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M. Nakagawasi  
Managing Director

Place: Pune  
Date: November 23, 2022





Statement of Assets and Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
Property, plant and equipment	187.04	203.82
Intangible assets	0.02	0.02
Financial assets	-	-
(i) Loans	8.28	2.70
Assets for current tax (net)	0.93	0.35
Deferred tax assets	-	-
Other non-current assets	-	-
<b>Total non-current assets</b>	<b>196.27</b>	<b>206.89</b>
<b>II. Current assets</b>		
Financial assets		
(i) Trade receivables	4.43	-
(ii) Cash and cash equivalents	193.31	185.73
(iii) Other financial assets	2.70	9.02
Other current assets	29.70	27.16
<b>Total current assets</b>	<b>230.14</b>	<b>221.91</b>
<b>Total assets</b>	<b>426.41</b>	<b>428.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	2,594.40	2,594.40
Other equity	(9,262.94)	(7,836.39)
<b>Total equity</b>	<b>(6,668.54)</b>	<b>(5,241.99)</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	-	884.05
(ii) Other financial liabilities	-	45.37
Provisions	-	20.80
<b>Total non-current liabilities</b>	<b>-</b>	<b>950.22</b>
<b>II. Current liabilities</b>		
Financial liabilities		
(i) Borrowings	6,833.40	4,413.76
(ii) Trade payables	56.68	57.23
(iii) Other financial liabilities	52.91	53.34
Provisions	117.85	109.74
Other current liabilities	34.11	86.50
<b>Total current liabilities</b>	<b>7,094.95</b>	<b>4,720.57</b>
<b>Total liabilities</b>	<b>7,094.95</b>	<b>5,670.79</b>
<b>Total equity and liabilities</b>	<b>426.41</b>	<b>428.80</b>



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## Statement of cash flows

	31 March 2022	31 March 2021
<b>Cash flow from operating activities</b>		
Loss before income tax	(1,470.82)	(1,849.87)
Adjustments for:		
Depreciation, amortisation and impairment expense	16.78	380.79
Liabilities no longer required written back	-	(6.70)
Interest income classified as investing cash flows	(0.28)	(4.37)
Gain on disposal of property, plant and equipment	-	-
Finance costs	602.40	525.82
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in other current financial assets	0.74	0.10
(Increase)/Decrease in other current and non-current assets	(2.54)	125.88
(Increase)/Decrease in trade receivables	(4.43)	-
Increase/(Decrease) in trade payables	(0.55)	(11.72)
Increase/(Decrease) in other current financial liabilities	(0.43)	0.61
Increase/(Decrease) in other current liabilities	(52.39)	(2.74)
Increase/(Decrease) in provisions	(12.69)	3.33
<b>Cash used in operations</b>	<b>(924.21)</b>	<b>(838.87)</b>
Income tax (paid)/refund received	(0.58)	(0.22)
<b>Net cash outflow from operating activities (A)</b>	<b>(924.79)</b>	<b>(839.09)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	-	-
Payments for property, plant and equipment	-	(0.59)
Proceeds from repayment of security deposits	-	0.75
Interest received	0.28	4.37
<b>Net cash inflow from investing activities (B)</b>	<b>0.28</b>	<b>4.53</b>
<b>Cash flow from financing activities</b>		
Interest paid	(526.32)	(419.22)
Other interest paid	(1.59)	(3.37)
Proceeds from borrowings	1,460.00	1,200.00
Repayment of borrowings	-	-
<b>Net cash inflow from financing activities (C)</b>	<b>932.09</b>	<b>777.41</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>7.58</b>	<b>(57.15)</b>
Cash and cash equivalents at the beginning of the financial year	185.73	242.88
<b>Cash and cash equivalents at the end of the year</b>	<b>193.31</b>	<b>185.73</b>

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# Price Waterhouse Chartered Accountants LLP

## Independent auditors' report To the Members of Sharp India Limited Report on the audit of the financial statements

### Qualified Opinion

1. We have audited the accompanying financial statements of Sharp India Limited ("the Company"), which comprise the Balance Sheet as of March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, except for the effects of the matters described in the Basis of Qualified Opinion of our report, 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, 2022, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Qualified Opinion

3. We draw your attention to Note 33 to the financial statements regarding the preparation of financial statements using the going concern assumption. The Company has ceased business operations during the financial year ended March 31, 2016 and has incurred losses during the year aggregating to Rs. 1,470.82 Lakhs. The accumulated losses of the Company aggregate to Rs. 11,369.14 Lakhs as of March 31, 2022. While the holding company has provided a support letter to the Company, the plans for the revival of business operations and the consequent impact on the going concern assumption are not ascertainable at this stage.
4. 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 qualified opinion.

