

38th Annual Report
2022-2023

SHARP

SHARP INDIA LIMITED

BOARD OF DIRECTORS

MASAHICO NAKAGAWASAI
[Managing Director]

MASAO TERADA
(Non-executive Director).

YOSHIHIRO HASHIMOTO
(Non-executive Director)

NAOKI HATAYAMA
(Non-executive Director)

PRASHANT ASHER
(Independent Director)

BHUMIKA BATRA
(Independent Director)

ABHIJEET BHAGWAT
(Independent Director)

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BANKERS

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

SOLICITORS & ADVOCATES

CRAWFORD BAYLEY & CO., MUMBAI.

AUDITORS

M/S. G D APTE & CO.,
CHARTERED ACCOUNTANTS.

REGISTERED OFFICE & FACTORY

Gat No.686/4, Koregaon Bhima,
Tal. Shirur, Dist. Pune 412 216
Phone No. (02137) - 670000/01/02

REGISTRARS & TRANSFER AGENTS

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

Phone No. (020) - 26161629

SHARP INDIA LIMITED

Registered Office :

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

Ph No. (02137) - 670000/01/02 Fax No. 02137 -252453

Website : www.sharpindialimited.com

CIN : L36759MH1985PLC036759

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the members of Sharp India Limited will be held on Friday, 29th December, 2023 at 12:00 Noon (I.S.T.) through Video Conferencing ('VC') / Other Audio Visual Means ('OVAM') facility to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2023 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Naoki Hatayama (DIN 08390564) who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

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

SPECIAL BUSINESS:

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

To Approve the Material Related Party Transactions:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to such other laws, rules, regulations, 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 below to be entered into during the financial year 2024 – 2025 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 below mentioned material related party arrangements or transactions upon the principal terms mentioned in the Explanatory Statement annexed hereto.

- 1) Reimbursement of expenses paid/ received, Financial Support subject to Compliance of other applicable laws if any, payment of guarantee fees for loans from subsidiaries and associate companies located in India or abroad, repayment /rollover of External Commercial Borrowing (ECB) Loan, or any other activity relating to ECB loan, payment of Interest on loan and any other transaction totally amounting to Rs.386.00 million with Sharp Corporation, Japan.
- 2) Reimbursement of expenses paid/ received, Repayment / Rollover of Unsecured Loan, any other activity relating to unsecured loan, payment of Interest and any other transaction totally amounting to Rs.33.00 million with Sharp Software Development India Private Limited.
- 3) Repayment/ Rollover of Unsecured Loan, payment of Interest as per the terms of loan agreement/ rollover transaction relating to the loan. Purchase of goods including capital goods and Services, Reimbursement of Expenses paid /received and any other transactions totally amounting to Rs. 1095.85 million with Sharp Business Systems (India) Private Limited.
- 4) Obtaining working Capital loans, any other loans, secured or

unsecured, short term or long term, payment of interest on such loans acquired, repayment of the loans, rollover of the loan, extension of time for repayment of the loan or Financial Support subject to compliance of other applicable laws totally amounting to Rs.1124.20 million from Sharp Corporation, Japan and its subsidiaries in India or abroad and reimbursement of expenses paid/received upto Rs. 3.00 million from subsidiaries in India or abroad of Sharp Corporation, Japan.

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

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

RE-APPOINTMENT OF MR. MASAHIKO NAKAGAWASAI AS MANAGING DIRECTOR OF COMPANY AND FIX HIS REMUNERATION.

"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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 accorded for the re- appointment of Mr. Masahiko Nakagawasai (DIN 05274985) as the Managing Director of the Company for a period of 3 months from 16th November 2023 up to 15th February 2024 on the same terms of remuneration as following.

- 1) Salary of Rs.1, 20,000 /- (Rupees One Lakhs Twenty 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 from Japan to India and on return from India to Japan on 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 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 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."

RESOLVED FURTHER THAT any of the Board Members of the Company be and are hereby severally authorised to do all such acts, deeds, things, matters and take all such steps as may be necessary, proper and expedient to give effect to the foregoing resolution."

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

To ratify the payment of remuneration to the Cost Auditors for the financial year 2023-24:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of Rs. 40,000/- (Rupees Forty thousand only) plus out of pocket expenses, if any, for the financial year ending on March 31, 2024 to M/s. C.S.Adawadkar & Co, Practicing Cost Accountants, (Firm Registration No.100401) who are appointed as the Cost Auditors of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending on 31st March 2024."

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

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

Date: 27/11/2023

Place: Pune

**Masahiko Nakagawasai
Managing Director
DIN: 05274985**

NOTES:

- The Ministry of Corporate Affairs ("MCA") has vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 03/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 respectively and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 issued by Securities and Exchange Board of India ("SEBI") (collectively referred to as "MCA and SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforementioned Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are also encouraged to attend the AGM to be held through VC/OAVM. They are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through their registered email address to cs@svdandassociates.com with copies marked to the Company at nakagawasai.masahiko@sharp.co.jp.
- The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under Item Nos.3, 4 and 5 above is annexed hereto. The Board of Directors of the Company at its meeting held Monday, 27th November, 2023 considered that the Special Business under Item Nos 3, 4 and 5 being considered unavoidable, be transacted at the AGM of the Company.
- In case of Joint Holders attending the AGM through VC/OAVM, only such Joint Holder whose name appear first in the order of names will be entitled to vote.
- A statement giving details of the Directors to be re-appointed is annexed herewith as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.
- The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act 2013 and relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection by the Members in electronic mode during the AGM.
- The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid Circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website www.sharppindialimited.com and websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday 23rd December 2023 to Friday, 29th December 2023 (both days inclusive).
- Members are requested to intimate any change of address if any pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, name of the bank and branch details, ECS Mandate, bank account number, MICR code, IFSC code, etc.
 - For shares held in electronic form: to their Depository Participants (DPs)
 - For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) Link Intime India Private Limited at address and contact details mentioned in this Annual Report in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No.SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023.

Intimation letters for the same have been sent by RTA.
- Members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single

folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates along with the self-attested copy of Permanent Account Number (PAN) card and Aadhar card to the Company, to enable us to consolidate all such multiple folios into one single folio.

13. As per Regulation 40 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 (as amended) and SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialised form only while processing service request viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website www.sharpindialimited.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
14. Updation of KYC Details and Mandatory Linkage of PAN with Aadhar - SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, and SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 mandates all the listed Companies to record the PAN, Nomination, KYC details of all the shareholders and Bank Account details of first holder. The KYC letters along with requisite forms were dispatched to all such shareholders holding shares in physical form. The folios which are not in compliant with above SEBI circulars, will be frozen by RTA on or after 1st October, 2023.

In view of aforesaid, we request you to submit the requisite in Investor Service Request Form(s) along with the required supporting documents as stated therein at the earliest.

The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3 or SH-13, SH-14 and SEBI circular are available on the RTA website at <https://www.linkintime.co.in> Ø Resources Ø Downloads Ø General Ø Formats for KYC.

You may use any ONE of the following modes for submission of the Forms :

- i. In Person Verification (IPV) : by producing the originals to the Authorized Person of the RTA, who will retain copy(ies) of the document(s).
- ii. In Hard Copy : by furnishing self-attested photocopy(ies) of the relevant documents, with date.
- iii. With e-sign :
 - a. In case your email is already registered with RTA, you may send the scanned copies of your KYC documents with e-sign at RTAs dedicated email-id : kyc@linkintime.co.in Kindly mention the email subject line as „KYC Updation (Company Name) - Folio No : ____.
 - b. Investors can also upload KYC documents with e-sign on RTAs website <https://www.linkintime.co.in>. Ø Investor Services Ø KYC Compliance.

(e-sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-sign user. You may approach any of the empaneled e-sign service providers available on <https://cca.gov.in/> for the purpose of obtaining e-sign)
15. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting. The procedure for the same is provided separately in the notes of this notice.

16. Mr. Sridhar G. Mudaliar and failing him Mrs. Meenakshi Deshmukh, Partners of M/s. SVD & Associates, Company Secretaries has been appointed as the Scrutinizer for scrutinizing the e-voting & poll process in a fair and transparent manner.
17. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed to the Notice.
18. Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 (Fifteen) minutes before the time scheduled for the Annual General Meeting and shall be kept open till expiry of 15 (Fifteen) minutes after scheduled time and will be available to the Members on first come first serve basis.
19. Participation in AGM through VC/OAVM is restricted upto 1000 members only and will be available on first come first serve basis upto 1,000 member. This rule will however not apply to participation of shareholding of 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Persons, Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc.
20. Relevant documents referred to in the accompanying notice and the statement are open for inspection by the members at the registered office of the Company / electronic mode during the business hours on all the working days up to the date of 38th Annual General Meeting. Members seeking the inspection of such documents can send an e-mail on nakagawasai.masahiko@sharp.co.jp.
21. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 25th December 2023 through e-mail on nakagawasai.masahiko@sharp.co.jp. The same will be replied by the Company suitably.
22. The e-voting period begins on Tuesday, 26th December 2023 at 09:00 a.m. and ends on Thursday, 28th December 2023 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Friday 22nd December 2023 may cast their vote electronically.
23. The results shall be declared within two working days from conclusion of AGM and Chairman of the meeting or in his absence any other Director or Company Secretary shall receive the scrutiniser's report. The results declared along with the Scrutiniser's Report will be placed on the website of the Company www.sharpindialimited.com and will simultaneously be forwarded to BSE Limited where equity shares of the Company are listed.
24. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
25. The Company has appointed Link Intime India Private Limited to provide VC/OAVM facility. Instructions for e-voting and joining VC/OAVM Annual General Meeting are as follows:

A. Remote e-Voting Instructions for Members:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.

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

- l) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
- a) **User ID:** Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.
- b) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
- c) **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
- d) **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- e) Shareholders/ members holding shares in **physical form** but have not recorded 'c' and 'd', shall provide their Folio number in 'd' above.
- f) Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- g) Click "confirm" (Your password is now generated).
- (2) Click on 'Login' under '**SHARE HOLDER**' tab
- (3) Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
- (4) After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
- (5) E-voting page will appear.
- (6) Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- (7) After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDEAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDEAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDEAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on

the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period

Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the DematAccount. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) & login through their depository participants

1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

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

2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter).

➤ Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

➤ Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

➤ Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders are having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

➤ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➤ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➤ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

1.1 Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/ Company

1.2 Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Note:

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

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

- (1) Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at nakagawasai.masahiko@sharp.co.jp upto 25th December 2023.
- (2) Shareholders will get confirmation on first cum first basis depending upon the provision made by the client..
- (3) Shareholders will receive “speaking serial number” once they mark attendance for the meeting.

(4) Other shareholder may ask questions to the panellist, via active chat-board during the meeting

(5) Please remember speaking serial number shall start your conversation with panellist by switching on video mode and audio of your device. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves and depending on the availability of time at the AGM.

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

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

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

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

Note:

- Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
- Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

ITEM NO. 3

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

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

(the “Listing Regulations”).

Your company has rollover ECB Loan of Rs.158.411 million from Sharp Corporation Japan (SC) and Inter corporate Loan of Rs. 28.50 million from Sharp Software Development India Private Limited (SSDI) during financial year 2022-2023. The Company availed 142.00 million Loan and rollover Rs 50.15 million from Sharp Business Systems (India) Private Limited (SBI) during the year 2022 -2023. As per the loan agreement the ECB loan of Rs 158.411 million from Sharp Corporation, Inter Corporate Loan from SSDI of Rs 28.50 Million and SBI of Rs 64.35 million will be due for Repayment in the financial year 2023-2024.

Your Company continues to rely on Sharp Corporation, Japan for necessary financial and operational support. Considering the current situation for meeting the day today expenses and/or possible repayment of loans in the financial year 2024-2025, your company will need financial support from Sharp Corporation Japan and its subsidiaries.

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

| Name of the Related party | Nature of Transactions | Estimated Value (Rs. In million) | Period | Nature of Relationship |
|--|---|----------------------------------|-----------------------|---|
| Sharp Corporation – Japan | Reimbursement of expenses received /paid, Financial Support subject to compliance of other applicable laws, if any, payment of guarantee fees for loans from subsidiaries and associate companies located in India or abroad, repayment/rollover and any other activity relating to ECB Loan, payment of interest on ECB Loan and any other transactions. | 386.00 | 1-4-2024 to 31-3-2025 | Promoter Company |
| Sharp Software Development India Private Limited | Reimbursement of expenses paid/ received, Repayment/ Rollover of Unsecured Loan, payment of Interest as per the terms of loan agreement/ rollover of loans and any other transaction relating to the loan. | 32.00 | 1-4-2024 to 31-3-2025 | Fellow Subsidiary |
| Sharp Business Systems (India) Private Limited | Repayment/ Rollover of Unsecured Loan, payment of Interest as per the terms of loan agreement/rollover of loans and any other transaction relating to the loan. Purchase of goods including capital goods and services, Reimbursement of Expenses paid /received. | 1095.85 | 1-4-2024 to 31-3-2025 | Fellow subsidiary |
| 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 or Financial Support subject to compliance of other applicable laws. | 1124.20 | 1-4-2024 to 31-3-2025 | Promoter Company its subsidiaries and fellow subsidiaries |
| Subsidiaries of Sharp Corporation, Japan in India and abroad | Reimbursement of expenses paid/received. | 2.00 | 1-4-2024 to 31-3-2025 | Promoter Company its subsidiaries and fellow subsidiaries |

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 2024-2025.

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, Mr. Naoki Hatayama - Non Executive Director and Mr. Masao Terada - Non Executive Director are nominated by Sharp Corporation, Japan on the Board of Sharp India Limited. The Directors nominated by Sharp Corporation, Japan are related party.
- 3) Duration– as stated in the resolution
- 4) Monetary value : Estimated 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 2024-2025.

Except Mr. Masahiko Nakagawasai, Mr. Naoki Hatayama and Mr. Masao Terada, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of this Notice.

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

The relevant details of the transaction as required under SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 are produced below:

| Sr. No | Points | Remarks |
|--------|--|---|
| (a) | A summary of the information provided by the management of the listed entity to the audit committee as specified in the Circular | Type, material terms and particulars of proposed transactions, Name of related party and its relationship nature of concern or interest, tenure and value of proposed transaction/ arrangement is related party wise stated in explanatory statement for item no 3. |
| (b) | The percentage of the listed entity's consolidated annual turnover, for the immediately Preceding financial year, i.e. 2021-2022 that is represented by the value of the proposed transaction. | The turnover of Company was Rs 11.58 Lacs during the financial year ended 31st March 2022. 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. Hence its impertinent to provide percentage of turnover as against value of proposed transactions. Further the value of proposed transactions party wise is provided hereinabove under explanatory statement. |

| | | | |
|-----|---|---|---|
| (c) | Justification for why the proposed transaction is in the interest of the listed entity | : | The proposed related party transactions for the financial year 2024-2025 are indispensable as operational and financial support will be required from Promoter/ holding Company and fellow subsidiaries at commercially viable terms. |
| (d) | Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) of the above mentioned Circular. | : | Not Applicable to the proposed transaction. |
| (e) | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders. | : | Not Applicable to the proposed transaction. |
| (f) | Any other information that may be relevant | : | All important information forms part of the explanatory statement under item no 3 setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 and forms part of this Notice. |

Item No. 4:

The Board of Directors had appointed Mr. Masahiko Nakagawasai with effect from 16th November 2020 to hold office for a period of three years i.e. till 15th November 2023. Thereafter it is proposed to extend his terms of appointment by 3 months for the period from 16th November 2023 to 15th February 2024.

The appointment and remuneration payable to Mr. Masahiko Nakagawasai is subject to section 196, 197, 203 and Schedule- V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the other applicable provisions, if any, Article 173, 175 and 176 of the Articles of Association.

The matter regarding appointment and remuneration payable to Mr. Masahiko Nakagawasai as a Managing Director was placed before the Nomination and Remuneration Committee and the Committee has recommended his appointment and remuneration.

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 Managing Director. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed there under for his appointment.

In compliance with the provisions of Companies Act, 2013 and such other provisions as application, appointment and remuneration payable to Mr. Masahiko Nakagawasai is placed before the members for approval.

