

# SHARP

## SHARP INDIA LIMITED

Registered Office & Factory  
Gat no. 686/4, Koregaon Bhima, Tal. Shirur,  
Dist.: Pune : Pin : 412 216  
Phones : (02137) 252417 / 252418  
Fax : (02137) 252453  
Website : www.sharpindialimited.com  
CIN : L36759MH1985PLC036759

16.08.2021

To,

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

Company Scrip Code: 523449

Subject: Outcome of Board meeting held on 16<sup>th</sup> August, 2021.

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 Monday, **16<sup>th</sup> August 2021** considered and approved the Audited Financial Results of the Company for the quarter and Financial Year ended on 31<sup>st</sup> March 2021 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 2021
- 2) Statutory Auditor Report on the Audited financial Results for the year ended 31<sup>st</sup> March 2021
- 3) A Statement of Impact of Audit qualification for audited financial results for the financial year ended March 31, 2021.

The meeting of Board of Directors commenced at 12:00 Noon and concluded at 12:55 p.m.

Kindly acknowledge receipt of the same.

Thanking you,  
Yours faithfully,  
For Sharp India Limited

  
Chandranil Belvalkar  
Company Secretary  
Encl : a/a.



**SHARP INDIA LIMITED**  
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**TALUKA - SHIRUR, DIST. PUNE - 412 216**

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CIN: L36759MH1985PLC036759

**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

Sr. No.	Particulars	Amount Rs. lakhs				
		3 months ended March 31, 2021	3 months ended December 31, 2020	Corresponding 3 months ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
		Unaudited	Unaudited	Unaudited	Audited	Audited
I	Revenue from operations	-	-	0.88	-	2.15
II	Other income (net)	6.84	0.06	23.63	11.32	57.43
III	<b>Total Income (I+II)</b>	<b>6.84</b>	<b>0.06</b>	<b>24.51</b>	<b>11.32</b>	<b>59.58</b>
IV	Expenses					
a)	Employee benefit expense	145.97	148.85	154.49	592.09	628.46
b)	Finance costs	136.36	133.29	110.87	525.82	391.80
c)	Depreciation, amortisation and impairment expense	267.79	37.33	37.94	380.79	153.01
d)	Other expenses	178.64	56.20	64.63	362.49	284.52
	<b>Total expenses (IV)</b>	<b>728.76</b>	<b>375.67</b>	<b>367.93</b>	<b>1,861.19</b>	<b>1,457.79</b>
V	<b>Loss before tax (III-IV)</b>	<b>(721.92)</b>	<b>(375.61)</b>	<b>(343.42)</b>	<b>(1,849.87)</b>	<b>(1,398.21)</b>
VI	Tax expense					
(1)	Current tax	-	-	-	-	-
(2)	Deferred tax	-	-	-	-	-
VII	<b>Loss for the period (V-VI)</b>	<b>(721.92)</b>	<b>(375.61)</b>	<b>(343.42)</b>	<b>(1,849.87)</b>	<b>(1,398.21)</b>
VIII	Other comprehensive income (net of tax)					
	Items that will not be reclassified to profit or loss	-	-	-	-	-
IX	<b>Total comprehensive income for the period (VII+VIII)</b>	<b>(721.92)</b>	<b>(375.61)</b>	<b>(343.42)</b>	<b>(1,849.87)</b>	<b>(1,398.21)</b>
X	<b>Paid up equity share capital</b> (Face Value per share Rs.10/- each)	2,594.40	2,594.40	2,594.40	2,594.40	2,594.40
XI	<b>Loss per share (Rs.10/- each)</b> Basic and diluted	<b>(2.78)</b>	<b>(1.45)</b>	<b>(1.32)</b>	<b>(7.13)</b>	<b>(5.39)</b>
	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 August 16, 2021.
- 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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**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

- 4) During the year ended 31 March 2021, the Company incurred a loss of Rs. 1,849.87 Lakhs and the accumulated loss as at 31 March 2021 is Rs. 9,898.32 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 2021, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until 31 March 2022. 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 between Sharp Corporation and Sharp India Limited dated 3rd June 2021; (ii) Service Agreement between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India 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 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 Covid 19 pandemic situation and the uncertainty surrounding it, in India and Japan, the revival of the operations of the Company may take longer than anticipated earlier.