### Emphasis of Matter

5. We draw your attention to Note 36 to the financial statements which explains the delay in filing of the results for the year ended March 31, 2022 with Stock Exchanges as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Our opinion is not modified in respect of this matter.

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report  
To the Members of Sharp India Limited  
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## Key audit matters

6. 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. Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

## Other Information

7. 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 auditors' report thereon. The Board's report is expected to be made available to us after the date of this auditors' 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

8. 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.
9. 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.





# Price Waterhouse Chartered Accountants LLP

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## Auditor's responsibilities for the audit of the financial statements

10. 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.
11. 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.
12. 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.
13. 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.

## Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("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.



# Price Waterhouse Chartered Accountants LLP

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15. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and except as described in the Basis for Qualified Opinion Section above, 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, except as described in the Basis for Qualified Opinion Section, 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, except as described in the Basis for Qualified Opinion Section above, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) Refer to our remarks in paragraph 15(b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) 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 15 and 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2022;
  - 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, 2022;
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 34 to the financial statements);



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- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 34 to the financial statements); and
  - c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
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 : 22109846BDVSIG1335

Place : Pune  
Date : November 23, 2022



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (g) 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, 2022.

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## 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, 2022 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 over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (g) 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, 2022.

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### Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial control 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 control 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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.

### Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2022:

The Company has prepared the financial statements on a going concern basis as set out in Note 33 to the financial statements. The Company does not have appropriate internal controls for the preparation of financial statements in the period end financial reporting process that could potentially result in the Company incorrectly applying the going concern basis of preparation of the financial statements. Also, refer the Basis for Qualified Opinion section of our main audit report.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (g) 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, 2022.

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## Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022 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.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2022, and the material weakness has affected our opinion on the financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the financial statements. (Refer paragraph 3 of the main audit report).

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



Amit Borkar  
Partner  
Membership Number 109846  
UDIN : 22109846BDVSIG1335

Place : Pune  
Date : November 23, 2022



# Price Waterhouse Chartered Accountants LLP

## 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, 2022

Page 1 of 4

- i. a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b) The Property, Plant and Equipment 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 all the immovable properties, as disclosed in Note 4 on the financial statements, are held in the name of the Company.
- d) The Company has chosen cost model for its Property, Plant and Equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. a) 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 10% or more in aggregate for each class of inventory.  
  
b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



# Price Waterhouse Chartered Accountants LLP

## 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, 2022

Page 2 of 4

- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 the undisputed statutory dues in respect of income tax, provident fund, and employees' state insurance with the appropriate authorities though there has been slight delay in a few cases and is regular in depositing undisputed statutory dues, including goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- Also, refer note 30 (i) 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 statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating Rs. 196.27 Lakhs for long-term purposes.
- e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.



# Price Waterhouse Chartered Accountants LLP

## 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, 2022

Page 3 of 4

- x. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) 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, and as represented to us by the management, no whistleblower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.





# Price Waterhouse Chartered Accountants LLP

## 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, 2022

Page 4 of 4

- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 1,454.04 in the financial year and of Rs. 1,469.08 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. On the basis of the financial ratios (Also refer Note 35 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion and according to the information and explanations given to us, a material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.  
  