Information pursuant to regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Secretarial Standard 2 in respect of the Directors' appointment/re-appointment is provided below:

| | |
|---|--|
| Name of Director & (Age) | Masahiko Nakagawasai (64 years) |
| DIN | 05274985 |
| Educational Qualification: | Bachelor of Economics from University of Fukushima, Japan |
| Category of Directorship | Managing Director |
| Expertise in functional area | Accounts, Finance, Sales and administrative. |
| Relationships between directors inter-se | NA |
| List of other Listed Entities in which he holds Directorship and the membership of Committees of the Board. | NIL |
| Other Committee Membership | Audit Committee and Nomination and Remuneration Committee of Sharp India Limited |
| No. of Shares held | NIL |
| Terms and conditions of re-appointment | There are no change in the terms and conditions for his re-appointment |
| Date of appointment on Board | On 2nd October 2020 Mr. Nakagawasai was appointed as non-executive Director and w.e.f 16th November 2020 he was appointed as Managing Director for the period of next three years. |

For other details such as number of meetings of the board attended during the year, Directorship and committee membership of other companies, remuneration drawn in respect of above Managing Director, please refer to the corporate governance report which is a part of this Annual Report. There is no change in the terms of remuneration to be paid in terms of his re- appointment

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)

| Financial Parameters | 2021-2022 | 2022-2023 |
|--|-----------|-----------|
| Total Revenue (Net) | 25.33 | 6.77 |
| Net Profit/ (Loss) for the year as per Profit & Loss Account | (1470.82) | (1574.80) |
| EPS | (5.67) | (6.07) |

(5) Foreign investments or collaborators, if any, as on 31.03.2023 –

The total foreign holdings in the company as on 31.03.2023 were 1,95,11,532 equity shares i.e. 75.21% of the total Paid up Capital. Out of that Sharp Corporation, Japan who is promoter of the company hold 1,94,58,000 equity shares i.e. 75.00% equity shares in the company. The company had 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 is 64 year old and is Japanese National. He has completed Bachelor of Economics from University of Fukushima, Japan. His total work experience is 41 years and has wide exposure in the field of finance and accounts. He has also served as Chief Financial Officer in our Company Sharp India Limited. Erstwhile he was holding position of Managing Director of Sharp India Limited from September 2016 to April 2019 post to it, he has been working as manager in Sharp Corporation Japan. He is holding position as Managing Director of Company for the period of three years from 16th November 2020. He does not hold any shares in the company.

(2) Past remuneration, Recognition & awards, Job profile & his suitability - There is no change in the terms of remuneration kindly refer corporate governance report for past remuneration. Mr. Masahiko Nakagawasai possesses wide experience in the field of Accounts and finance 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 under Item no.4. The remuneration payable to the Managing Director has been approved and recommended by the Nomination & Remuneration Committee and Board of Directors of the Company.

(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 and current operations, the profile of Mr. Masahiko Nakagawasai and 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 or other director, 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 1st 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 1,574.80 Lacs for the financial year 2022 -23 & accumulated loss of Rs. 12,943.94 Lacs.

Sharp Corporation Japan being the promoter of the company is considering, exploring and evaluating strategic alternatives like restructuring, commencement of manufacture and trading, leasing, sub-contracting and entering in to appropriate transactions that would be in the best interest of the company and the public shareholders.

Except Mr. Masahiko Nakagawasai, being the appointee, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of this notice.

Your Directors recommend the resolutions set out at Item No. 4 of to be passed as Ordinary Resolutions by the members.

Item No. 5:

Cost Audit is applicable to your company for the financial year 2023-2024. The Board of Directors on the recommendation of the Audit Committee have appointed M/s. C .S. Adawadkar & Co, Practicing Cost Accountant as the 'Cost Auditor' of the Company for the financial year ending 31st March 2024 to audit the cost records of the Company. As per section 148 (3) of the Companies Act, 2013 read with rule no.14 of the Companies (Audit & Auditors) Rules 2014 the remuneration payable to the 'Cost Auditor' requires to be ratified by the members of the Company. Accordingly members are requested to ratify the remuneration payable to the 'Cost Auditor' for the financial year ending 31st March 2024 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 as Ordinary Resolution.

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

| Particulars | Mr. Naoki Hatayama |
|---|--|
| Age, Qualification and Experience/brief resume | Age: 42 years, Qualification: Graduate from the Graduate School of Hiroshima University Experience: 18 years' experience of working in Sharp Corporation, Japan during the tenure has held various positions like Manager in Corporate Governance Unit, Manager in Health and Environment Business Unit and Now is Deputy General Manager of Business Administration Unit, Smart Appliances & Solutions BU. He is working as Managing Director for Sharp India Limited from 2nd April 2019 to 15th November 2020 w.e.f 16th November 2020 he was re- designated as Non- Executive Director of Company. |
| Terms and Conditions of re- appointment | As per the resolution at item No. 2 of notice conveying Annual General Meeting Mr. Naoki Hatayama, is proposed to be re-appointed as Director liable to retire by rotation. |
| Date of first appointment on Board | Mr. Naoki Hatayama was Appointed as Managing Director w.e.f 02nd April 2019. On 16th November 2020 he was re-designated as Non- Executive Director of Company. Pursuant to section 152 of Companies Act, 2013 he retired by rotation and was re-appointed at 36th AGM held on 29th September 2021. |
| Shareholding in Company as on 31st March 2023. | Nil |
| Relation with any Director/ other Key Managerial Personnel of the Company | Not related to any Director/Key Managerial Personnel of the Company. |

For other details such as number of meetings of the board attended during the year, Directorship and committee membership of other companies, remuneration drawn in respect of above Director, please refer to the corporate governance report which is a part of this Annual Report. There is no additional remuneration to be paid in terms of his re- appointment.

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

Date: 27/11/2023
Place: Pune

**Masahiko Nakagawasai
Managing Director
DIN: 05274985**

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Thirty Eighth Report together with the Audited Financial Statement of Accounts for the year ended on March 31, 2023.

1. FINANCIAL RESULTS

The Company's financial performance for the financial year ended March 31, 2023, is summarized below:

| | Year ended March 31, 2023 | Rs. In Lacs Year ended March 31, 2022 |
|---|------------------------------|---|
| INCOME | | |
| Revenue from operations | 2.63 | 11.58 |
| Other Income | 4.14 | 13.75 |
| Total Income | 6.77 | 25.33 |
| EXPENDITURE | | |
| Employee Benefit expenses | 576.42 | 585.47 |
| Depreciation and amortization expenses | 15.97 | 16.78 |
| Financial Cost | 677.95 | 602.40 |
| Other Expenses | 311.23 | 291.50 |
| Total Expenses | 1,581.57 | 1,496.15 |
| PROFIT/(LOSS) BEFORE TAX | (1,574.80) | (1,470.82) |
| PROVISION FOR TAX | 00.0 | 00.00 |
| NET PROFIT /(LOSS) FOR THE YEAR | (1,574.80) | (1,470.82) |
| PROFIT AND LOSS ACCOUNT, beginning of the year | (11,369.14) | (9,898.32) |
| PROFIT AND LOSS ACCOUNT, end of the year | (12,943.94) | (11,369.14) |

2. PERFORMANCE & OPERATIONS:

Gross Revenue from operations during the year under review was Rs. 2.63 Lacs. The net loss of the company for the fiscal year 2022- 2023 is Rs. 1,574.80 Lacs. There was no production of LED TVs since April 2015 (Except in the month of August 2015) and of Air conditioners since June 2015 in the absence of any orders. During the period your Company has entered into (i) Basic Services Agreement with Sharp Corporation; (ii) Service Agreement with Sharp Business Systems (India) Private Limited; and (iii) the Individual Contract for Services No. 1 with Sharp Business Systems (India) Private Limited for providing certain support services which has generated some revenue. Further there was no change in the nature of business.

Due to extraneous factors your Company had applied for extension of 38th Annual General Meeting (AGM) to Registrar of Companies Pune (ROC). The extension for AGM was received on 8th September 2023 for the period of three months i.e. upto 30th December 2023.

3. MANAGEMENT DISCUSSION ANALYSIS:

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

4. INDUSTRIAL RELATIONS:

Industrial Relations have been and continue to be harmonious and cordial

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

In accordance with the provisions of section 139 of Companies, Act, 2013, M/s G.D Apte & Co, Chartered Accountants Chartered Accountants (ICAI Registration No. 100 515W) were appointed as statutory Auditors of Company for a period of 5 years commencing from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company. The Company has received confirmation from Auditors that they are eligible to continue as the statutory auditors of the Company.

During the year under review, there were no frauds reported by the Auditors to the Audit Committee or Board under section 143 (12) of Act.

The report given by M/s G.D Apte & Co, Chartered Accountants Chartered Accountants on financial statement for the year ended March 31, 2023 is part of the Annual Report.

ii) Cost Auditors:

The Board of Directors on recommendation of Audit Committee , has appointed M/s. C.S. Adawadkar & Co, Practicing Cost Accountant, as the Cost Auditor for the financial year ended on 31st March, 2024 on a remuneration of Rs 40,000 (Forty Thousand Only) plus out of pocket expensed and applicable taxes. The remuneration payable to cost Auditors is required to be ratified by shareholders in ensuing Annual General Meeting. M/s. C.S. Adawadkar & Co, Cost Accountant will submit the cost audit report along with annexure to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your company.

Cost Records

As per section 148 of Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, your company is required to maintain cost records and accordingly such accounts and records are maintained.

iii) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Board of Directors of the Company appointed M/s. SVD & Associates , Practicing Company Secretaries as the 'Secretarial Auditors' of the company for the financial year 2023-2024. The Secretarial Audit Report given by M/s. SVD & Associates, Practicing Company Secretaries for the financial year 2022-2023 is annexed as **Annexure - B**.

As per regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has submitted the Annual Secretarial Compliance Report, issued by M/s. SVD & Associates , Practicing Company Secretaries with the BSE Limited where shares of the Company are listed. It is also available on the website of the Company www.sharpindialimited.com.

6. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the company www.sharpindialimited.com.

7. CORPORATE GOVERNANCE

The Company is committed to achieving and adhering to the highest standards of Corporate governance and it constantly benchmark itself with best practices in this regards. A report under regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 on corporate governance for financial year 2022-23 along with a certificate issued by the Company Secretary in whole time practice confirming compliance with the mandatory requirements as stipulated in chapter IV of the listing regulations, forms part of this report.

8. NUMBER OF MEETINGS OF THE BOARD

During the year under review, seven Board Meetings were convened on 3rd June 2022, 28th September 2022, 23rd November 2022, 03rd December 2022, 22nd December 2022, 14th February 2023 and 03rd March 2023. The time gap between two consecutive meetings did not exceed One hundred and Twenty days. The details of which are given in the Corporate Governance Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3) (c) and 134 (5) of the Companies Act, 2013, in respect of Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the financial year ended on 31st March 2023, the applicable accounting standards have been followed and that there are no material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience of all Independent Directors on the Board.

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

The Board had on the recommendation of the Nomination and

Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy is appended as 'Annexure - A' to this Report. The said policy is also available on the website of the Company and the link of the same is <https://www.sharpindialimited.com/Nomination-and-Remuneration-Policy.pdf>

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

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

ii. Positive attributes of Directors:

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

iii. Independence of Independent Directors:

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

12. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE (1) BY THE STATUTORY AUDITORS IN THEIR REPORT AND BY THE COMPANY SECRETARIES IN PRACTICE IN THEIR SECRETARIAL AUDIT REPORT:**(1) Statutory Auditors qualification/comments on Company's financial statement.**

We draw your attention to Note No. 4 to the financial results which states that the Company has ceased business operations from the financial year ended March 31, 2016 and incurred Net Loss of Rs. 402.88 Lakhs and Rs. 1574.80 Lakhs for the quarter and year ended March 31, 2023 respectively and accumulated losses aggregate to Rs. 12,943.94 Lakhs as of March 31, 2023. There is no production of LED TVs from April, 2015 and of Air Conditioners since June, 2015 onwards in the absence of any orders. There is a significant doubt whether the company would be able to continue as a going concern due to material uncertainties in respect of commencement of production and other operations pertaining to it, mobilisation of human and other resources, revival of sales and services, establishing supply chain and also on account of current economic scenario. However, the management considers the going concern assumption as appropriate in view of certain service agreements with group companies and continued financial and operational support from holding company; though it may take longer duration than anticipated for the revival of operations of the Company.

Significant time has been elapsed after cessation of the production activity and in the absence of Board approved business plan and scheme of revival, the impact on the financial results which have been prepared by the management under going concern assumption, cannot be ascertained.

Management response to statutory Auditors qualification / comment on the Company's financial statement.

During the period ended March 31, 2023, Company incurred a

loss of Rs. 1,574.80 Lakhs and the accumulated loss as at March 31, 2023 is Rs. 12,943.94 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.

The support letter has been received as at 31st March 2023, from Sharp Corporation, Japan for financial and operational support until 31st March 2024. 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.

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 & 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.

- (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 & Solutions Business Unit of SC separately agreed upon by the Parties

The work on Individual Contract for Services No. 1 between Sharp Business Systems (India) Private Limited and Sharp India Limited dated 1st June 2021 has generated certain revenue during the financial year ended March 31, 2023.

Further during the period 2021-22 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 28th October 2021.

(2) OBSERVATIONS / COMMENTS IN SECRETARIAL AUDIT REPORT.

1. Delay in submission of financial statements for
 - a) The quarter and year ended March 31, 2022 approved in the Board Meeting dated November 23, 2022 and submitted to the Stock Exchange on November 23, 2022 with a delay

of 177 days. The Company paid fine of Rs. 10,44,300/- (Inclusive of GST @ 18%) imposed by BSE Ltd.

2. Delay in submission of financial results for
 - a) The quarter ended June 30, 2022 approved in the Board Meeting dated December 03, 2022 and submitted to the Stock Exchange on December 03, 2022 with a delay of 109 days. The Company paid fine of Rs. 6,43,100/- (Inclusive of GST @ 18%) imposed by BSE Ltd.
 - b) The quarter and half year ended September 30, 2022 approved in the Board Meeting dated December 22, 2022 and submitted to the Stock Exchange on December 22, 2022 with a delay of 38 days. The Company paid fine of Rs. 2,24,200/- (Inclusive of GST @ 18%) imposed by BSE Ltd.
3. The Company has given prior intimations of Board Meetings dated **November 23, 2022, December 03, 2022 and December 22, 2022** to stock exchange in which financial results were considered on November 22, 2022, December 02, 2022 and December 21, 2022 respectively with a delay of 5 days each. Consequently, the Company paid fine of Rs. 11,800/- (Inclusive of GST @18%) each for Board meetings dated November 23, 2022, December 03, 2022 imposed by BSE Ltd and no communication received for Board meeting dated December 22, 2022 from BSE Ltd.
4. The Company has not submitted the financial statements within prescribed time as per Regulation 33 of SEBI LODR for two consecutive quarters ended on March 2022 and June 2022. Consequently, the script of the listed entity was shifted to "z" category by BSE Limited for the period from October 25, 2022 to December 25, 2022. The script was moved out of 'z' category with effect from December 26, 2022 upon filing of the financial statements for both the quarters.

Management response to Secretarial Auditors observations / comments.

The observations made by the Secretarial Auditor are self-explanatory and do not call for any further clarification from the Management as there had been delay in submission of financials for the various quarters and would take necessary measures to declare the financial results within prescribed time. Further, the Company has paid all the necessary fine imposed by the concerned authorities.

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

The Company has not given any loans, guarantees or has not made any investments during the financial year 2022-2023 under review.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year prior approval of the Audit Committee was obtained for all the related party transactions entered into by the Company for the financial year ended on 31st March 2023. A statement giving details of all related party transactions entered pursuant to the approval so granted is placed before the Audit Committee for their review on quarterly basis. The policy on related party transactions as approved by the Board of Directors has been displayed on the website of the Company: www.sharpindialimited.com.

Pursuant to Section 134 of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of transactions with related parties are provided in Form AOC-2 which is annexed as **Annexure "C"** to this report. Related Party disclosures as per Ind AS 24 have been provided in Note 29 to the financial statements.