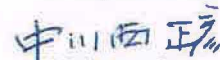
The auditors have qualified their audit report with respect to this matter.

- 5) Application for the appointment of Mr. M. Nakagawasai as the Managing Director of the Company is has been filed with the Central Government and is pending approval.
- 6) There was delay in submission of financial results of company for year ended March 2021 due to unavoidable circumstances. 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 June 30, 2021. The Company has provided for penalties in the books of account. The auditors have included an Emphasis of Matter para in their audit report with respect to this matter.
- 7) 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.
- 8) 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.
- 9) The Statutory auditors have carried out the audit for the year ended March 31, 2021. 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 subjected to limited review.
- 10) The Company has assessed the recoverable amount of its property, plant and equipment and considering the value in use made an impairment provision of Rs. 229.60 Lakhs. Additionally, the Company has provided for balances with government authorities, representing GST credit receivable amounting to Rs. 116.70 Lakhs. These amounts have been recognised under 'Depreciation, amortisation and impairment expenses' and 'Other expenses' respectively.
- 11) Previous period/year figures have been regrouped/rearranged, wherever considered necessary.

Place: Pune

Date: August 16, 2021

For Sharp India Limited



M. Nakagawasai

Managing Director



Statement of Assets and Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
Property, plant and equipment	203.82	582.60
Intangible assets	0.02	1.44
Financial assets		
(i) Loans	2.70	0.75
Assets for current tax (net)	0.35	0.13
Deferred tax assets	-	-
Other non-current assets	-	6.62
<b>Total non-current assets</b>	<b>206.89</b>	<b>591.54</b>
<b>II. Current assets</b>		
Inventories	-	-
Financial assets		
(i) Cash and cash equivalents	185.73	242.88
(ii) Loans	5.58	8.28
(iii) Other financial assets	3.44	3.54
Other current assets	27.16	146.42
<b>Total current assets</b>	<b>221.91</b>	<b>401.12</b>
<b>Total assets</b>	<b>428.80</b>	<b>992.66</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	2,594.40	2,594.40
Other equity	(7,836.39)	(6,032.10)
<b>Total equity</b>	<b>(5,241.99)</b>	<b>(3,437.70)</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	884.05	1,733.87
(ii) Other financial liabilities	45.37	74.24
Provisions	20.80	20.80
<b>Total non-current liabilities</b>	<b>950.22</b>	<b>1,828.91</b>
<b>II. Current liabilities</b>		
Financial liabilities		
(i) Borrowings	1,827.61	675.78
(ii) Trade payables	57.23	68.95
(iii) Other financial liabilities	2,639.49	1,658.26
Provisions	109.74	113.11
Other current liabilities	86.50	85.35
<b>Total current liabilities</b>	<b>4,720.57</b>	<b>2,601.45</b>
<b>Total liabilities</b>	<b>5,670.79</b>	<b>4,430.36</b>
<b>Total equity and liabilities</b>	<b>428.80</b>	<b>992.66</b>



