

## SHARP INDIA LIMITED

Registered Office & Factory  
Gat no. 686/4, Koregaon Bhima, Tal. Shirur.  
Dist.: Pune : Pin 412 216  
Phones : (02137) 252417 (4 LINES)  
(02137) 666520 (9 LINES)  
Fax : (02137) 252453  
Website : www.sharpindialimited.com

CIN:L36759MH1985PLC036759

### Notice of 32<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company situated at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Wednesday, 27<sup>th</sup> September 2017 at 12:00 noon. (I.S.T.) 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 2017 and the Reports of the Auditors and Directors thereon.
2. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Price Waterhouse , LLP, Chartered Accountants, (Firm Registration Number – 012754N/N-500016), be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors, M/s. S R B C and Co, LLP, Chartered Accountants, to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company subject to annual ratification by the members of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration.”

#### **SPECIAL BUSINESS :**

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

**“RESOLVED THAT** Mr. Masahiko Nakagawasai (DIN: 05274985) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29<sup>th</sup> September 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation..”

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required read with articles 173, 175 and 176 of the Articles of Association of the Company, , the consent of the members of the Company is hereby given to the appointment of Mr.Masahiko Nakagawasai (DIN No. 05274985) as the Managing Director of the Company for a period of three years from 29<sup>th</sup> September 2016 up to 28<sup>th</sup> September 2019 on the following terms of remuneration.

1. Salary of Rs.1,10,000 / - (Rupees . One Lacs Ten Thousand Only) per month.



2. Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.
3. Reimbursement of medical expenses incurred in India for self and his family (spouse and children) if they reside in India.
4. Rental for the telephone facility at residence to be used for the business of the Company.
5. The Company will provide car and the company will bear the cost of fuel, maintenance ,road tax and insurance. The company will reimburse the expenses incurred on account of salary of the driver.
6. The Company will bear the actual expenses incurred for shifting his household goods to Japan on return from India to Japan on the expiry of his term.
7. Employers' Contribution to the Provident Fund as per the prevailing law.

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

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

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

**To Approve the Material Related Party Transactions :**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other approvals, consents, sanctions and permissions of any authorities as may be necessary, the Members of the Company hereby approve the material related party arrangements or transactions as detailed bellow entered / to be entered into during the financial year 2017 – 2018 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 , repayment /rollover of ECB Loan or any other activity relating to ECB loan, payment of Interest on loan and any other transaction totally amounting to Rs.3000.00 lacs with Sharp Corporation, Japan,
- 2) Repayment/ Rollover of Unsecured Loan, any other activity relating to Unsecured loan , payment of Interest and any other transaction totally amounting to Rs.350 lacs with Sharp Software Development India Private Limited.



3)Obtaining working Capital loans , secured or unsecured, short term or long term, payment of interest on such loans acquired, repayment of the loans , roll over of the loan , extension of time for repayment of the loan, totally amounting to Rs.3000.00 lacs from Sharp Corporation, Japan and its subsidiaries in India or abroad

**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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of Rs. 75,000/- (Rs. Seventy five Thousand only) plus out of pocket expenses, if any,for the financial year ending on March 31, 2018 to M/s. C.S.Adawadkar & Co, , Practicing Cost Accountants, (Firm Registration No.100401) who are appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial ending on 31<sup>st</sup> March 2018."

**By Order of the Board of Directors**

**For Sharp India Limited**



**Mayuresh Vaze**

**Company Secretary**

**Membership No.ACS- 19529**

**Date : 9<sup>th</sup> August 2017**

**Place: Pune**

**NOTES:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item Nos. 3 to 6 above is annexed hereto.

**2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy Form (Form MGT-11) is attached elsewhere in this report. Kindly fill up appropriate details like your name, address, Folio No./ DPID & Client ID , and the details of the person(s) to be appointed as the proxy – name, address, email ID etc.. The proxy form should be signed by the shareholder and the proxy holder and a revenue stamp should be affixed at the place provided for the same. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



3. A statement giving details of the Directors to be newly appointed or reappointed is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

4. 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 Mandir, Pune 411 001, in respect of their physical share folios.

5. Members can avail of nomination facility. Blank Nomination forms will be supplied on request.

6. Members who are holding shares in more than one folio under name(s) in the same order are requested to send the relative share certificates to the Registrar and Transfer Agents for consolidation of the entire holding in one folio. The share certificates after consolidation will be returned by registered post/courier.

7. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 16<sup>th</sup> September 2017 to Wednesday, 27<sup>th</sup> September 2017 (both days inclusive).

8. Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.

9. Members are requested to forward their queries on accounts at least 10 days in advance to enable us to reply the same.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.

11. Relevant documents referred to in the accompanying notice and the statement are open for inspection by the members at the registered office of the Company during the business hours on all the working days up to the date of 32<sup>nd</sup> annual general meeting.

12. In view of the 'Green Initiative' introduced by the Ministry of Corporate Affairs all the members who are holding shares of the Company in PHYSICAL Mode are requested to register their Email ID with the Company, so as to enable the Company to send all notices, reports, intimations and other correspondence etc. Through Emails .i.e. in the electronic mode instead of receiving physical copies of the same. Members holding shares in DEMAT Mode, who have not registered their e-mail ID with the Depository Participant (DP) are also requested to register or update their email ID with the Depository Participant, so that all future shareholder's correspondence can be sent to the email ID registered with your DP.

13. In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, and regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means (Remote E- Voting Facility) and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically are as under:-

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

- (i) The voting period begins on Sunday, 24<sup>th</sup> September 2017 at 09:00 a.m. and ends on Tuesday, 26<sup>th</sup> September 2017 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in



physical form or in dematerialized form, as on the cut-off date , i.e. Wednesday, 20<sup>th</sup> September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on Tuesday, 26<sup>th</sup> September 2017.

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

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions



contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively .Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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



- I. Facility of voting through Poll paper shall be made available at the 32<sup>nd</sup> Annual General Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting
  - II. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again at the AGM.
  - III. Mr. Sridhar G.Mudaliar, Partner of M/s. SVD & Associates , Company Secretaries has been appointed as the Scrutinizer for scrutinizing the e-voting & poll process in a fair and transparent manner.
  - IV. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
  - V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and also will be communicated to the BSE Limited (BSE), where the shares of the Company are listed.
15. Route Map of the venue of the 32<sup>nd</sup> Annual General Meeting is provided to you at the end of this notice to make it convenient to you to attend the 32<sup>nd</sup> Annual General Meeting.

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

##### **ITEM NO.3:**

The Board of Directors has appointed Mr. Masahiko Nakagawasai as an Additional Director of the Company with effect from 29<sup>th</sup> September 2016. As per the provisions of Section 161(1) of the Companies Act, 2013, (the Act) Mr. Masahiko Nakagawasai shall hold office as an Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Masahiko Nakagawasai for the office of Director of the Company.

The matter regarding appointment of Mr. Masahiko Nakagawasai as a Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

Mr. Masahiko Nakagawasai has given a declaration to the Board that he is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given his consent to act as a Director. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for his appointment.

In compliance with the provisions of Section 161 of the Act, the appointment of Mr. Masahiko Nakagawasai as a Director is now being placed before the Members for their approval.

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

##### **ITEM NO.4**

The Board of Directors of the Company in its meeting held on 28<sup>th</sup> September 2016 have appointed Mr. Masahiko



Nakagawasai as the Managing Director of the Company to hold office for a period of three years effective from 29<sup>th</sup> September 2016 to 28<sup>th</sup> September 2019. His appointment has been made under Schedule- V of the Companies Act, 2013. The Nomination & Remuneration committee has approved the appointment and remuneration payable to him for the aforesaid period of three years in its meeting held on 28<sup>th</sup> September 2016. Hence now the member's approval is sought for the appointment & remuneration payable to Mr. Masahiko Nakagawasai as the Managing Director of the Company for the period from 29<sup>th</sup> September 2016 up to 28<sup>th</sup> September 2019 and the same is placed before the members of the Company for their approval.

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

**I. GENERAL INFORMATION:**

(1) **Nature of Industry** – Manufacture & sale of LCD& Air conditioners

(2) **Date or expected date of commencement of commercial operation:** - The Company started its commercial operations from July 1986 .

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** - N.A

(4) **Financial Performance based on given indicators :**

(Rs. In Lakhs)

<b>Financial Parameters</b>	<b>2015-2016</b>	<b>2016-2017</b>
Total Revenue (Net)	3017.90	2,566.06
Net Profit/ (Loss) for the year as per Profit & Loss Account	(1406.22)	(1,369.58)
EPS	(5.42)	(5.28)

(5) **Foreign investments or collaborators, if any, as on 31.03.2017 –**

The total Foreign Holdings in the company as on 31.03.2017 were 1,95,55,261 equity shares i.e. 75.37% of the total Paid up Capital. . Out of that Sharp Corporation, Japan who is promoters of the company hold 19,460,800 equity shares i.e.75.01% equity shares in the company. The company has a technical collaboration with Sharp Corporation – Japan for manufacture of Colour Televisions (CTVs) & LED TVs & air conditioners.