15. THE STATE OF THE AFFAIRS OF THE COMPANY:

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

16. THE AMOUNT, IF ANY, WHICH, IT PROPOSES TO CARRY TO ANY RESERVES: Nil**17. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND: Nil.****18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on 31st March, 2023 to which the financial statements relate and the date of this report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO etc.:**Conservation of Energy & Technology Absorption etc:**

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

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

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

Even though the nature of company's operations is not energy-intensive, in line with the company's commitment towards conservation of energy, all departments in the company continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction by your company are as given below: Making constant efforts to reduce consumption of energy, light, oil, water & fuel in following ways: (i)Reduction of energy consumption by turning off lights, personal computers, fans and other electronic equipments when not in use; (ii)Timely maintenance and up-gradation of machinery & equipments;(iii)Plantation of trees in the factory (v).Awareness programs towards optimum utilization of natural resources at managerial as well as employee level; (v) Timely repairs & maintenance of water taps in the factory.

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

Expenditure on Research & Development

| | Amount Rs. Lacs |
|---|-----------------|
| Capital | 0 |
| Recurring | 0 |
| Total | 0 |
| Total R&D Expenditure as a percentage of total sales turnover | - |

Foreign Exchange Earnings and Out go:

| | Amount Rs. Lacs |
|--------------------------|-----------------|
| Foreign Exchange outgo | 7.92 |
| Foreign Exchange earning | 0 |

20. RISK MANAGEMENT POLICY:

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

21. CORPORATE SOCIAL RESPONSIBILITY POLICY:

This policy is not applicable to the Company at present.

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

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

23. THE DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL:**Appointment and resignation during the year**

During the year, Mr. Yoshihiro Hashimoto resigned as non – executive Director of Company w.e.f 03rd March 2023. Mr. Masao Terada was appointed as non – executive Additional Director of Company w.e.f 03rd March 2023 and his office was regularized as Director by postal ballot on 14th April 2023. Mr. Sunil Keshav Sane, Chief Financial Officer And Chandranil Sudhir Belvalkar, Company Secretary had resigned from their respective post w.e.f. November 09, 2023

Directors proposed to be re-appointed at ensuing Annual General Meeting

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

Further Mr. Masahiko Nakagawasai is appointed as Managing Director for the period of three years upto 15th November 2023. Based on the recommendation of Nomination and Remuneration Committee in its meeting dated 09th November 2023. It is proposed re- appoint him for the further period of next three months from 16th November 2023 to 15th February 2024. The resolution for re- appointment is placed for approval of members.

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

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

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

25. DEPOSITS:

The Company has not accepted any Deposits under Chapter V of the Companies Act, 2013 during the year under review.

26. SECRETARIAL STANDARDS

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

27. SIGNIFICANT AND MATERIAL ORDERS:

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

28. REPORTING OF FRAUDS BY AUDITORS

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

29. INTERNAL FINANCIAL CONTROLS:

Company has appropriate and adequate internal financial control systems in place considering the nature and size of the business. These are regularly tested by Internal and statutory Auditors of the company. The Internal Audit observations & the corrective/follow-up actions are reported to the Audit Committee. The controls were tested and no reportable material weaknesses. The qualification given by the auditors is a case of judgment and in our opinion does not affect the internal financial controls system put in place by the Company. Further it does not have any material impact on the financials of the company.

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

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

31. COMPOSITION OF THE COMMITTEES

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

32. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

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

33. FAMILIARIZATION PROGRAM OF INDEPENDENT DIRECTORS:

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

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

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

- Number of complaints filed during the financial year: Nil
- Number of Complaints disposed off during financial year: Nil
- Number of Complaints pending as on end of the financial year: Nil.

35. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Masahiko Nakagawasai
Managing Director
DIN: 05274985

Bhumika Batra
Director
DIN: 03502004

Date: 27/11/2023
Place: Pune

Date: 27/11/2023
Place: Pune

Annexure- A

NOMINATION AND REMUNERATION POLICY:**1. PREAMBLE**

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

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

2. DEFINITIONS

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

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

3. NOMINATION AND REMUNERATION COMMITTEE

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

4. LETTER OF ENGAGEMENT OR CONTRACT OF EMPLOYMENT

- 4.1 Non-executive independent directors shall enter into a letter of engagement with the Company, the terms and conditions of

which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package and added incentives for the director, if any, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance defined by the Company.

- 4.2 Executive directors and key managerial personnel shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.
- 4.3 The Committee and the Board must approve the terms and conditions of employment for the Executive Directors and the Key Managerial Personnel at the time of their appointment and re-appointment.
- 4.4 The Company shall pay remuneration to the senior management personnel taking into account their roles and responsibilities.
- 4.5 The Board shall disclose the terms and conditions of employment of the executive directors and key managerial personnel in accordance with the law, if necessary.

5. REMUNERATION STRUCTURE

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

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

5.1.1 Fixed Remuneration

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

5.1.2 Performance Based Remuneration or Incentive-Based Payments

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

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

The Company shall comply with all legal and industrial obligations in determining the benefits available to executive directors, key managerial personnel & senior management personnel, namely short-term benefits

such as salaries, social security contributions, and post-employment benefits such as gratuity, pension retirement benefits etc.

5.2 REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

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

6. DISCLOSURES:

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

7. REVIEW AND IMPLEMENTATION

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

8. AMENDMENT

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

Annexure - B

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

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

and

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

To,

The Members,

Sharp India Limited

Gat No 686/4, Koregaon Bhima, Tal Shirur,
Pune - 412216

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sharp India Limited**, CIN: L36759MH1985PLC036759 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(not applicable to the Company during the Audit Period)**;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(not applicable to the Company during the Audit Period)**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations 2021 **(not applicable to the Company during the Audit Period)**;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(not applicable to the Company during the audit Period)**;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021 **(not applicable to the Company during the audit Period)**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable to the Company during the Audit Period)**;
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

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

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

1. *Delay in submission of financial statements for*
 - a. *The quarter and year ended March 31, 2022 approved in the Board Meeting dated November 23, 2022 and submitted to the Stock Exchange on November 23, 2022 with a delay of 177 days. The Company paid fine of Rs. 10,44,300/- (Inclusive of GST @ 18%) imposed by BSE Ltd.*
2. *Delay in submission of financial results for*
 - a. *The quarter ended June 30, 2022 approved in the Board Meeting dated December 03, 2022 and submitted to the Stock Exchange on December 03, 2022 with a delay of 109 days. The Company paid fine of Rs. 6,43,100/- (Inclusive of GST @ 18%) imposed by BSE Ltd.*
 - b. *The quarter and half year ended September 30, 2022 approved in the Board Meeting dated December 22, 2022 and submitted to the Stock Exchange on December 22, 2022 with a delay of 38 days. The Company paid fine of Rs. 2,24,200/- (Inclusive of GST @ 18%) imposed by BSE Ltd.*
3. *The Company has given prior intimations of Board Meetings dated November 23, 2022, December 03, 2022 and December 22, 2022 to stock exchange in which financial results were considered on November 22, 2022, December 02, 2022 and December 21, 2022 respectively with a delay of 5 days each. Consequently, the Company paid fine of Rs. 11,800/- (Inclusive of GST @18%) each for Board meetings dated November 23, 2022, December 03, 2022 imposed by BSE Ltd and no communication received for Board meeting dated December 22, 2022 from BSE Ltd.*
4. *Company had obtained extension to hold the Annual General meeting for FY 2021-22 for two months vide ROC approval letter dated September 15, 2022 and further extension for one month vide ROC approval letter dated November 30, 2022. The Company held its Annual General Meeting on December 28, 2022 and submitted the Annual report to the stock exchange on December 05, 2022 within prescribed time. The Company replied to the notice received from BSE Ltd on October 21, 2022 regarding non submission of Annual Report within prescribe time and obtained a letter from BSE Ltd dated March 13, 2023 to withdraw the levy of*

fine.

5. The Company has not submitted the financial statements within prescribed time as per Regulation 33 of SEBI LODR for two consecutive quarters ended on March 2022 and June 2022. Consequently, the script of the listed entity was shifted to "z" category by BSE Limited for the period from October 25, 2022 to December 25, 2022. The script was moved out of 'z' category with effect from December 26, 2022 upon filing of the financial statements for both the quarters.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of Directors that took place during the period under review other than that one Non-Executive Non-Independent Director were appointed in place of another resigning Non-Executive Non-Independent Director of the Company.

Notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days or at such shorter period in advance and a system exists for seeking and obtaining further Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, meetings which were convened at a shorter notice, at least one Independent Director was present in such meetings.

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

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

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

- a) The Company held its Annual General Meeting for Financial Year 2021-22 on December 28, 2022 after obtaining extension for total period of 3 months from Registrar of Companies.

For SVD & Associates Company Secretaries

Meenakshi R. Deshmukh
Partner
FCS No: 7364
CP No: 7893

Place: Pune
Date: November 27, 2023

Peer Review Certificate Number: 669/2020
UDIN: F007364E002392538

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

ANNEXURE- A

To

The Members

SHARP INDIA LIMITED

Gat No 686/4, Tal Shirur,
koregaon Bhima,
Pune - 412216.

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

Management's Responsibility

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

Auditor's Responsibility

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

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For SVD & Associates Company Secretaries

Meenakshi R. Deshmukh
Partner
FCS No: 7364
CP No: 7893

Place: Pune
Date: November 27, 2023

Peer Review Certificate Number: 669/2020
UDIN: F007364E002392538

Annexure- C

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Not applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

| Sr. no | Particulars | Details | |
|--------|---|--|---|
| a. | Name(s) of the related party and nature of relationship | Sharp Corporation | Sharp Business Systems India (Private) Limited |
| b. | Nature of relationship | Holding Company | Fellow Subsidiary |
| c. | Nature of contracts/ arrangements/ transactions | Rendering of Services | Rendering of services |
| d. | Duration of the contracts/ arrangements/ transactions | Upto 31st March 2024 and automatically renewed for next one year. Thereafter year to year basis unless either party gives written notice of termination. | Upto 30th May 2022 and automatically renewed for next one year. Thereafter year to year basis unless either party gives written notice of termination. |
| e. | Salient terms of the contracts or arrangements or transactions including the value, if any: | Support for factory Audit, survey of local dealers, service providers and users in India, analyze competitive products and the cost thereof and report such result, manufacture and provide the preproduction prototype of the new products, other activities and services to cooperate business development of Smart Appliances & Solutions Business Unit of Sharp separately agreed upon by the Parties. The details of services to be provided shall be mentioned in individual service contract. | Support for factory Audit, survey of local dealers, service providers and users in India, analyze competitive products and the cost thereof and report such result, manufacture and provide the preproduction prototype of the new products, other activities and services to cooperate business development of Smart Appliances & Solutions Business Unit of Sharp separately agreed upon by the Parties. The details of services to be provided shall be mentioned in individual service contract. A Individual service contract no 1 was entered during the period in furtherance. |
| f. | Date(s) of approval by the Board/members, if any: | 08/06/2021 | 08/06/2021 |
| g. | Amount paid as advances, if any: | NIL | NIL |

For and on behalf of the Board of Directors

Date: 27/11/2023
Place : Pune

Masahiko Nakagawasai
Managing Director
DIN: : 05274985

Bhumika Batra
Director
DIN: 03502004

Annexure- D

Note for (a) and (b) :

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

(a) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-2023;

| Name of the Director | Ratio to Median Remuneration |
|---|------------------------------|
| Mr. Masahiko Nakagawasai- Managing Director | 3.76 |
| Mr. Yoshihiro Hashimoto Non-Executive Director | 0 |
| Mr. Masao Terada Non-Executive Director | 0 |
| Mr. Naoki Hatayama Non-Executive Director | 0 |
| Mr. Prashant Asher Independent Director | 1.03 |
| Ms. Bhumika Batra Independent Director | 1.03 |
| Mr. Abhijeet Bhagwat Independent Director | 0.36 |

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;-2022-2023.

| Name of the Director | Percentage increase/ (decrease) in Remuneration |
|---|---|
| Mr. Masahiko Nakagawasai Managing Director | 0.00 |
| Naoki Hatayama Non-executive Director | 0.00 |
| Mr. Yoshihiro Hashimoto Non-Executive Director | 0.00 |
| Mr. Masao Terada Non-Executive Director | 0.00 |
| Mr. Prashant Asher Independent Director | 9.40% |
| Ms. Bhumika Batra Independent Director | 9.40% |
| Mr. Abhijeet Bhagwat Independent Director | (12.50%) |
| Mr. Sunil K Sane, Chief Financial Officer | 8.72% |
| Mr. Chandranil Belvalkar Company Secretary | 20.49% |

- Percentage in the bracket indicate negative percentage

Mr. Masao Terada was appointed as Additional Director (Non-executive) w.e.f 3rd March 2023 and the said appointment was approved by members by way Postal Ballot effective from 14th April 2023..

(c) The Percentage increase (decrease) in the median remuneration of employees in the financial year : 0.04%

(d) The number of permanent employees on the roll of the Company as on 31st March 2023: 118

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

(1) The average percentage increase in salaries of the employees other than managerial personnel in the financial year 2022-2023 was Nil

(2) The average percentage increase in the managerial remuneration for the financial year 2022- 2023 was 9.51%

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

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

The management presents Management Discussion and Analysis report in pursuance to Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

Outlook

As per International Monetary Fund (IMF), the global economy is projected to slow down from 3.4 % in year 2022 to 2.8 % in 2023. While the global economic outlook for advanced economies is expected to see an especially growth slowdown from 2.7% in 2022 to 1.3% in 2023. The global economy remain on track of gradual recovery after been affected by Covid-19 Pandemic.

As per world bank, The Indian economy is showing consistent growth, In the FY 2022-2023 , the real GDP expanded at an estimated 6.9 %. The growth was underpinned by robust domestic demand, strong investment activity bolstered by government's push for investment in infrastructure and buoyant private consumption, particularly among higher income earners

Industry Structure & Development:

The consumer electronics products market is undergoing significant development, with more customer investing in their home and further thrive to look for effective and innovating options. The pandemic has change the consumer behavior and with work from home consumers have high investment in home appliances. While the opportunities are immures there are certain inherent challenges that industry needs to face.

The Indian television section is facing swift change in technology. The Television sector is expected significant growth in coming years due to increasing demand and preference for full high definition TV with better image quality, audio clarity, and color resolution has raised substantially. Due to being various entities in this segment, competitions have resulted reduction in the LED TV. The demand of television section especially due to upgradation of technology, increase in number of channels at budget friendly prices, web series and other modes of advanced entertainment. Electrification in rural area has further boosted demand from rural areas. The average time spent for watching television has increased over the years which again have raised demand for TVs.

The demand for Air conditioners has been increased from household customers and corporates. The expansion of infrastructure sectors like mall, hotels, the new industrial setup, retail outlets etc. has further boosted the demand for Air Conditioners. Further increase in disposable income, easy finance options, acceptance as utility product than luxury due to change in climate conditions has raised demand for AC. The work from home and de centralization of workforce shall further contribute raise in demand for Air conditioner market.

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

Opportunities and Threats:

Opportunities

1. India is expected to be one of the largest consumer durable market.

2. There is huge demand from rural India for consumer electronics products. Electrification further expects boost for demand of consumer electronics products.
3. Change in lifestyle of new generation and increase in e commerce business makes the consumers buy products easily and at competitive price.

Threats

1. Rapid changes in technologies & consumer preferences is making product life cycle short making the products and technology obsolete.
2. Stiff competition results in reduction of margin

Risks & Concerns:

The risk associated with the consumer electronics are:-

- (a) The consumer electronic products and home appliances business is highly Competitive.
- (b) There is a risk of assuming product liability, warranty and recall costs which may adversely affect results of operations and financial condition.
- (c) There is a risk of obsolescence of technology due to changes in the technology in a short time span. Keeping pace, making necessary changes and up gradations in the products along with the ever changing consumer preferences is also a challenge & concern for your company.
- (d) The economic slowdown due to pandemic and challenging geopolitical situations has posed a lot uncertainty with regards to income causing lower consumers preferences.

Financial and operational performance and segment reporting:

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

The financial highlights for the fiscal 2022-2023 are dealt with in the Directors' Report. During the current year under review, your company has suffered a loss of Rs. 1,574.80 Lacs as against Rs. 1,470.82 Lacs in previous year. This was mainly due to absence of any orders. Following are the details of key financial ratios that registered more than 25% change during FY 2022-2023.