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Statement of cash flows

	31 March 2021	31 March 2020
<b>Cash flow from operating activities</b>		
Loss before income tax	(1,849.87)	(1,398.21)
Adjustments for:		
Depreciation, amortisation and impairment expense	380.79	153.01
Liabilities no longer required written back	(6.70)	(52.01)
Interest income classified as investing cash flows	(4.37)	(0.76)
Gain on disposal of property, plant and equipment	-	(4.41)
Finance costs	525.82	391.80
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in other current financial assets	0.10	(2.88)
(Increase)/Decrease in other current and non-current assets	125.88	(31.40)
Increase/(Decrease) in trade payables	(11.72)	(11.39)
Increase/(Decrease) in other current financial liabilities	0.61	0.81
Increase/(Decrease) in other current liabilities	(2.74)	65.92
Increase/(Decrease) in provisions	3.33	(6.39)
<b>Cash used in operations</b>	<b>(838.87)</b>	<b>(895.91)</b>
Income tax (paid)/refund received	(0.22)	2.63
<b>Net cash outflow from operating activities (A)</b>	<b>(839.09)</b>	<b>(893.28)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	-	4.41
Payments for property, plant and equipment	(0.59)	(4.26)
Proceeds from repayment of security deposits	0.75	1.40
Interest received	4.37	0.76
<b>Net cash inflow from investing activities (B)</b>	<b>4.53</b>	<b>2.31</b>
<b>Cash flow from financing activities</b>		
Interest paid	(419.22)	(318.77)
Other interest paid	(3.37)	-
Proceeds from borrowings	1,200.00	1,670.00
Repayment of borrowings	-	(300.00)
<b>Net cash inflow from financing activities (C)</b>	<b>777.41</b>	<b>1,051.23</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(57.15)</b>	<b>160.26</b>
Cash and cash equivalents at the beginning of the financial year	242.88	82.62
<b>Cash and cash equivalents at the end of the year</b>	<b>185.73</b>	<b>242.88</b>



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# Price Waterhouse Chartered Accountants LLP

## Independent auditor's 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 at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section 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, 2021, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Qualified opinion

3. We draw your attention to Note 33 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. 1,849.87 Lakhs. The accumulated losses of the Company aggregate to Rs. 9,898.32 Lakhs as at March 31, 2021. 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.



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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 AUDITOR'S REPORT

To the Members of Sharp India Limited  
Report on audit of the Financial Statements

### Emphasis of Matters

5. We draw your attention to the following matters:

- a) Note 28 regarding the application made by the Company to the Central Government for appointment of a non-resident Managing Director, which is pending approval.
- b) Note 34 to the financial statements results which explains the delay in filing of the results for the year ended March 31, 2021 with Stock Exchanges within the extended timelines as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018.

Our opinion is not modified in respect of these matters.

### 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 matter 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 auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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

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

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



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sharp India Limited  
Report on audit of the Financial Statements

### 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.

### 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 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.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sharp India Limited  
Report on audit of the Financial Statements

- 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- a) We have sought and 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 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sharp India Limited  
Report on audit of the Financial Statements

- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14 and 30 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
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. Please refer to the Emphasis of Matter paragraph above.

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



Amit Borkar

Partner

Membership Number: 109846

UDIN: 21109846AAAAFH9258

Pune

August 16, 2021

**Statement on Impact of Audit Qualifications for the Annual Audited Financial Results for the Financial Year Ended March 31, 2021.**

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

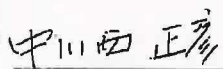


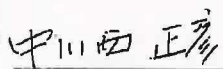


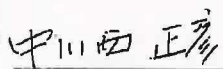



(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income (including Other Income)	11.32	Based on prima facie assessment no material impact as the values are close to their fair values.
	2	Total Expenditure	1,861.19	
	3	Net Profit/(Loss)	(1,849.87)	
	4	Earnings Per Share (in Rs.)	(7.13)	
	5	Total Assets	428.80	
	6	Total Liabilities	5,670.79	
	7	Net Worth	(5,241.99)	
	8	Any other financial item(s)		
		- Non-Current Borrowing	884.05	
		- Other Current Financial Liabilities	2,639.49	
II.	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	<b>Details of Audit Qualification:</b>  We draw your attention to Note 33 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. 1,849.87 Lakhs. The accumulated losses of the Company aggregate to Rs. 9,898.32 lakhs as at March 31, 2021. 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> First 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		
	e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <b>i) Management's estimation on the impact of audit qualification:</b>  During the year ended 31 March 2021, the Company incurred a loss of Rs. 1,849.87 Lakhs and the accumulated loss as at 31 March 2021 is Rs. 9,898.32 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 2021, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until 31 March 2022. Sharp Corporation, Japan is a group company of Hon Hai/Foxconn Group, one of the world's largest contract electronics manufacturer.		