(Also refer paragraph 3 of our audit report on the financial statements)
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Amit Borkar  
Partner  
Membership Number 109846  
UDIN : 22109846BDVSIG1335

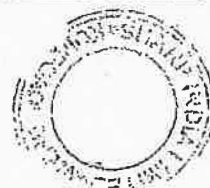
Place : Pune  
Date : November 23, 2022

**Statement on Impact of Audit Qualifications for the Audited Financial Results for the Financial Year ended March 31, 2022.**

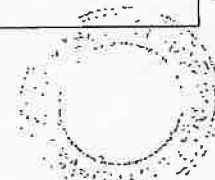
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)				
I.	Sl. No.	Particulars	Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (unaudited figures after adjusting for qualifications)
	1.	Turnover/ Total Income (including Other Income)	25.33	Based on prima facie assessment no material impact as the values of assets (except freehold land) and liabilities are close to their fair values.
	2.	Total Expenditure	1496.15	
	3.	Net Profit/(Loss)	(1470.82)	
	4.	Earnings Per Share (in Rs.)	(5.67)	
	5.	Total Assets	426.41	
	6.	Total Liabilities	7094.95	
	7.	Net Worth	(6668.54)	
	8.	Any other financial item(s)		
		- Current Borrowings & Other Current Financial Liabilities	6867.51	
II.	Audit Qualification (each audit qualification separately):			
	a.	<b>Details of Audit Qualification:</b> We draw your attention to Note 33 to the financial statements regarding the preparation of financial statements using the going concern assumption. The Company has ceased business operations during the financial year ended March 31, 2016 and has incurred losses during the year aggregating to Rs. 1,470.82 Lakhs. The accumulated losses of the Company aggregate to Rs. 11,369.14 Lakhs as of March 31, 2022. While the holding company has provided a support letter to the Company, the plans for the revival of business operations and the consequent impact on the going concern assumption are not ascertainable at this stage.		
	b.	<b>Type of Audit Qualification:</b> Qualified Opinion		
	c.	<b>Frequency of qualification:</b> Fifth time		
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views</b> Not applicable since the auditor has not quantified the impact in amount		

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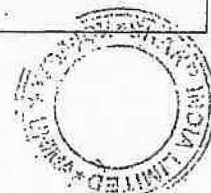