- a) The current ratio change was negative at – 57.83 %. The ratio is deteriorated due to increase in current liabilities
- b) Debt Service coverage ratio change stood negative – 14.89 % Due to reduction in losses compared to previous year.
- c) Trade receivable ratio change is at 100 % as there was no revenue from operations in 2021. Kindly Refer note 9 to the financial statements.
- d) Net capital Turnover ratio stood at 100 % as no revenue from operations in 2021. Refer note 18 to the financial statements.
- e) Net Profit ratio stood at 100 % as no revenue from operations in 2021. Refer note 18 to the financial statements

The net worth as at March 31, 2023 is negative Rs (8,203.05) as compared to previous year of Rs (6,668.54) - Company has incurred losses during the previous years and has continued to incur loss during the current financial year as there has been no sale in the absence of any orders. Whereas operative and finance cost is required to be incurred

which has resulted erosion in net worth for the financial year ended March 31, 2023. The Company continues to receive operational and financial support from its promoter and holding Company.

The Company continues to receive financial and operational support from Sharp Corporation, Japan, the majority shareholder and holding company. However, taking into consideration the current economic scenario, the revival of the operations of the Company may take longer than anticipated earlier.

Your company had applied for extension of 38th Annual General Meeting (AGM). Kindly refer point no 2 of Directors' Report for details on the same.

Risk Management:

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

Internal control systems and their adequacy:

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

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

The Company has related party transaction policy ensuring compliance under Companies Act, 2013 and SEBI (Listing Obligation and Disclosure

Requirement) Regulation, 2015 as amended or re-enacted from time to time and intended to ensure the proper approval and reporting of transactions between the Company. Whistle Blower policy in order to have access to management and report unethical and improper practice or behavior or wrongful conduct in the Company to Audit Committee Chairman.

Human resources:

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

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

The Company believes in building a performance driven organization characterised by Performance, Pride & Happiness. HR acting as a catalyst to achieve the goals by taking care of professional growth & aspiration of the people Industrial relations were cordial during the year under review. The total number of employees as on March 31, 2023 is 118.

CAUTIONERY STATEMENT:

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

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders. The necessary information as stipulated by SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations") is incorporated in the present annual report at appropriate places to ensure adequate disclosures. Towards this end, the information given under this section, the 'Management Discussion and Analysis' and the 'Shareholder Information' together constitute the report on Corporate Governance for the financial year 2022-2023.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations

as applicable for the Financial Year 2022-23.

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

The Board of Directors of the Company represents an optimum combination of Executive Directors, Non – Executive Directors and Independent Directors with at least one woman Director as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. As on 31st March 2023 total strength of the directors is Six. Board comprises of three Non-Executive Independent Directors, two Non-executives - Non Independent Directors and one Executive Director. The details of number of meetings held and attended by the directors and other related information is given in Table 1.

During the financial year under review, 7 (Seven) Board Meetings were held on 3rd June 2022, 28th September 2022, 23rd November 2022, 03rd December 2022, 22nd December 2022, 14th February 2023 and 03rd March 2023 respectively and the time gap between two consecutive meetings did not exceed One hundred and Twenty days. Table 1 gives the composition of the Board, the category of the Directors, their attendance record and the number of other directorships held by them. Further the necessary quorum was present at all the Board Meetings.

Table 1: Details about Board of Directors and their Board Meeting etc., attendance & committee membership /Chairmanship details during the year 2022- 2023:

| Name of Director | Category | Number of Board Meetings held | Number of Board Meetings Attended | Whether attended last AGM held on 28th December, 2022 | No. of directorships of other public limited companies | Number of *Committees in which Chairman/ Member (Other than Sharp India Limited) | | Directorship in other listed entity (Category of Directorship) |
|------------------------------|-----------------------------|-------------------------------|-----------------------------------|---|--|--|--------|---|
| | | | | | | Chairman | Member | |
| a) Mr. Masahiko Nakagawasai | Executive Managing Director | 7 | 7 | Yes | 0 | 0 | 0 | 0 |
| b) Mr. Naoki Hatayama | Non –Executive Director | 7 | 3 | Yes | 0 | 0 | 0 | 0 |
| c) Mr. Yoshihiro Hashimoto** | Non –Executive Director | 7 | 1 | Yes | 0 | 0 | 0 | 0 |
| d) Mr. Prashant Asher | Non-Executive Independent | 7 | 7 | Yes | 6 | 0 | 4 | 1.Keltech Energies Ltd. (Independent Non-Executive) |
| e) Ms. Bhumika Batra | Non-Executive Independent | 7 | 7 | Yes | 8 | 2 | 8 | 1. Repro India Limited –(Independent Non-Executive) 2. Jyothy Labs Limited –(Independent Non-Executive) 3. NDL Ventures Limited (Independent Non-Executive) 4. Finolex Industries Ltd (Independent Non-Executive) 5. Hinduja Global Solutions Ltd (Independent Non-Executive) |
| f) Mr. Abhijeet Bhagwat | Non-Executive Independent | 7 | 7 | Yes | 0 | 0 | 0 | -- |
| g) Mr.Masao Terada *** | Non –Executive Director | -- | -- | -- | -- | -- | -- | -- |

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

** Mr. Yoshihiro Hashimoto has resigned as the Director of the Company w.e.f 03rd March 2023.

*** Mr. Masao Terada was appointed as Non – Executive Additional Director w.e.f 03rd March 2023. Thereafter members approval was obtained by way of Postal Ballot for his appointment as Non – executive Director on 14th April 2023.

Information placed before the Board:

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

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

There is no relationship between the directors inter-se and further there are no shares and convertible instruments held by the Non-executive directors.

Independent Directors

In the Opinion of Board of Directors, the Independent Directors fulfill the conditions specified in the section 149 (6) of the Companies Act, 2013 and Listing Regulations and are independent of Management. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company viz www.sharpindialimited.com

Meeting of Independent Directors: During the year under review, the Independent Directors met on 11th March 2023, inter-alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations. All the Independent Directors were present at the meeting.

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

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

Your company operates in consumer electronics segment and while appointing Directors always ensures that such candidature of Director possesses appropriate knowledge, experience and skills in the fields of business management, sales, marketing, finance & Accounting,

law, leadership, corporate governance, technical operations or other disciplines related to your Company's business. We believe that each person appointed on the Board of your Company shall have expertise in one or more of the aforesaid fields. The Directors on the Board possess the requisite core skill/expertise/competence that are required for operation of company's business:

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

| Sr. No | List of skills/ expertise/ competencies | Name of Director having the identified skills/ expertise/ competencies |
|--------|--|--|
| 1 | Business management, sales, marketing, finance & Accounting, leadership, Corporate governance, technical operations. | Masahiko Nakagawasai – Managing Director |
| 2 | Business management, sales, marketing, finance & Accounting, law, technical operations | Yoshihiro Hashimoto - Director* |
| 3 | Business management, sales, marketing, finance & Accounting, leadership, Corporate governance | Naoki Hatayama – Director |
| 4 | finance, law, corporate governance, business management, leadership | Bhumika Batra – Independent Director |
| 5 | finance, law, corporate governance, business management | Prashant Asher - Independent Director |
| 6 | finance, law, corporate governance, business management Business Management. | Abhijeet Bhagwat – Independent Director |
| | Business management, sales, finance & Accounting, law, technical operations | Masao Terada – Director* |

*Note: Mr. Yoshihiro Hashimoto resigned as Non- Executive Director w.e.f 03rd March 2023 and Mr. Masao Terada was appointed as Non – Executive Additional Director w.e.f 03rd March 2023

DIRECTORS' ATTENDANCE RECORD FOR AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2022-2023:

| Name of Director | Audit Committee Meetings (ACM) | | | Nomination & Remuneration Committee Meetings (NRC) | | |
|-----------------------------|--------------------------------|-----------------------------|---------------|--|-----------------------------|---------------|
| | Number of Meetings Held | Number of Meetings Attended | Position Held | Number of Meetings Held | Number of Meetings Attended | Position Held |
| a) Mr. Masahiko Nakagawasai | 6 | 6 | Member | - | - | - |
| b) Mr. Naoki Hatayama | - | - | - | 2 | 1 | Member |
| d) Mr. Prashant Asher. | 6 | 6 | Member | 2 | 2 | Member |
| e) Ms. Bhumika Batra | 6 | 6 | Chairperson | 2 | 2 | Chairperson |
| f) Mr. Abhijeet Bhagwat* | 0 | 0 | Member | - | - | - |

*Mr. Abhijeet Bhagwat has been appointed as a member of Audit Committee w.e.f 14th February, 2023.

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

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

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors

- reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
 - changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management,
 - significant adjustments made in the financial statements arising out of audit findings
 - compliance with listing and other legal requirements relating to

financial statements

- f) disclosure of any related party transactions
- g) modified opinion(s) in the draft audit report
5. reviewing, with the management, examine the quarterly, limited review and auditors' report before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties
9. scrutiny of inter-corporate loans and investments
10. valuation of undertakings or assets of the listed entity, wherever it is necessary
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower policy
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Review of Information by the Audit Committee :
 - (1) Management discussion and analysis of financial condition and results of operations;
 - (2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (3) Internal audit reports relating to internal control weaknesses;
 - (4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(5) Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition of the Committee etc.:

The Audit Committee consist of three non- executive independent directors and one executive director (Managing Director) of the Company. It consists of Ms. Bhumika Batra (Chairperson), Mr. Prashant Asher, Mr. Masahiko Nakagawasai. Mr. Abhijeet Bhagwat has been appointed as a member of Audit Committee w.e.f 14th February, 2023.

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

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

Number & Date of the Meetings Held : The Audit Committee met 6 (Six) times in the year on 3rd June 2022, 28th September 2022, 23rd November 2022, 03rd December 2022, 22nd December 2022 and 14th February 2023. The Audit Committee Chairperson, Ms. Bhumika Batra attended the last annual general meeting held on 28th December 2022. The Company Secretary of the Company also acts as the Secretary to this Committee. The attendance of the committee members is mentioned above in this report. The Audit Committee inter alia reviews on quarterly basis the reports submitted by Internal Auditors, Unaudited and Audited Financial Results and also reviews the matters falling within the scope of the committee as defined by the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE:

Terms of References Nomination & Remuneration Committee :

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Listing Regulations as well as those in Section 178 of the Companies Act, 2013 and inter-alia includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates
- iii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iv. Devising a policy on Board diversity;
- v. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;
- vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vii. Formulation of policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long

term performance objectives appropriate to the working of the Company and its goals and recommend to the board, all remuneration, in whatever form, payable to senior management

Composition of the Committee etc.:

The Committee consists of three Non-Executive Directors, and two of these directors are Independent Directors. This committee at the beginning of the year consisted of Ms. Bhumika Batra (Chairperson) and Mr. Prashant Asher and Mr. Naoki Hatayama. The attendance of the committee members is mentioned above in this report and the remuneration paid to the Directors is provided in this report.

Number & Date of the Meetings Held : The Nomination and Remuneration Committee met 2 (Two) times in the year on 3rd June 2022 and 03rd March 2023. The Committee Chairperson, Ms. Bhumika Batra attended the last annual general meeting held on 28th December 2022.

Remuneration Policy: Remuneration policy adopted by the Committee has been given separately as an Annexure- A to the Directors Report and also available on website <https://www.sharpindialimited.com/Nomination-and-Remuneration-Policy.pdf> of the company.

Performance Evaluation criteria for all Directors:

i. Qualifications of Director:

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

ii. Positive attributes of Directors:

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

iii. Independence of Independent Directors:

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

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

There have been no transactions or pecuniary relationships between the company and its Non-Executive and/or Independent directors during the financial year 2022 -2023. No payment other than the sitting fees was made to any of the Non- Executive Independent Directors. None of the directors holds any shares in the company.

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

The details of the remuneration for the financial year 2022- 2023 of directors and relationship, if any are given in the following table:

| Table 2 | | | | |
|-------------------------|-----------------------------------|--------------------|------------------------------|-------------|
| Name of the Director | Relationship With other Directors | Sitting Fees (Rs.) | Salaries & Perquisites (Rs.) | Total (Rs.) |
| Mr. M. Nakagawasai | None | NIL | 14,79,600 | 14,79,600 |
| Mr. Yoshihiro Hashimoto | None | Nil | Nil | Nil |
| Mr. Naoki Hatayama | None | Nil | Nil | Nil |
| Mr. Prashant Asher | None | 4,07,500 | Nil | 4,07,500 |
| Ms. Bhumika Batra | None | 4,07,500 | Nil | 4,07,500 |
| Mr. Abhijeet Bhagwat | None | 1,40,000 | Nil | 1,40,000 |
| Mr. Masao Terada | None | Nil | Nil | Nil |

The payments made to the Managing Director are in the nature of salary and perquisites as approved by the Nomination & Remuneration Committee, the shareholders and if required by the Central Government as required by the Companies Act, 2013 and other applicable regulations. No other benefits/stock options/bonuses, pensions are given to any of the Directors. There is no fixed component and performance linked incentive.

Mr. Masahiko Nakagawasai was appointed as Managing Director of Company w.e.f. 16th November 2020 for the period of three years. There is no severance fees payable to the Managing Director.

The Company has not issued any stock options or any other convertible instruments to any of its Directors. The Company does not pay any remuneration to the non-executive independent directors except sitting fees. Rs.20,000/- is paid as sitting fees for attending every Board Meeting & Audit Committee meeting, Rs.10,000/- is paid for attending every nomination & remuneration committee meeting and Rs.7,500/- is paid for attending every stakeholder's relationship and share transfer committee meeting.

STAKEHOLDER'S RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

Terms of reference of Stakeholders relationship and share Transfer Committee:

Committee is constituted in compliance with the provisions of Regulation 20 of Listing Regulations and Section 178 of the Companies Act 2013 and inter-alia includes the following:

- Consider and resolve the grievances of security holders including complaints related to transfer / Transmission, non-receipt of Annual Report non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc .
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well.

The Committee consists of Mr. Prashant Asher (Chairman), Ms. Bhumika Batra and Mr. Masahiko Nakagawasai as the members of the committee.

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee consists of Mr. Prashant Asher (Chairman), Ms. Bhumika Batra and Mr. Masahiko Nakagawasai as the members of the committee. The Committee met 17 times during the year on 08.04.2022, 22.04.2022, 06.05.2022, 21.05.2022, 17.06.2022, 01.07.2022, 16.07.2022, 29.07.2022, 12.08.2022, 02.09.2022, 23.09.2022, 21.10.2022, 11.11.2022, 13.01.2023, 28.01.2023, 11.03.2023 and 24.03.2023. All the members of the Committee were present for the all committee meetings held during the year.

All queries pertaining to non-receipt of annual reports, transfer of shares, duplicate share certificates, change of address, dematerialization, rematerialization of shares, etc, were resolved to the satisfaction of the shareholders/investors and there were no complaints received during of the financial year.

Mr. Prashant Asher, Independent Director is chairman of Committee and Mr. Chandranil Belvalkar, Company Secretary was the Compliance Officer during the year and was tasked to expedite process of share transfer and investors' grievances redressal.

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

Disclosure of status during the year of investor complaints:

- Number of shareholders' complaints received during financial year:3
- Number of shareholders' complaints solved to the satisfaction of shareholders: 3
- Number of pending shareholders' complaints: Nil

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE CLOSE OF PREVIOUS FINANCIAL YEAR:

The Mr. Sunil Sane, Chief financial officer and Mr. Chandranil Belvalkar, Company Secretary were under senior management till 09th November, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS :

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

DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:

| Financial Year | Date | Time | Venue |
|----------------|--------------------|-------------|---|
| March 31, 2020 | September 25, 2020 | 12:00 Noon. | Registered office Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216 |
| March 31, 2021 | September 29, 2021 | 12:00 Noon. | Registered office Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216 |
| March 31, 2022 | December 28, 2022 | 12:00 Noon. | Registered office Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216 |

Special Resolutions during last three years:

The Company has not passed any Special Resolution in the Annual General Meetings held during last three years.

Resolutions passed by way of Postal Ballot held during the Financial Year 2022-23

The Company has not passed any resolution by way of a Postal Ballot during the Financial Year 2022-23.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution conducted through postal ballot.

MEANS OF COMMUNICATION TO SHAREHOLDERS ETC.:

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

MD AND CFO CERTIFICATION

The Managing Director of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. ANNUAL GENERAL MEETING:

Day & Date : Friday, 29th December 2023
Time : 12:00 Noon
Venue : Registered Office of the Company at,
Gat No.686/4, Koregaon Bhima,
Tal. Shirur, Dist. Pune 412 216.