	<p>Based on this continued support from the holding company, and the fact that the Company has entered into (i) Basic Services Agreement between Sharp Corporation and Sharp India Limited dated 3rd June 2021; (ii) Service Agreement between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India 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><i>Further, the management based on prima facie assessment, is of the opinion that the values of the assets 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.</i></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>However, taking into consideration the current Covid 19 pandemic situation and the uncertainty surrounding it, in India and Japan, the revival of the operations of the Company may take longer than anticipated earlier.</p>
	<p><b>ii) If management is unable to estimate the impact, reasons for the same:</b></p> <p>During the year ended 31 March 2021, the Company incurred a loss of Rs. 1,849.87 Lakhs and the accumulated loss as at 31 March 2021 is Rs. 9,898.32 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>As at 31 March 2021, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until 31 March 2022. 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 between Sharp Corporation and Sharp India Limited dated 3rd June 2021; (ii) Service Agreement between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1st June 2021; and (iii) the Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India 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><i>Further, the management based on prima facie assessment, is of the opinion that the values of the assets 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.</i></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> <p>(1) to support to conduct a factory audit for any applicable products  (2) to conduct a survey of local dealers, service providers and users in India  (3) to analyze the competitive products and the cost thereof and report such result  (4) to manufacture and provide the preproduction prototype of the new products  (5) to support the mass-production of the new products  (6) other activities and services to cooperate business development of Smart Appliances &amp; Solutions Business Unit of SC separately agreed upon by the Parties</p> <p>However, taking into consideration the current Covid 19 pandemic situation and the uncertainty surrounding it, 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>						
<p>III. Signatories</p>	<table border="0"> <tr> <td data-bbox="359 817 638 1075">   Masahiko Nakagawasai  (Managing Director)  DIN: 05274985 </td> <td data-bbox="638 817 997 1075">   Bhumika Batra  (Audit Committee Chairman)  DIN: 03502004 </td> <td data-bbox="997 817 1311 1075">   Sunil Sane (Chief Financial Officer) </td> </tr> <tr> <td data-bbox="359 1075 638 1176"> Place: Pune  Date: 16<sup>th</sup> August 2021 </td> <td data-bbox="638 1075 997 1176"> Place: Pune  Date: 16<sup>th</sup> August 2021 </td> <td data-bbox="997 1075 1311 1176"> Place: Pune  Date: 16<sup>th</sup> August 2021 </td> </tr> </table>	 Masahiko Nakagawasai (Managing Director) DIN: 05274985	 Bhumika Batra (Audit Committee Chairman) DIN: 03502004	 Sunil Sane (Chief Financial Officer)	Place: Pune Date: 16 <sup>th</sup> August 2021	Place: Pune Date: 16 <sup>th</sup> August 2021	Place: Pune Date: 16 <sup>th</sup> August 2021
 Masahiko Nakagawasai (Managing Director) DIN: 05274985	 Bhumika Batra (Audit Committee Chairman) DIN: 03502004	 Sunil Sane (Chief Financial Officer)					
Place: Pune Date: 16 <sup>th</sup> August 2021	Place: Pune Date: 16 <sup>th</sup> August 2021	Place: Pune Date: 16 <sup>th</sup> August 2021					
	<p style="text-align: center;"><b>AUDITORS</b></p> <p>Refer our Independent Auditors' Report dated 16<sup>th</sup> August 2021 on Standalone Financial Results of the Company.</p> <p><b>For Price Waterhouse Chartered Accountants LLP</b>  Firm Reg. No.012754N/N500016</p> <p>  Amit Borkar  Membership Number.109846</p> <p>Place: Pune  Date: 16<sup>th</sup> August 2021</p>						