	<p><b>e. For Audit Qualification(s) where the Impact is not quantified by the auditor:</b></p> <p><b>i) Management's estimation on the Impact of audit qualification:</b></p> <p>During the period ended March 31, 2022, Company incurred a loss of Rs. 1,470.82 Lakhs and the accumulated loss as at March 31, 2022 is Rs. 11,369.14 Lakhs. There was no production of LED TVs from April, 2015 (except in August 2015) and of Air Conditioners since June, 2015 in the absence of any orders. The Company continues to receive financial and operational support from Sharp Corporation, Japan, the majority shareholder and holding company.</p> <p>The support letter has been received as at 31<sup>st</sup> March 2022, from Sharp Corporation, Japan for financial and operational support until 31<sup>st</sup> March 2023. Sharp Corporation, Japan is a group company of Hon Hai/Foxconn Group, one of the world's largest contract electronics manufacturer.</p> <p>Based on this continued support from the holding company, and the fact that the Company has entered into (i) Basic Services Agreement with Sharp Corporation dated 3rd June 2021; (ii) Service Agreement with Sharp Business Systems (India) Private Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 with Sharp Business Systems (India) Private Limited dated 1st June 2021 for the revival of business operations, the management is of the opinion that the Company will be able to continue as a going concern.</p> <p>Further, the management based on prima facie assessment, is of the opinion that the values of the assets (except freehold land) and liabilities disclosed in the financial statements are close to their fair value and no material impact would possibly be there on financial statements if actual exercise of fair valuation is undertaken.</p> <p>In accordance with the BASIC-SERVICE AGREEMENT executed between Sharp Corporation (SC) and the Company on 3rd June 2021, SC intend to expand the business scope of Smart Appliances &amp; Solutions Business Unit in India and expect the Company to provide and the Company is willing to provide activities and services relating to the following activities:</p> <ol style="list-style-type: none"> <li>(1) to support to conduct a factory audit for any applicable products</li> <li>(2) to conduct a survey of local dealers, service providers and users in India</li> <li>(3) to analyze the competitive products and the cost thereof and report such result</li> <li>(4) to manufacture and provide the preproduction prototype of the new products</li> <li>(5) to support the mass-production of the new products</li> <li>(6) other activities and services to cooperate business development of Smart Appliances &amp; Solutions Business Unit of SC separately agreed upon by the Parties</li> </ol> <p>The work on Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1<sup>st</sup> June 2021 has generated certain revenue during the financial year ended March 31, 2022.</p> <p>Further during the period the Sharp Corporation, promoter and holding Company has attempted to acquire public shareholding and consequently voluntarily delist from stock exchange. The resolution put up for shareholder approval through postal ballot resolution was not carried out with requisite majority as declared in its voting result 28<sup>th</sup> October 2021.</p> <p>However, taking into consideration the current economic scenario in India and Japan, the revival of the operations of the Company may take longer than anticipated earlier.</p>
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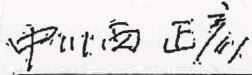
	<p>ii) If management is unable to estimate the impact, reasons for the same:</p> <p><b>i) Management's estimation on the Impact of audit qualification:</b></p> <p>During the period ended March 31, 2022, Company incurred a loss of Rs. 1,470.82 Lakhs and the accumulated loss as at March 31, 2022 is Rs. 11,369.14 Lakhs. There was no production of LED TVs from April, 2015 (except in August 2015) and of Air Conditioners since June, 2015 in the absence of any orders. The Company continues to receive financial and operational support from Sharp Corporation, Japan, the majority shareholder and holding company.</p> <p>The support letter has been received as at 31<sup>st</sup> March 2022, from Sharp Corporation, Japan for financial and operational support until 31<sup>st</sup> March 2023. Sharp Corporation, Japan is a group company of Hon Hai/Foxconn Group, one of the world's largest contract electronics manufacturer.</p> <p>Based on this continued support from the holding company, and the fact that the Company has entered into (i) Basic Services Agreement with Sharp Corporation dated 3rd June 2021; (ii) Service Agreement with Sharp Business Systems (India) Private Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 with Sharp Business Systems (India) Private Limited dated 1st June 2021 for the revival of business operations, the management is of the opinion that the Company will be able to continue as a going concern.</p> <p>Further, the management based on prima facie assessment, is of the opinion that the values of the assets (except freehold land) and liabilities disclosed in the financial statements are close to their fair value and no material impact would possibly be there on financial statements if actual exercise of fair valuation is undertaken.</p> <p>In accordance with the BASIC SERVICE AGREEMENT executed between Sharp Corporation (SC) and the Company on 3rd June 2021, SC intend to expand the business scope of Smart Appliances &amp; Solutions Business Unit in India and expect the Company to provide and the Company is willing to provide activities and services relating to the following activities:</p> <ol style="list-style-type: none"> <li>(1) to support to conduct a factory audit for any applicable products</li> <li>(2) to conduct a survey of local dealers, service providers and users in India</li> <li>(3) to analyze the competitive products and the cost thereof and report such result</li> <li>(4) to manufacture and provide the preproduction prototype of the new products</li> <li>(5) to support the mass-production of the new products</li> <li>(6) other activities and services to cooperate business development of Smart Appliances &amp; Solutions Business Unit of SC separately agreed upon by the Parties</li> </ol> <p>The work on Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1<sup>st</sup> June 2021 has generated certain revenue during the financial year ended March 31, 2022.</p> <p>Further during the period the Sharp Corporation, promoter and holding Company has attempted to acquire public shareholding and consequently voluntarily delist from stock exchange. The resolution put up for shareholder approval through postal ballot resolution was not carried out with requisite majority as declared in its voting result 28<sup>th</sup> October 2021.</p> <p>However, taking into consideration the current economic scenario in India and Japan, the revival of the operations of the Company may take longer than anticipated earlier.</p> <p>iii) Auditors' Comments on (i) or (ii) above: Refer qualification above</p>
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III. Signatories



Masahiko Nakagawasai  
(Managing Director)  
DIN: 05274985

Place: Pune

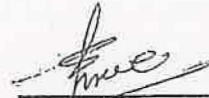
Date: 23/11/2022



Bhūmika Batra  
(Audit Committee Chairman)  
DIN: 03502004

Place: Pune

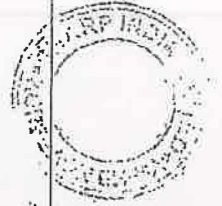
Date: 23/11/2022



Sunil Sane (Chief  
Financial Officer)

Place: Pune

Date: 23/11/2022



AUDITORS

Refer our Independent Auditors' Report dated 23<sup>rd</sup> November 2022 on Financial Results of the Company.

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



Amit Borkar  
Membership Number. 109846

Place: Pune

Date: 23/11/2022