2. FINANCIAL YEAR : April 01, 2022 to March 31, 2023

3. BOOK CLOSURE : The Books will be closed from Friday 23rd December 2023 to Friday 29th December 2023 (both days inclusive) as Annual Closure for the Annual General Meeting.

4. FINANCIAL CALENDAR -

(Tentative and subject to change)

- : Results for quarter ending June 30, 2023– first week of August 2023
- : Results for quarter and half-year ending September 30, 2023– First week of November 2023
- : Results for quarter and nine months ending December 2023 – First week of February 2024
- : Results for the year ending March 31, 2024
_ Last Week of May 2024.

5. LISTING ON STOCK EXCHANGES:

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

The Company has paid the Listing fees for the year 2022-2023 to BSE in the prescribed time .

6. STOCK CODE AND ISIN

Stock codes : BSE Limited: **523449**

ISIN : **INE207B01011**

7. MARKET PRICE DATA:

The monthly High and Low prices of the Equity Shares of the Company quoted on the BSE Limited along with the monthly Sensex for the year 2022-23 is given below:

| Table | | | | |
|----------------|---------------|--------------|------------------|----------|
| MONTH | HIGH (Rs.) | LOW (Rs.) | S & P BSE Sensex | |
| | | | High | Low |
| April 2022 | 64.80 | 52.00 | 60845.10 | 56009.07 |
| May 2022 | 61.00 | 48.40 | 57184.21 | 52632.48 |
| June 2022 | 60.00 | 45.15 | 56432.65 | 50921.22 |
| July 2022 | 61.00 | 49.00 | 57619.27 | 52094.25 |
| August 2022 | 59.75 | 50.50 | 60411.20 | 57367.47 |
| September 2022 | 106.90 | 51.15 | 60676.12 | 56147.23 |
| October 2022 | 89.00 | 66.30 | 60786.70 | 56683.40 |
| November 2022 | 73.70 | 60.00 | 63303.01 | 60425.47 |
| December 2022 | 74.00 | 55.00 | 63583.07 | 59754.10 |
| January 2023 | 70.50 | 55.75 | 61343.96 | 58699.20 |
| February 2023 | 60.95 | 49.35 | 61682.25 | 58795.97 |
| March 2023 | 59.50 | 46.05 | 60498.48 | 57084.91 |

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

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

9. SHAREHOLDING PATTERN (as on March 31, 2023):

| Category | No of Shares Held | Percentage to Total (%) |
|--------------------------------------|----------------------|----------------------------|
| Promoters (Sharp Corporation, Japan) | 1,94,58,000 | 75.00 |
| Mutual Funds | 1,700 | 00.00 |
| Foreign Portfolio Investor | 1,000 | 00.00 |
| Key Managerial Person | 10 | 00.0 |
| Individuals up to Rs. 2 Lacs | 31,86,875 | 12.28 |
| Individuals in excess of Rs. 2 Lacs | 28,17,693 | 10.86 |
| Non Resident Indians | 52532 | 0.20 |
| Bodies Corporate | 109897 | 0.42 |
| Trust | 100 | 0.00 |
| Limited Liability Partnership | 1500 | 0.00 |
| HUF | 305472 | 1.18 |
| Clearing Member | 1107 | 0.00 |
| Suspense Excrow Account | 8114 | 0.03 |
| TOTAL | 2,59,44,000 | 100.00 |

10. Distribution of Shareholding as on March 31, 2023:

| Shareholding of Nominal Value of | | Share | | Share Amount | |
|-------------------------------------|--------------|--------------------------------|------------------|-----------------|---------------|
| Rs. | Rs. | Number of Sharehold- ers | % to Total | In Rs. | % to Total |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 - 5,000 | 11228 | 92.0102 | 13569850.00 | 5.2304 | |
| 5,001 - 10,000 | 442 | 3.6221 | 3688120.00 | 1.4216 | |
| 10,001 - 20,000 | 212 | 1.7373 | 3210020.00 | 1.2373 | |
| 20,001 - 30,000 | 89 | 0.7293 | 2303310.00 | 0.8878 | |
| 30,001 - 40,000 | 43 | 0.3524 | 1566780.00 | 0.6039 | |
| 40,001 - 50,000 | 49 | 0.4015 | 2374920.00 | 0.9154 | |
| 50,001 - 100,000 | 63 | 0.5163 | 4765180.00 | 1.8367 | |
| 100,001 and above | 77 | 0.6310 | 227961820.00 | 87.8669 | |
| TOTAL | 12203 | 100 | 259440000 | 100.0000 | |

11. Dematerialization:

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading as on March 31, 2023, shares in dematerialized form accounted for 97.07 % of total equity shares.

12. Reconciliation of Share Capital Audit Report

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

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

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

14. Commodity Price Risk or foreign Exchange Risk and hedging activities: Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in the financial statements.**15. M/s. G. D Apte & Co, Chartered Accountants (Firm Registration No. 100 515W) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:**

(Rs in Lakhs)

| Particulars | Amounts |
|--------------------------------|--------------|
| Services as Statutory Auditors | |
| Audit fees | 10.00 |
| Limited Review Report | 3.00 |
| Total | 13.00 |

Note: The auditors be reimbursed out of pocket expenses incurred during the course of Audit.

16. Plant Location: Gat No.686/4., Koregoan Bhima, Taluka: Shirur,
District: Pune – 412 216

17. Address for Investor Correspondence:

1) Secretarial Department,
Sharp India Limited,
Gat No.686/4, Koregaon Bhima,
Tal. Shirur, Dist. Pune 412 216
Phone No. (02137) 252417
Fax No. (02137) 252453
Email: nakagawasai.masahiko@sharp.co.jp

2) Link Intime India Private Limited
Registered office address:
C-101, 247 Park, L B S Marg,
Vikhroli (West)
Mumbai 400083.

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

OTHER DISCLOSURES:

- (1) There are no significant related party transactions made by the Company of material nature, with its directors or their relatives, the management or any relative of the Senior Management personnel that may have potential conflict with the interests of the Company.
- (2) The Code of Conduct for Board Members and the Senior Management Personnel of the Company is circulated and it is available on website of Company <https://www.sharpindialimited.com/sharp-code-conduct.pdf>
- (3) Other than the non-compliance and penalties provided below under regulation 17 and 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, there has been no instance of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market, during the last three years. None of the Company's listed securities is suspended from trading.
 - a. During the financial year 2020-2021, the penalty of Rs 9,20,000 was imposed on Company for non-Compliance under regulation 17 (1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 for composition of Board of Directors. The Company Complied with the said regulation w.e.f October 02, 2020 and on application the said fine was waived off by BSE Limited.
 - b. The Company has approved its financial statements for the quarter and year ended March 31, 2021 in the Board Meeting dated August 16, 2021 and the same have been submitted to the Stock Exchange on August 16, 2021, financial statements for the quarter ended June 30, 2021 in the Board Meeting dated October 25, 2021 and the same have been submitted to the Stock Exchange on October 25, 2021 and for financial statements for the quarter ended September 30, 2021 in the Board Meeting dated December 03, 2021 and submitted to Stock Exchange December 03, 2021 Consequently, BSE Ltd imposed fine of Rs.277300/- (Inclusive of GST @ 18%) against which Company has received letter of waiver vide email dated October 25, 2021 (For financial results of March 31, 2021), , BSE Ltd vide letter dated September 14, 2021 has imposed fine of Rs.413000/- (Inclusive of GST @ 18%) against which company has received letter of waiver vide email dated March 07, 2022 For financial results of September 30, 2021) and has imposed fine of Rs.106200 (Inclusive of GST @ 18%) (For financial results of December 31, 2021) respectively.
 - c. During the financial year 2022-2023, Company has approved its financial statements for the quarter and year ended March 31, 2022 in the Board Meeting dated November 23, 2022 and submitted to Stock Exchange. The BSE Limited had imposed fine Rs. 10,44,300/- (Inclusive of GST @ 18%). The financial results for the quarter ended June 30, 2022 in the Board Meeting dated December 03, 2022 and submitted to Stock Exchange. The BSE Limited had imposed fine Rs. 6,43,100/- (Inclusive of GST @ 18%). The financial results for the quarter and half year ended September 30, 2022 in the Board Meeting dated December 22, 2022 and submitted to Stock Exchange. The BSE Limited had imposed fine Rs. 2,24,200/- (Inclusive of GST @ 18%). The Company has paid /adjusted above mentioned fine amount towards the credit balance available with BSE Limited.
 - d. During the financial year 2022-2023, The Company held Board meetings dated November 23, 2022, December 03, 2022 and December 22, 2022 at shorter notice/ intimation to Stock Exchange. The BSE Limited has imposed fine of Rs. 11,800/- (Inclusive of GST @ 18%) for Board Meeting dated November 23, 2022 and December 03, 2022 and Company has paid the fine.
 - e. During the financial year 2022-2023, BSE Limited imposed fine of Rs 94,400 /- (Inclusive of GST @ 18%) for non- submission of Annual Report 2021 -2022 in time as prescribed. Listed entity had obtained extension of time for holding the Annual General meeting for FY 2021-22 for two months (i.e upto November 30, 2022) vide ROC approval letter dated September 15, 2022 and further one month (i.e upto December 31, 2022) vide ROC approval dated November 30, 2022 and the Annual report was submitted to the stock exchange on December 05, 2022 that is before 25 days of the Annual general meeting held on December 29, 2022. Accordingly based on the representation of Company, BSE vide letter dated March 13, 2023 withdrawn the fine levied.
 - f. During the financial year 2022-2023, as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, as the financial results for two consecutive quarters ended March 31, 2022 and June 30, 2022 were not submitted in prescribed time, the script of the Company was shifted to "Z" category by BSE Limited for the period from October 25, 2022

to December 25, 2022. On submission of before mentioned financial results The script was moved out of “z” category with effect from December 26, 2022.

- (4) Company has adopted and implemented the Whistle Blower Policy. The same has been posted on the website of the Company- [www.sharpind https://www.sharpindialimited.com/Whistle-Blower-Policy.pdf](https://www.sharpindialimited.com/Whistle-Blower-Policy.pdf). No personnel has been denied access to the Audit Committee.
- (5) The Policy on Related Party Transactions has been posted on the website of the Company - <https://www.sharpindialimited.com/Related-Party-Transaction-policy-2022.pdf>
- (6) Commodity Price Risk & Commodity Hedging Activities: Company has internal policy for management of foreign exchange risks and open foreign currency is hedged based on policy laid down and the directives of the Managing Director and Chief Financial Officer. The details of the foreign currency exposure are disclosed in the financial statements.
- (7) The Company has complied with all mandatory requirements of Corporate Governance and it has adopted the following discretionary requirement of as specified in Part- E of Schedule- II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. : (i) The Auditors have given modified opinion on the preparation of financial statements using the going concern assumption of the company for the year ended 31st March 2023 in its audit report. In this regard, an explanation has been provided in Directors' Report. (ii) Internal auditor directly reports to the Audit Committee.
- (8) The Company has complied with the Corporate Governance requirements and Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 relating to the dissemination of the information on the website of the Company.
- (9) A certificate has been received from SVD & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- (10) In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the Act”), the Company has formulated a Policy for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace. All women employees (permanent, temporary, contractual and trainees), as well as any women visiting the Company's office premises are covered under the Policy. During the year under review, no complaint was filed pursuant to the said Act.
- (11) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable.
- (12) Where the Board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: Not applicable
- (13) Disclosure with respect to Demat suspense account / unclaimed suspense account:

| Particulars | Number of shareholders | Number of equity shares |
|---|------------------------|-------------------------|
| Aggregate Number of Shareholders and the outstanding shares in the Suspense Account at start of financial year | 65 | 8214 |
| Less: Number of Shareholders who approached the Company for transfer of shares from suspense account (which number is same as the shares transferred from suspense account during the year) | 1 | 100 |
| Aggregate number of Shareholders and the outstanding shares in the suspense account lying at end of financial year | 64 | 8114 |

The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares.

During the reporting period Company has not given loan, advance in the nature of loans to the firms/Companies in which Directors are interested.

(14) No such agreement/s were entered to be disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations

AFFIRMATION OF COMPLIANCE OF CODE OF CONDUCT

The Board of Directors of the company has laid down a Code of conduct for all its Board Members and the Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance of the said Code of Conduct and I hereby confirm the same.

For Sharp India Limited

Masahiko Nakagawasai

Managing Director

DIN: 05274985

Date: 27/11/2023

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,

The Members of Sharp India Limited

We have examined the compliance of conditions of corporate governance by **Sharp India Limited CIN L36759MH1985PLC036759** (hereinafter referred "the Company"), for the year ended on March 31, 2023 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

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

**For SVD & Associates
Company Secretaries**

Meenakshi R. Deshmukh

Partner

FCS No. 7364

C P No. 7893

Place: Pune

Date: November 27, 2023

Peer Review certificate number: 669/2020

UDIN: F007364E002392593

Note :

We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sharp India Limited,
Gat No 686/4, Koregaon Bhima, Tal Shirur,
Pune-412216.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sharp India Limited, CIN–L36759MH1985PLC036759** (hereinafter referred to as 'the Company') and having registered office at Gat No 686/4, Koregaon Bhima, Tal Shirur, Pune-412216 produced before us by the Company on e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other statutory authority.

| Sr. No. | Name of Director | DIN | Original date of appointment |
|---------|----------------------------|----------|------------------------------|
| 1. | Mr. Prashant Khatau Asher | 00274409 | 11/11/2014 |
| 2. | Ms. Bhumika Batra | 03502004 | 11/11/2014 |
| 3. | Mr. Naoki Hatayama | 08390564 | 02/04/2019 |
| 4. | Mr. Masahiko Nakagawasai | 05274985 | 02/10/2020 |
| 5. | *Mr. Yoshihiro Hashimoto | 08867030 | 02/10/2020 |
| 6. | Mr. Masao Terada | 10039923 | 03/03/2023 |
| 7. | Mr. Abhijeet Dilip Bhagwat | 01981922 | 02/10/2020 |

** Mr. Yoshihiro Hashimoto, Non-Executive Non-Independent Director of the Company holding DIN: 08867030, had resigned as director w.e.f. March 03, 2023*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVD & Associates
Company Secretaries

Meenakshi R. Deshmukh
Partner
FCS No. 7364
C P No. 7893

Place: Pune

Date: November 27, 2023

Peer Review No. : 669/2020
UDIN : F007364E002392659

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the 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 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, 2023, and its net losses and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified opinion

3. We draw your attention to Note No. 33 to the financial statements which states that the Company has ceased business operations from the financial year ended March 31, 2016 and incurred net loss of Rs. 1574.80 Lakhs for the year ended March 31, 2023 and accumulated losses aggregate to Rs. 12,943.94 Lakhs as of March 31, 2023. There is no production of LED TVs from April, 2015 and of Air Conditioners since June, 2015 onwards in the absence of any orders. There is a significant doubt whether the company would be able to continue as a going concern due to material uncertainties in respect of commencement of production and other operations pertaining to it, mobilisation of human and other resources, revival of sales and services, establishing supply chain and also on account of current economic scenario. However, the management considers the going concern assumption as appropriate in view of certain service agreements with group companies and continued financial and operational support from holding company, though it may take longer duration than anticipated for the revival of operations of the Company.

Significant time has been elapsed after cessation of the production activity and in the absence of Board approved business plan and scheme of revival, the impact on the financial statements which have been prepared by the management under going concern assumption, cannot be ascertained.

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 ('ICAI') 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 Matters

5. We draw attention Note No. 36 to the financial statements which states that there was a delay in the submission of results of

the Company for quarter and financial year ended March 31, 2022, quarter ended June 30, 2022, quarter and half year ended September 30, 2022, for the quarter and financial year ended March 31, 2023 and subsequent quarters. This also resulted in attracting the consequential penalty under SEBI Regulations and shifting of the scrip of the Company by stock exchange in Z group (non-compliant companies) and freezing the shareholding of the promoters.

Our opinion is not modified in respect of the above matter.

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.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual 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 Annual 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 accompanying financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 Standards on Auditing 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.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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;
13. 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.

14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless Law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter:

16. The comparative financial statements for the year ended March 31, 2022 have been audited by the erstwhile statutory auditors, Price Waterhouse, Chartered Accountants LLP (Firm Regn. No.: 0125754N/N500016) who have expressed their qualified opinion vide report dated November 23, 2022.

Our opinion on the Financial Statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done by the predecessor auditors.