**II. INFORMATION ABOUT THE APPOINTEE:**

(1) **Background Details** - Mr. Masahiko Nakagawasai a Japanese National, aged about 58 years, is a Bachelor of Economics from University of Fukushima, Japan. He has wide experience in the field of Accounts He has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares in the company.

(2) **Past remuneration, Recognition & awards, Job profile & his suitability**

Mr. Masahiko Nakagawasai was paid a remuneration of around Rs .14.39Lacs (Salary & Perquisites ) in the last financial year – 2016-2017 .Mr. Masahiko Nakagawasai possesses a wide experience in the field of Accounts and his association with the company is of great help to the company. Subject to the superintendence, control and direction of the Board of Directors of the Company Mr. Masahiko Nakagawasai exercises substantially the whole powers of the management and affairs of the Company.



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

III: Other Information:

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

As you are aware that from 1<sup>st</sup> April 2011, the company has shifted to a new model wherein it has focused on its core strength of manufacturing. The products manufactured by the company were sold to Sharp Business System (India) Limited, a 100% subsidiary company of Sharp Corporation Japan. However due to intense competition, increase in input cost and reduction in selling prices, fluctuations in the currency exchange rates, and seasonal demand for the air conditioners has affected the profitability of the company. There was no production of LED TVs from April 2015 (except in August 2015) and of Air conditioners since June 2015, in the absence of any orders. This significant drop in the sales of the LEDs and Air conditioners has resulted in to loss of 1369.58 Lacs for the financial year 2016-17 & accumulated loss of Rs. 4467.89Lacs.

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

#### IV: DISCLOSURES:

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

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

#### ITEM No.5:

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 clause (76) of section 2 of the Companies Act, 2013 and Regulation 2 (1) (zb) of



the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Your company has availed ECB Loan of Rs.1584.11 lacs from Sharp Corporation Japan and Inter corporate Loan of Rs. 300.00 lacs from Sharp Software Development India Private Limited (SSDI) for capital expenditure. As per the loan agreement the said loans are due for Repayment in the financial year 2017-18.

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 2017- 18 , your company will need financial support from Sharp Corporation Japan and its subsidiaries.

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

Name of the Related part	Nature of Transactions	Estimated Value ( Rs. In lacs)	Period
Sharp Corporation - Japan	Reimbursement of expenses received /paid, repayment and any other activity relating to ECB Loan, payment of interest on ECB Loan and other transactions. Interest on ECB Loan and other transitions.	Rs.3000.00	1.4.2017 to 31.3.2018
Sharp Software Development 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	Rs 350.00	1.4.2017 to 31.3.2018
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.3000.00	1.4.2017 to 31.3.2018

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 2016-2017.

Other information:

1)Name of the Related Party and relationship : As stated above

2)Name of the Directors / Key managerial Personnel who is related, if any- -. Currently Mr. Masahiko Nakagawasai - Managing Director, is nominated by Sharp Corporation, Japan on the Board of Sharp India Limited.Mr.Masahiko Nakagawasai nominated by Sharp Corporation , Japan is a 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 2017-2018.

Except Mr. Masahiko Nakagawasai ,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.5 of this Notice.

Directors recommend the resolution at Item No. 5 for the acceptance by the Members of the Company.

**Item No. 6 :**

Cost Audit is applicable to your company for the financial year 2017-2018. The Board of Directors on the recommendation of the Audit Committee have appointed M/s. C .S. Adawadkar , Practicing Cost Accountant as the 'Cost Auditor' of the Company for the financial year ending 31<sup>st</sup> March 2018 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 31<sup>st</sup> March 2018 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.

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

- ▶ **Mr.Masahiko Nakagawasai.** Mr. Masahiko Nakagawasai , Managing Director of the Company, is aged about 58 years and is a Bachelor of Economics from University of Fukushima , Japan. He has a wide experience in the field of Accounts and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He is a member of Stakeholders Relationship & Share Transfer Committee and Chairman of the Risk Management Committee of Sharp India Limited. He does not hold any shares of the Company. He also serves on the Board of Sharp Business Systems (India) Private Limited.

**By Order of the Board of Directors**

**For Sharp India Limited**



**Mayuresh Vaze**

**Company Secretary**

**Membership No.ACS- 19529**

**Date : 9<sup>th</sup> August 2017**

**Place: Pune**