Report on other legal and regulatory requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - b. In our opinion, and 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 financial statements 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 Ind AS specified under section 133 of the Act;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g. As required by section 197(16) of the Act, based on our examination of the books of account of the Company, we report that the Company has paid/provided for managerial remuneration in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
 - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company, as detailed in note No. 15 & 30 to the financial statements, has disclosed the impact of pending litigation on its financial position as at March 31, 2023;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023;
- 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, 2023;
- iv. 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 person(s) or entity(ies) 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 No. 34 to the financial statements)
- v. The management has represented that to the best of its knowledge or belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any other person(s) or entity(ies) 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 No. 34 to the financial statements)

- vi. Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representation under clause (i) & (ii) of Rule (e) contain any material misstatements.
- vii. The company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.
- viii. No comments have been offered as regards the maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 since the said requirements under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 are not applicable to the company for the financial year ended on March 31, 2023.

For, G.D. Apte & Co
Chartered Accountants
Firm Registration No: 100 515W

S.B. Rashinkar
Partner
Membership No.: 103483
Place: Pune
Date: November 27, 2023
UDIN: 23103483BGYPBM8530

Annexure A referred to in Paragraph 17 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of the Sharp India Limited for the year ended March 31, 2023

In terms of the information and explanations sought by us and given by the Company and on the basis of our examination of the books of accounts and records of the company in the normal course of audit and to the best of our knowledge and belief, we report that:

- 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 management of the Company has physically verified its property, plant and equipment during the year wherein no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us by the management and on the basis of examination of the records of the company, the title deeds of the immovable properties (other than the immovable properties where the company is lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held as under:

| Description of the property | Gross Carrying Value as at 31st March 2023 (Rs. Lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in the name of the Company |
|---|--|-----------------------------|--|-------------|--|
| Factory land at Gat No. 686 / 1, 3A, 4, 6A, 8A, 10A Korgaon Bhima | 19.31 | Kalyani Sharp India Limited | -- | Since 2005 | Registration of the land post change in the name of the Company after change in the management is pending. |

- (d) The Company has not revalued its property, plant and equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. There were no discrepancies of 10% or more in the aggregate for each class of the inventory noticed during physical verification of the inventory. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its 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, reporting under this clause is not applicable.

- 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) of the Order are not applicable to the Company.
- iv. The company has not granted any loans, investments, guarantees and securities given where the provisions of section 185 and 186 of the Act are applicable. As such reporting under clause 3 (iv) of the order is not applicable to the company.
- v. The company has not accepted any public deposits and amounts deemed to be deposits as per the section 73 of Companies Act and rules made thereunder. Further the Company has not accepted any deposits before the commencement of the Act. As such provisions of 74, 75 & 76 are not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 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 report for FY 2021-22 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) The company is generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, Labour welfare fund, profession tax, income tax, Cess and other material statutory dues as applicable with appropriate authorities. We further report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date, they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues in respect of provident fund, Labour welfare fund, profession tax, income tax, goods and services Tax, Cess and other material statutory dues as applicable with appropriate authorities referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions, which were not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company has not defaulted in repayment loans or borrowings to any financial institution, or debenture holders during the year.
- (b) According to the information and explanations given to us and on the basis of examination of books of account and other records of the company and representations received from the management of the company, we report that the company has not been declared to be a wilful defaulter by any bank, financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of overall examination of books of account

- and other records of the company, we report that no fresh term loans have been availed by the company during the year.
- (d) According to the information and explanations given to us and on the basis of overall examination of books of account and other records of the company, we report that funds amounting to Rs. 178.83 Lakhs raised on short term basis have been utilised for long term purposes.
- (e) The company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.
- (f) The company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.
- x. (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under clause 3(x)(a) is not be applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures. Accordingly, reporting under clause 3(x)(b) of the order is not applicable.
- xi. a) Based on our examination of books and records and according to information and explanations given to us, no material frauds by the Company or on the Company have been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us and on the basis of examination of records of the company, there were no complaints of whistle-blower received during the year by the Company.
- xii. The Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under clause 3 (xii) (a) to (c) is not applicable.
- xiii. Based on the audit procedures performed, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Financial Statements.
- xiv. (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal audit of the company for the period under audit have been considered by us during the course of our audit.
- xv. Based upon the audit procedures performed by us and according to the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (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
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us and based on the representation received from the management, there is no core investment company (CIC) within the group.
- xvii. The Company has incurred cash losses of Rs. 1,558.83 Lakhs in the current financial year FY 2022-23 and of Rs. 1,454.04 Lakhs during immediately preceding financial year FY 2021-22.
- xviii. As per the information and explanations provided to us, the erst-while Statutory Auditors of the Company have completed the term of 5 years and expressed unwillingness for further reappointment consequent to completion of their tenure. The predecessor Statutory Auditors have communicated us that they have no matters they believe necessary to bring to our attention.
- xix. As referred in "Basis for Qualified opinion" section in our main report and as disclosed in Note No. 33 & 35 to the financial statements and other information accompanying the financial statements which also include the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, significant time has been elapsed after cessation of the production activity and business plan and scheme of revival approved by the Board of Directors and the parent company has not been made available to us. As such the impact the same on the financial statements which have been prepared by the management under going concern assumption, cannot be ascertained and we are unable to opine whether any material uncertainty exists as on the date of the audit report that 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;
- 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) is applicable in respect of audit of consolidated financial statements. As such not applicable for the reporting in standalone financial statements.

For, G.D. Apte & Co
Chartered Accountants
Firm Registration No: 100 515W

S.B. Rashinkar
Partner
Membership No.: 103483
Place: Pune
Date: November 27, 2023
UDIN: 23103483BGYP8530

**Annexure B referred to in Paragraph 18 (f) of the Independent Auditor's Report
of even date to the members of the Sharp India Limited for the year ended March 31, 2023**

Independent Auditor's Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Sharp India Limited ('the Company') as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management for Internal Financial Controls

2. The Board of Directors ('the Board') and the Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls Over Financial Reporting

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls over financial reporting, and the Guidance Note 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 over financial reporting were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls, 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting include those policies and procedures that:
 - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 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

- 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 Over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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 explanation given to us and based on our audit, we have identified material weakness stated below:
The company has prepared the financial statements for the year ended March 31, 2023 on a going concern basis as set out in Note No. 33 to the financial statements, though the Company has ceased its business operations from the financial year ended March 31, 2016 and incurred net loss of Rs. 1,574.80 Lakhs for the year ended March 31, 2023 and accumulated losses aggregate to Rs. 12,943.94 Lakhs as of March 31, 2023. However, the management has not put in place internal control system to prepare and review the business plans and scheme of revival in order to justify the going concern assumption.
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 detected or prevented on a timely basis.

Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described in the Basis for Qualified Opinion para in relation to the going concern assumption on the achievement of objective 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, 2023 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 control over financial reporting issued by ICAI.
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, 2023 and said 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 as mentioned in para 3 of our Independent Auditor's report for the year ended on that date.

For, G.D. Apte & Co
Chartered Accountants
Firm Registration No: 100 515W

S.B. Rashinkar
Partner
Membership No.: 103483
Place: Pune
Date: November 27, 2023
UDIN: 23103483BGYBPM8530

BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Note No | As at March 31, 2023 (Rs. Lakhs) | As at March 31, 2022 (Rs. Lakhs) |
|--|---------|--|--|
| ASSETS | | | |
| I. Non-current assets | | | |
| Property, plant and equipment | 4 | 172.72 | 187.00 |
| Intangible assets | 4 | 0.53 | 0.06 |
| Financial assets | | | |
| (i) Other financial assets | 5 | 5.58 | 8.28 |
| Deferred tax assets | 7 | - | - |
| Other non-current assets | 8 | - | - |
| Total non-current assets | | 178.83 | 195.34 |
| II. Current assets | | | |
| Financial assets | | | |
| (i) Trade receivables | 9 | - | 4.43 |
| (ii) Cash and cash equivalents | 10 | 79.53 | 193.31 |
| (iii) Other financial assets | 11 | 6.05 | 2.70 |
| Other current assets | 8 | 29.55 | 29.70 |
| Current tax assets (net) | 6 | 1.59 | 0.93 |
| Total current assets | | 116.72 | 231.07 |
| Total assets | | 295.55 | 426.41 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 12 (a) | 2,594.40 | 2,594.40 |
| Other equity | 12 (b) | (10,797.45) | (9,262.94) |
| Total equity | | (8,203.05) | (6,668.54) |
| LIABILITIES | | | |
| I. Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | - | - |
| (ii) Other financial liabilities | 14 | - | - |
| Provisions | 15 | - | - |
| Total non-current liabilities | | - | - |
| II. Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | 8,251.64 | 6,833.40 |
| (ii) Trade payables | 16 | - | - |
| Total outstanding dues of micro enterprises and small enterprises; and | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 27.62 | 56.68 |
| (iii) Other financial liabilities | 14 | 51.35 | 52.91 |
| Provisions | 15 | 142.03 | 117.85 |
| Other current liabilities | 17 | 25.96 | 34.11 |
| Total current liabilities | | 8,498.60 | 7,094.95 |
| Total liabilities | | 8,498.60 | 7,094.95 |
| Total equity and liabilities | | 295.55 | 426.41 |

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

For G.D. Apte & Co.
Firm Registration Number: 100 515W

Santosh B. Rashinkar
Partner
Membership No. 103483

Place : Pune
Date : November 27, 2023
UDIN: 23103483BGYBPM8530

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

M Nakagawasai **Bhumika Batra**
Managing Director Independent Director
DIN : 05274985 DIN : 03502004

Place : Pune
Date : November 27, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | Notes No | For the year ended March 31, 2023 (Rs. Lakhs) | For the year ended March 31, 2022 (Rs. Lakhs) |
|---|---------------------|--|--|
| Revenue from operations | 18 | 2.63 | 11.58 |
| Other income | 19 | 4.14 | 13.75 |
| Total income | | 6.77 | 25.33 |
| Expenses | | | |
| Employee benefit expense | 20 | 576.42 | 585.47 |
| Finance costs | 23 | 677.95 | 602.40 |
| Depreciation, amortisation and impairment expense | 21 | 15.97 | 16.78 |
| Other expenses | 22 | 311.23 | 291.50 |
| Total expenses | | 1,581.57 | 1,496.15 |
| Loss before tax | | (1,574.80) | (1,470.82) |
| Income tax expense | 24 | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Total tax expense | | - | - |
| Loss for the year | | (1,574.80) | (1,470.82) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | (1,574.80) | (1,470.82) |
| Loss per share | | | |
| Basic and Diluted | 31 | (6.07) | (5.67) |

The accompanying notes are an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For G.D. Apte & Co.
Firm Registration Number: 100 515W

Santosh B. Rashinkar
 Partner
 Membership No. 103483

Place : Pune
 Date : November 27, 2023
 UDIN: 23103483BGYPBM8530

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

M Nakagawasai **Bhumika Batra**
 Managing Director Independent Director
 DIN : 05274985 DIN : 03502004

Place : Pune
 Date : November 27, 2023

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | |
| Loss before income tax | (1,574.80) | (1,470.82) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 15.97 | 16.78 |
| Liabilities no longer required written back | (0.35) | - |
| Interest income classified as investing cash flows | (0.24) | (0.28) |
| Gain on disposal of property, plant and equipment | (0.05) | - |
| Finance costs | 677.95 | 602.40 |
| Non-cash expense | 34.80 | |
| Provisions no longer required written back | (3.50) | |
| Changes in operating assets and liabilities | | |
| (Increase)/Decrease in loans | - | - |
| (Increase)/decrease in other financial assets | 0.61 | 0.74 |
| (Increase)/decrease in other current and non-current assets | (34.65) | (2.54) |
| (Increase)/ decrease in trade receivables | 4.43 | (4.43) |
| Increase/ (decrease) in trade payables | (29.06) | (0.55) |
| Increase/(decrease) in other current financial liabilities | (1.56) | (0.43) |
| Increase/(decrease) in other current liabilities | (8.15) | (52.39) |
| Increase/(decrease) in provisions | 26.98 | (12.69) |
| Cash used in operations | (891.62) | (924.21) |
| Income tax (paid)/refund received | (0.66) | (0.58) |
| Net cash outflow from operating activities (A) | (892.28) | (924.79) |
| Cash flow from investing activities | | |
| Proceeds from sale of property, plant and equipment | 0.05 | - |
| Payments for property, plant and equipment | (2.16) | - |
| Proceeds from repayment of security deposits | - | - |
| Interest received | 0.24 | 0.28 |
| Net cash inflow from investing activities (B) | (1.87) | 0.28 |
| Cash flow from financing activities | | |
| Interest paid on borrowings | (639.63) | (526.32) |
| Other interest paid | - | (1.59) |
| Proceeds from borrowings | 1,420.00 | 1,460.00 |
| Repayment of borrowings | - | - |
| Net cash inflow from financing activities (C) | 780.37 | 932.09 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | (113.78) | 7.58 |
| Cash and cash equivalents at the beginning of the financial year | 193.31 | 185.73 |
| Cash and cash equivalents at the end of the year | 79.53 | 193.31 |

The Company does not have any bank overdrafts repayable on demand that form an integral part of the cash management.

Accordingly, the amount of cash and cash equivalents in the cash flow statement above and as presented in the Balance sheet are the same.

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

For G.D. Apte & Co.
Firm Registration Number: 100 515W

Santosh B. Rashinkar
Partner
Membership No. 103483

Place : Pune
Date : November 27, 2023
UDIN: 23103483BGYBPM8530

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

M Nakagawasai **Bhumika Batra**
Managing Director Independent Director
DIN : 05274985 DIN : 03502004

Place : Pune
Date : November 27, 2023

STATEMENT OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

| Particulars | Notes | Amount |
|---------------------------------|--------|-----------------|
| As at 1 April 2021 | | 2,594.40 |
| Changes in equity share capital | 12 (a) | - |
| As at 31 March 2022 | | 2,594.40 |
| Change in equity share capital | 12 (a) | - |
| As at 31 March 2023 | | 2,594.40 |

B. Other Equity

| Particulars | Reserves and surplus | | Other equity | Total |
|---|----------------------------|--------------------|---|-------------------|
| | Securities premium reserve | Retained earnings | Equity component - Fair value adjustment on loans | |
| As at 1 April 2021 | 1,786.00 | (9,898.32) | 275.93 | (7,836.39) |
| Loss for the year | - | (1,470.82) | - | (1,470.82) |
| Total comprehensive income for the year | - | (1,470.82) | - | (1,470.82) |
| Fair valuation adjustments made during the year | - | - | 44.27 | 44.27 |
| Balance as at 31 March 2022 | 1,786.00 | (11,369.14) | 320.20 | (9,262.94) |

| Particulars | Reserves and surplus | | Other equity | Total |
|---|----------------------------|--------------------|---|--------------------|
| | Securities premium reserve | Retained earnings | Equity component - Fair value adjustment on loans | |
| As at 1 April 2022 | 1,786.00 | (11,369.14) | 320.20 | (9,262.94) |
| Loss for the year | - | (1,574.80) | - | (1,574.80) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the year | - | (1,574.80) | - | (1,574.80) |
| Fair valuation adjustments made during the year | - | - | 40.08 | 40.08 |
| Balance as at 31 March 2023 | 1,786.00 | (12,943.94) | 360.28 | (10,797.66) |

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

For G.D. Apte & Co.
Firm Registration Number: 100 515W

Santosh B. Rashinkar
Partner
Membership No. 103483

Place : Pune
Date : November 27, 2023
UDIN: 23103483BGYBPM8530

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

M Nakagawasai
Managing Director
DIN : 05274985

Bhumika Batra
Independent Director
DIN : 03502004

Place : Pune
Date : November 27, 2023

Note 1: General Information

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

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

Refer Note 32 of the financial statements.

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

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

The Board of Directors have authorised these financial statements for issue on November 25, 2023.

(ii) Historical cost convention

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

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

(iii) New Amendments issued but not effective

The Ministry of Corporate Affairs (MCA) has wide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting Standards, and are effective 1 April 2023. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(iv) Applicable Amendments from Current year

The Ministry of Corporate Affairs (MCA) has wide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting Standards, and are effective 1 April 2022. These amendments are duly taken in to consideration and do not have a material impact on the Company in the current or future reporting periods.

(b) Segment reporting

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

The board of directors of the Company are identified as the Chief operating decision maker. Refer note number 32 for segment information presented.'

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

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

(ii) Transactions and balances

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

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

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

(d) Revenue recognition***Sale of goods***

The Company was engaged in manufacture and sale of a range of electronic items.

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

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

The Company has however, not had any sale transactions during the current and previous reporting period.

Services rendered

The Company provides feasibility study services to certain Sharp Group companies in India. Revenue from such services is recognised as and when services are rendered as per the terms of contract.

Revenue from services measured at fair value which is usually the transaction value net of goods and service tax.

(e) Income tax

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

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

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

(f) Impairment of assets

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

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

(g) Cash and cash equivalents

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

(h) Inventories

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

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

(i) Financial assets

(i) Classification

The Company classifies its financial assets at amortised cost.

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

(ii) Recognition

Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

(iii) Measurement

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

(iv) Impairment of financial assets

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

(v) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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

(j) Offsetting financial instruments

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

(k) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

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

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

(ii) Amortisation methods and periods

The Company amortises computer software over a period of 6 years

(m) Trade and other payables

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

(n) Borrowings

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

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

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

(o) Borrowing costs

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

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

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

(p) Provisions

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

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

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

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

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

Defined contribution plans

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

(r) Contributed equity

Equity shares are classified as equity.

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

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

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings/ (loss) per share

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

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

(t) Rounding of amounts

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

Note 3: Critical estimates and judgements

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

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

Judgements

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

1. Going concern

Refer Note 33 of the financial statements.

Estimates and assumptions

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

1. Fair valuation measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 26 for further disclosures.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

4 Property, plant and equipment and intangible assets

| Particulars | Land - freehold | Factory buildings | Plant and machinery | Furniture fittings and equipment | Computers | Moulds, Jigs and Fixtures | Vehicles | Total | Intangible assets -SAP Software |
|---|-----------------|-------------------|---------------------|----------------------------------|---------------|---------------------------|--------------|-----------------|---------------------------------|
| Year ended 31 March 2022 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount | 19.31 | 909.16 | 2,868.83 | 130.89 | 99.56 | 1,099.77 | 19.02 | 5,146.54 | 291.53 |
| Additions | - | - | - | - | - | - | - | - | - |
| Closing gross carrying amount | 19.31 | 909.16 | 2,868.83 | 130.89 | 99.56 | 1,099.77 | 19.02 | 5,146.54 | 291.53 |
| Accumulated depreciation/amortisation | | | | | | | | | |
| Opening accumulated depreciation/amortisation | - | 737.82 | 2,855.97 | 130.64 | 99.54 | 1,099.77 | 19.02 | 4,942.76 | 291.47 |
| Depreciation/amortisation charge during the year | - | 15.70 | 1.03 | 0.05 | - | - | - | 16.78 | - |
| Closing accumulated depreciation/amortisation | - | 753.52 | 2,857.00 | 130.69 | 99.54 | 1,099.77 | 19.02 | 4,959.54 | 291.47 |
| Closing net carrying amount | 19.31 | 155.64 | 11.83 | 0.20 | 0.02 | - | - | 187.00 | 0.06 |
| Year ended 31st March 2023 | | | | | | | | | |
| Gross carrying amount | | | | | | | | | |
| Opening gross carrying amount | 19.31 | 909.16 | 2,868.83 | 130.89 | 99.56 | 1,099.77 | 19.02 | 5,146.54 | 291.53 |
| Additions | - | - | - | - | 1.62 | - | - | 1.62 | 0.54 |
| Deletions | | | | 0.10 | 0.93 | | | 1.03 | |
| Closing gross carrying amount | 19.31 | 909.16 | 2,868.83 | 130.79 | 100.25 | 1,099.77 | 19.02 | 5,147.13 | 292.07 |
| Accumulated depreciation/amortisation | | | | | | | | | |
| Opening accumulated depreciation/amortisation | - | 753.52 | 2,857.00 | 130.69 | 99.54 | 1,099.77 | 19.02 | 4,959.54 | 291.47 |
| Depreciation/amortisation and impairment charge during the year | - | 13.35 | 2.06 | 0.11 | 0.38 | - | - | 15.90 | 0.07 |
| Adjustment on account of asset sold/ Deletion | | | | 0.10 | 0.93 | | | 1.03 | |
| Closing accumulated depreciation/amortisation | - | 766.87 | 2,859.06 | 130.70 | 98.99 | 1,099.77 | 19.02 | 4,974.41 | 291.54 |
| Closing net carrying amount | 19.31 | 142.29 | 9.77 | 0.09 | 1.26 | - | - | 172.72 | 0.53 |

Note:

- The Company has assessed the recoverable amount of its property, plant and equipment and considering the value in use has made an impairment provision of Rs. 229.60 Lakhs in the year ended 31 March 2021.
- The title deeds of land at Koregaon Bhima are held in the erstwhile name of the company Kalyani Sharp India Ltd.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

5 Other financial assets - non current

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Security deposits | 6.84 | 8.28 |
| Less: Deposits written off | (1.26) | |
| Total non-current loans | 5.58 | 8.28 |

6 Current tax asset (net)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Opening balance | 0.93 | 0.35 |
| Add: Taxes paid/(refund received) | 0.66 | 0.58 |
| Less: Current tax payable for the year | - | - |
| Total assets for current tax (net) | 1.59 | 0.93 |

7 Deferred tax asset

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. There are no items resulting in creation of deferred tax liabilities.

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|----------------------------------|------------------------|----------------------------|------------------------|----------------------------|
| | Gross amount | Unrecognised tax effect | Gross amount | Unrecognised tax effect |
| Deductible temporary differences | 206.33 | 53.65 | 261.83 | 68.08 |
| Tax losses | 10,905.61 | 2,835.46 | 9,409.88 | 2,446.57 |
| | 11,111.94 | 2,889.11 | 9,671.71 | 2,514.65 |

The tax losses expire progressively from FY 2023-24 (AY 2024-25) TO FY 2030-31 (AY 2031-32). The deductible temporary differences mainly consist of unabsorbed depreciation under the tax laws and do not expire under current tax legislation.

Tax losses carried forward

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------|------------------------|------------------------|
| Expire | 8,357.83 | 6,933.49 |
| Never expire | 2,547.79 | 2,476.39 |
| Total | 10,905.62 | 9,409.88 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The expiry dates are as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------|------------------------|------------------------|
| 2023-24 (AY 2024-25) | 508.57 | 508.57 |
| 2024-25 (AY 2025-26) | 1,219.36 | 1,219.36 |
| 2025-26 (AY 2026-27) | 713.75 | 713.75 |
| 2026-27 (AY 2027-28) | 878.62 | 878.62 |
| 2027-28 (AY 2028-29) | 1,085.79 | 1,085.79 |
| 2028-29 (AY 2029-30) | 1,136.70 | 1,143.89 |
| 2029-30 (AY 2030-31) | 1,265.16 | 1,383.51 |
| 2030-31 (AY 2031-32) | 1,558.83 | - |
| Total | 8,366.78 | 6,933.49 |

8 Other assets

Non current portion -

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sales tax and service tax deposits | - | - |
| Balances with statutory/government authorities | 183.90 | 149.10 |
| Less: Provided for | (183.90) | (149.10) |
| Total other non-current assets | - | - |

Current portion -

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Prepayments | 29.55 | 29.70 |
| Sales tax receivable | - | - |
| Sundry Debtors | - | - |
| Balances with statutory/government authorities | - | - |
| Total other current assets | 29.55 | 29.70 |

9 Trade receivables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Trade receivables from contract with customers – billed | - | - |
| Trade receivables from contract with customers – unbilled | - | - |
| Trade receivables from contract with customers – related parties | - | 4.43 |
| Less: Loss allowance | - | - |
| Total Inventories | - | 4.43 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Ageing for trade receivables as at March 31,2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|------------------|--------------|--------------|-------------------|-------|
| | Not due | Less than 6 Months | 6 months -1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | |
| (i) Undisputed Trade receivables—considered good | | - | - | - | - | - | - |
| (ii) Undisputed trade receivable-which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables—which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |

Ageing for trade receivables as at March 31,2022

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|------------------|--------------|--------------|-------------------|-------|
| | Not due | Less than 6 Months | 6 months -1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | |
| (i) Undisputed Trade receivables—considered good | | 4.43 | - | - | - | - | 4.43 |
| (ii) Undisputed trade receivable-which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed trade receivable-credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables—which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| | - | 4.43 | - | - | - | - | 4.43 |

10 Cash and cash equivalents

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Balances with banks | | |
| In current accounts | 79.38 | 193.16 |
| Cash on hand | 0.15 | 0.15 |
| Total cash and cash equivalents | 79.53 | 193.31 |

11 Other financial assets - current

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Receivable from related parties (Refer note 29) | 2.30 | 2.55 |
| Other receivables | - | 0.15 |
| Security deposits (Current) | 3.75 | - |
| Total other financial assets | 6.05 | 2.70 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 12: Equity share capital and other equity

12 (a) Equity share capital

Authorised equity share capital

| Particulars | Number of shares | Amount |
|----------------------------|-------------------|-----------------|
| As at 1 April 2021 | 40,000,000 | 4,000.00 |
| Increase during the year | - | - |
| As at 31 March 2022 | 40,000,000 | 4,000.00 |
| Increase during the year | - | - |
| As at 31 March 2023 | 40,000,000 | 4,000.00 |

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

| Particulars | Number of shares | Equity share capital (par value) |
|----------------------------|-------------------|----------------------------------|
| As at 1 April 2021 | 25,944,000 | (2,594.40) |
| Increase during the year | - | - |
| As at 31 March 2022 | 25,944,000 | (2,594.40) |
| Increase during the year | - | - |
| As at 31 March 2023 | 25,944,000 | (2,594.40) |

Terms and rights attached to equity shares

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

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

| Name of the shareholder | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| | (No.) | (No.) |
| Sharp Corporation Japan - Holding company | 19,458,000 | 19,458,000 |

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

| Name of the shareholder | As at 31 March 2023 | | As at 31 March 2022 | |
|-------------------------|---------------------|-----------|---------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Sharp Corporation Japan | 19,458,000 | 75.00% | 19,458,000 | 75.00% |

The Company has not issued any bonus shares and has not allotted any shares without payment being received in cash in 5 years immediately preceding year ended 31 March 2023.

(iv) Details of shareholding of Promoters

| Name of the Promoter | As at 31 March 2023 | | | As at 31 March 2022 | | |
|-------------------------|---------------------|--------------------------------|-----------------------------|---------------------|--------------------------------|-----------------------------|
| | Number of shares | % of total shares in the class | % of change during the year | Number of shares | % of total shares in the class | % of change during the year |
| Sharp Corporation Japan | 19,458,000 | 75.00% | 0.0% | 19,458,000 | 75.00% | 0.0% |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

12 (b) Other Equity

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| (a) Reserves and surplus | | |
| Securities premium reserve(i) | 1,786.00 | 1,786.00 |
| Retained earnings (ii) | (12,943.94) | (11,369.14) |
| Sub-total (a) | (11,157.94) | (9,583.14) |
| (b) Other equity | | |
| Equity component - Fair value adjustment on loans (iii) | 360.28 | 320.20 |
| Sub-total (b) | 360.28 | 320.20 |
| Total other equity | (10,797.45) | (9,262.94) |

(i) Securities premium reserve

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Balance as at the beginning and end of the year | 1,786.00 | 1,786.00 |

(ii) Retained earnings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|------------------------|---------------------|---------------------|
| Opening balance | (11,369.14) | (9,898.32) |
| Net loss for the year | (1,574.80) | (1,470.82) |
| Closing Balance | (12,943.94) | (11,369.14) |

(iii) Equity component - Fair value adjustment on loans

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------|---------------------|---------------------|
| Opening balance | 320.20 | 275.93 |
| Additions during the year | 40.08 | 44.27 |
| Closing Balance | 360.28 | 320.20 |

Nature and purpose of other reserves

Securities premium reserve

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

Equity component - Fair value adjustment on loans

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

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

13 Non-current borrowings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Unsecured | | |
| Term Loans | | |
| From related parties (Refer Note 29) | | |
| Loan from holding company [Refer Note (a)] | 1,584.11 | 1,584.11 |
| Loan from fellow subsidiaries [Refer Note (b)] | 1,927.40 | 1,928.48 |
| Total non-current borrowings | 3,511.51 | 3,512.59 |
| Less : Current maturities of long-term debt | (3,511.51) | (3,512.59) |
| Less : Interest accrued but not due on borrowings - Non-current | - | |
| Less : Interest accrued but not due on borrowings - Current | - | - |
| Non-current borrowings (as per balance sheet) * | - | - |

* See Note (iii) , (iv) and (v) below

Note (a):

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

| Date of Withdrawals | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| 6-Feb-13 | 600.00 | 600.00 |
| 15-Apr-13 | 650.00 | 650.00 |
| 19-Jul-13 | 334.11 | 334.11 |
| Total Withdrawals | 1,584.11 | 1,584.11 |

The loan carries a fixed interest of 6.90% per annum and is repayable after 4 years from the date of withdrawal.

During the current year, repayment date for External Commercial Borrowings taken from Sharp Corporation, Japan, has been extended to 31 December 2023.

Note (b) :

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Sharp Software Development India Private Ltd (Note i) | 285.00 | 285.00 |
| Sharp Business System India Private Ltd (Note ii) | 285.00 | 285.00 |
| Sharp Business System India Private Ltd (Note iii) | 500.00 | 500.00 |
| Sharp Business System India Private Ltd (Note iv) | 570.00 | 570.00 |
| Sharp Business System India Private Ltd (Note v) | 300.00 | 300.00 |
| Total Withdrawals | 1,940.00 | 1,940.00 |

Note (c) :

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Sharp Business System India Private Ltd (Note vi) | 700.00 | 700.00 |
| Sharp Business System India Private Ltd (Note vii) | 700.00 | 700.00 |
| Sharp Business System India Private Ltd (Note viii) | 600.00 | 600.00 |
| Sharp Business System India Private Ltd (Note ix) | 600.00 | 600.00 |
| Sharp Business System India Private Ltd (Note x) | 760.00 | 760.00 |
| Sharp Business System India Private Ltd (Note xi) | 740.00 | |
| Sharp Business System India Private Ltd (Note xii) | 680.00 | |
| Total Withdrawals | 4,780.00 | 3,360.00 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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

| Date of Withdrawals | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| 8-May-18 | 95.00 | 95.00 |
| 6-Jun-18 | 95.00 | 95.00 |
| 6-Jul-18 | 95.00 | 95.00 |
| Total Withdrawals | 285.00 | 285.00 |

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

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.00 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|----------------------|----------------------|
| 6-Aug-18 | 95.00 | 95.00 |
| 6-Sep-18 | 95.00 | 95.00 |
| 4-Oct-18 | 95.00 | 95.00 |
| Total Withdrawals | 285.00 | 285.00 |

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

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.00 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 14-Dec-18 | 100.00 | 100.00 |
| 4-Jan-19 | 100.00 | 100.00 |
| 5-Feb-19 | 100.00 | 100.00 |
| 5-Mar-19 | 100.00 | 100.00 |
| 3-Apr-19 | 100.00 | 100.00 |
| Total Withdrawals | 500.00 | 500.00 |

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

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.70 % per annum and is repayable in 1 year.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 3-May-19 | 100.00 | 100.00 |
| 6-Jun-19 | 100.00 | 100.00 |
| 5-Jul-19 | 100.00 | 100.00 |
| 3-Aug-19 | 100.00 | 100.00 |
| 5-Sep-19 | 170.00 | 170.00 |
| Total Withdrawals | 570.00 | 570.00 |

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

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

The loan previously carried an interest rate of 9.75 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.00 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 4-Oct-19 | 100.00 | 100.00 |
| 5-Nov-19 | 100.00 | 100.00 |
| 6-Dec-19 | 100.00 | 100.00 |
| Total Withdrawals | 300.00 | 300.00 |

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

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

The loan previously carried an interest rate of 9.45 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.70 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 13-Dec-19 | 300.00 | 300.00 |
| 6-Jan-20 | 100.00 | 100.00 |
| 5-Feb-20 | 100.00 | 100.00 |
| 4-Mar-20 | 200.00 | 200.00 |
| Total Withdrawals | 700.00 | 700.00 |

The above loan carries an interest of 9.00% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

During the year, the above loan has been further extended for a period of one year.

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

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.70 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 26-May-20 | 150.00 | 150.00 |
| 29-Jun-20 | 150.00 | 150.00 |
| 6-Jul-20 | 100.00 | 100.00 |
| 4-Sep-20 | 100.00 | 100.00 |
| 23-Sep-20 | 100.00 | 100.00 |
| 22-Oct-20 | 100.00 | 100.00 |
| Total Withdrawals | 700.00 | 700.00 |

The above loan carries an interest of 8.40% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.00 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 27-Nov-20 | 100.00 | 100.00 |
| 28-Dec-20 | 100.00 | 100.00 |
| 27-Jan-21 | 100.00 | 100.00 |
| 26-Feb-21 | 100.00 | 100.00 |
| 24-Mar-21 | 100.00 | 100.00 |
| 6-Apr-21 | 100.00 | 100.00 |
| Total Withdrawals | 600.00 | 600.00 |

The above loan carries an interest of 8.00% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.70 % per annum and is repayable in 1 year.

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

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 12-May-21 | 80.00 | 80.00 |
| 11-Jun-21 | 110.00 | 110.00 |
| 5-Jul-21 | 110.00 | 110.00 |
| 5-Aug-21 | 110.00 | 110.00 |
| 5-Sep-21 | 190.00 | 190.00 |
| Total Withdrawals | 600.00 | 600.00 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The above loan carries an interest of 8.00% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.00 % per annum and is repayable in 1 year.

- (x) Loan from Sharp Business Systems India Private Limited has been withdrawn in six tranches as below:

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 13-Oct-21 | 110.00 | 110.00 |
| 3-Nov-21 | 140.00 | 140.00 |
| 3-Dec-21 | 90.00 | 90.00 |
| 5-Jan-22 | 100.00 | 100.00 |
| 3-Feb-22 | 100.00 | 100.00 |
| 3-Mar-22 | 220.00 | 220.00 |
| Total Withdrawals | 760.00 | 760.00 |

The above loan carries an interest of 8.00% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

The loan previously carried an interest rate of 8.00 % per annum and was repayable after 1 year. After the rollover during the year, the interest rate was revised to 8.70 % per annum and is repayable in 1 year.

- (xi) Loan from Sharp Business Systems India Private Limited has been withdrawn in six tranches as below:

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 21-Apr-22 | 120.00 | - |
| 6-May-22 | 100.00 | - |
| 6-Jun-22 | 110.00 | - |
| 6-Jul-22 | 110.00 | - |
| 5-Aug-22 | 100.00 | - |
| 6-Sep-22 | 200.00 | - |
| Total Withdrawals | 740.00 | - |

The above loan carries an interest of 8.00% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

- (xi) Loan from Sharp Business Systems India Private Limited has been withdrawn in six tranches as below:

| Date of Withdrawals | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|---------------------|---------------------|
| 14-Oct-22 | 100.00 | - |
| 7-Nov-22 | 100.00 | - |
| 6-Dec-22 | 100.00 | - |
| 6-Jan-23 | 100.00 | - |
| 4-Feb-23 | 100.00 | - |
| 4-Mar-23 | 180.00 | - |
| Total Withdrawals | 680.00 | - |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The above loan carries an interest of 8.70% per annum, repayable after 1 year from the date of each withdrawal and has been fair valued at the benchmark market rate of interest prevailing at the time the loan was availed taking into account the market participants perspective.

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

Current borrowings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Unsecured | | |
| Term loans | | |
| From related parties (Refer Note 29) | | |
| Local currency loan from related parties (Refer note 29) | | |
| Loan from holding company [Refer note (a) above] | - | - |
| Loan from fellow subsidiaries [Refer Note (c) above] | 4,740.13 | 3,320.81 |
| Total current borrowings | 4,740.13 | 3,320.81 |
| Less : Interest accrued and due on borrowings | - | - |
| Less : Interest accrued but not due on borrowings (included in note 13) | - | - |
| Add : Interest accrued but not due on borrowings (included in note 13) | - | - |
| Add : Interest accrued and due on borrowings (included in note 13) | - | 0.00 |
| Current maturities of long-term debt [Refer Note (a) and (b) above] | 3,511.51 | 3,512.59 |
| Current borrowings (as per balance sheet) | 8,251.64 | 6,833.40 |

Net debt reconciliation

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Cash and cash equivalents | 79.53 | 193.31 |
| Borrowings | | |
| - Current borrowings | (8,251.64) | (6,833.40) |
| - Non-current borrowings including interest accrued | - | - |
| Net debt | (8,172.11) | (6,640.09) |

| Particulars | Liabilities from financing activities | | Total |
|--|---------------------------------------|-------------------|-------------------|
| | Cash and cash equivalents | Borrowings | |
| Net debt as at 1 April 2021 | 185.73 | (5,343.18) | (5,157.45) |
| Cash flows | 7.58 | - | 7.58 |
| Interest expense | - | (600.81) | (600.81) |
| Interest paid | - | 526.32 | 526.32 |
| Proceeds from loans | - | (1,460.00) | (1,460.00) |
| Repayment of loans | - | - | - |
| Non-cash movement - Fair value adjustments | - | 44.27 | 44.27 |
| Net debt as at 31 March 2022 | 193.31 | (6,833.40) | (6,640.09) |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

| Particulars | | Liabilities from financing activities | Total |
|--|---------------------------|--|-------------------|
| | Cash and cash equivalents | Borrowings | |
| Net debt as at 1 April 2022 | 193.31 | (6,833.40) | (6,640.09) |
| Cash flows | (113.78) | - | (113.78) |
| Interest expense | - | (677.95) | (677.95) |
| Interest paid | - | 639.63 | 639.63 |
| Proceeds from loans | - | (1,420.00) | (1,420.00) |
| Non-cash movement - Fair value adjustments | - | 40.08 | 40.08 |
| Net debt as at 31 March 2023 | 79.53 | (8,251.64) | (8,172.11) |

14 Other financial liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Non-current | | |
| Interest accrued but not due on borrowings | - | - |
| | - | - |
| Current | | |
| Interest accrued but not due on borrowings | - | - |
| Current maturities of long-term debt | - | - |
| Interest accrued and due on borrowings (Refer note 29) | - | - |
| Employee benefits payable | 51.35 | 52.91 |
| | 51.35 | 52.91 |
| Total other financial liabilities | 51.35 | 52.91 |

15 Provisions

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|--|---------------------|-------------|---------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Provisions for dues under dispute [Refer note below] | 20.80 | - | 20.80 | - |
| Provision for employee benefits | | | | |
| Provision for compensated absences (Refer note 25) | 77.81 | - | 78.83 | - |
| Provision for gratuity (Refer note 25) | 1.21 | - | 18.22 | - |
| Other provisions | 42.21 | - | - | - |
| Total non-current provisions | 142.03 | - | 117.85 | - |

Note :

- (i) The Company had imported refrigerators during the financial year ended 31 March 2009 by paying nil duty on such imports under the free trade agreement with Thailand. The custom authorities have challenged the classification under which the refrigerators were imported under concessional rate of duty. The dispute is pending with the CESTAT authorities. The Company has deposited Rs. 54.04 Lakhs under protest against this demand with the customs authorities which has been fully provided for. During the year ended 31 March 2019, the company has received an order stating the appeal of the Company has been dismissed. The outstanding provision amounting to Rs. 20.80 Lakhs as on 31 March 2023 represents interest on the demand upto the date of payment.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(ii) Movement in provisions

| Particulars | Provision for dues under dispute | Other provisions |
|---------------------------------|----------------------------------|------------------|
| As at 1 April, 2021 | 20.80 | 0.67 |
| Amount utilised during the year | - | |
| Amount paid | | (0.67) |
| As at 31 March 2022 | 20.80 | - |
| Amount utilised during the year | - | - |
| Amount paid | - | - |
| As at 31 March 2023 | 20.80 | - |
| Non-current | - | - |
| Current | 20.80 | - |

16 Trade payables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Payable to related parties (Refer note 29) | 14.15 | 12.39 |
| Other trade payables | 13.47 | 44.29 |
| Total trade payables | 27.62 | 56.68 |

There are no dues to micro, small and medium enterprises as at 31 March 2023 (31 March 2022: Nil), as no supplier has intimated the Company about its status as Micro or Small enterprise or its registration with the appropriate authorities under the Micro Small and Medium Enterprises Development Act, 2006.

Aging of trade payables: March 31, 2023

| Particulars | Outstanding for following periods from the due date | | | | | | Toal |
|---|---|---------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | - | - | - | - | - | - | - |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | 27.62 | - | - | - | 27.62 |
| Disputed trade payables | - | - | - | - | - | - | - |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | - | - | 27.62 | - | - | - | 27.62 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Aging of trade payables: March 31, 2022

| Particulars | Outstanding for following periods from the due date | | | | | | Total |
|---|---|---------|------------------|-----------|-----------|-------------------|--------------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | - | - | - | - | - | - | - |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | 56.68 | - | - | - | 56.68 |
| Disputed trade payables | - | - | - | - | - | - | - |
| Micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | - | - | 56.68 | - | - | - | 56.68 |

17 Other current liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Statutory dues payable | 24.64 | 23.83 |
| Advances from customers | 1.32 | 1.33 |
| Other payables* | - | 8.95 |
| Total other current liabilities | 25.96 | 34.11 |

18 Revenue from operations

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------------------------------|--|--|
| Sale of services | 2.63 | 11.58 |
| Other Operating Revenue | | |
| Scrap sales | - | - |
| Total revenue from operations | 2.63 | 11.58 |

Note:

The Company has certain inventories of accessories that have been fully written down as on 31 March 2023.

19 Other income

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|--|--|
| Interest income from financial assets at amortised cost | 0.24 | 0.28 |
| Liabilities no longer required written back | 0.35 | 2.32 |
| Gain on disposal of property, plant & equipment | 0.05 | - |
| Miscellaneous income | 3.50 | 11.15 |
| Total other income | 4.14 | 13.75 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

20 Employee benefits expense

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 543.53 | 543.34 |
| Contribution to provident and other funds | 38.05 | 38.12 |
| Staff welfare expenses | (5.16) | 4.01 |
| Total employee benefit expense | 576.42 | 585.47 |

The Company had executed Memorandum of Settlement dated 1st August 2014 between the Company and Kalyani Sharp Employees Union u/s 2 (p) read with section 18 (1) of the Industrial Disputes Act, 1947 and under Rule 62 of the Industrial Disputes (Bombay) Rules, 1957. Said settlement was effective from 1.09.2012 up to 31.03.2016. Further as per clause 53 of said settlement, the settlement shall further continue to remain in force and binding thereafter, unless and until amended or superseded by any other subsequent settlement as per the provisions of the Industrial Disputes Act, 1947. Accordingly, the company continues to pay the salaries and various allowances to the employees as per the terms of said Memorandum of Settlement".

21 Depreciation, amortisation and impairment expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Depreciation and impairment on property, plant and equipment | 15.90 | 16.78 |
| Amortisation and impairment on intangible assets | 0.07 | - |
| Total depreciation, amortisation and impairment expenses | 15.97 | 16.78 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

22 Other expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| Bank charges | 1.12 | 0.61 |
| Power, fuel, water charges | 33.91 | 30.71 |
| Rates and taxes | 33.60 | 25.77 |
| Repairs & maintenance | | |
| - Plant & Machinery | 0.50 | 0.59 |
| - Others | 27.47 | 20.67 |
| Insurance | 14.37 | 15.61 |
| Travelling expenses | 0.36 | 0.39 |
| Communication expenses | 16.13 | 14.67 |
| Directors sitting fees | 9.55 | 9.05 |
| Legal and professional fees | 45.74 | 42.80 |
| Auditors' remuneration [Refer note 22 (a)] | 23.11 | 23.91 |
| Printing and stationery | 2.40 | 2.60 |
| Net foreign exchange losses | 0.10 | 0.70 |
| Security charges | 54.92 | 54.78 |
| License and application fees | 1.38 | 5.30 |
| Membership fees | 3.00 | 3.00 |
| Housekeeping expenses | 5.37 | 5.90 |
| Provision for balances with government authorities | 34.80 | 32.40 |
| Miscellaneous expenses | 3.40 | 2.04 |
| Total other expenses | 311.23 | 291.50 |

Note:

The provisions relating to Corporate Social Responsibility under Section 135 of the Companies Act 2013 are not applicable to the Company.

(a) Auditors' remuneration

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|----------------------------|-------------------------------------|-------------------------------------|
| Payment to auditors | | |
| As auditor: | | |
| Audit fee * | 20.00 | 20.86 |
| Tax audit fee | - | - |
| Limited review | 3.00 | 3.00 |
| Certification | - | - |
| Re-imbursement of expenses | 0.11 | 0.05 |
| | 23.11 | 23.91 |

*includes Rs. 10.00 Lacs in respect of year ended 31st March 2022 charged in current year.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

23 Finance costs

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Interest and finance charges on financial liabilities at amortised cost | 677.95 | 600.81 |
| Other interest costs | - | 1.59 |
| Total finance costs | 677.95 | 602.40 |

24 Income tax

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|
| <i>Current tax</i> | | |
| Current tax on profits for the year | - | - |
| Adjustments for current tax of prior periods | - | - |
| Total current tax expense | - | - |
| <i>Deferred tax</i> | | |
| Decrease (increase) in deferred tax assets | - | - |
| Total current tax expense | - | - |

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

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Accounting profit/ (loss) before tax | (1,574.80) | (1,470.82) |
| At Indian tax rate of 26% (31 March 2021: 26%) | (409.45) | (382.41) |
| Tax losses and other temporary differences on which no deferred income tax was recognised | 409.45 | 382.41 |
| Income tax expense reported in the statement of profit or loss | - | - |

25 Provision for employee benefits

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Provision for compensated absences (Refer Note A) | 77.81 | 78.83 |
| Current | 77.81 | 78.83 |
| Non-current | - | - |
| Gratuity (Refer Note B) | 1.21 | 18.22 |
| Current | 1.21 | 18.22 |
| Non-current | - | - |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Defined Contribution Plan

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

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|
| Defined contribution plans | | |
| -Provident fund | 15.63 | 15.98 |
| -Pension fund | 17.75 | 19.03 |
| -Superannuation fund | 2.24 | 1.95 |
| -Employees' deposit linked insurance scheme | 1.06 | 1.14 |
| Total | 36.68 | 38.10 |

A Provision for compensated absences

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

B Gratuity

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

Statement of Profit & Loss Account

Net employees benefit expense recognised in the statement of profit and loss:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Current service cost | 27.60 | 17.89 |
| Interest on defined benefit obligation | 48.36 | 30.73 |
| Expected return on plan assets | 47.86 | 44.73 |
| Net actuarial (gain)/loss recognised in the year | -79.45 | 237.67 |
| Net benefit expense | 44.37 | 331.01 |
| Actual return on plan assets | 55.54 | 51.87 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Benefit asset/liabilities

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

Details of defined benefit gratuity plan

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------------|---------------|---------------|
| Defined benefit obligation * | 763.63 | 788.55 |
| Fair value of plan assets | -797.45 | -771.01 |
| Plan (asset)/liability | -33.81 | 17.54 |

*The Company on a conservative basis, has accrued gratuity on the basis of actual liability using gross undiscounted basis. Plan liability accrued as at March 31, 2023 is Rs. 1.21 lakhs as against the liability of Rs. 33.81 lakhs as per the actuarial valuation as at March 31, 2023.

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

| Particulars | 31 March 2023 | 31 March 2022 |
|-------------------------------------|---------------|---------------|
| Opening defined benefit obligation | 788.55 | 512.69 |
| Interest cost | 48.36 | 30.73 |
| Current service cost | 27.60 | 17.89 |
| Benefits paid/payable | -30.71 | -17.57 |
| Actuarial (gain)/loss on obligation | -70.16 | 244.81 |
| Closing defined benefit obligation | 763.63 | 788.55 |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|--------------------------------------|---------------|---------------|
| Opening fair value of plan assets | 771.01 | 736.71 |
| Expected return | 47.86 | 44.73 |
| Contributions by employer | - | - |
| Benefits paid | -30.71 | -17.57 |
| Actuarial gains/(loss) on obligation | 9.28 | 7.15 |
| Closing fair value of plan assets | 797.45 | 771.01 |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Investments with Life Insurance Corporation of India | 100% | 100% |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------|---|---|
| Discount rate | 7.40% | 6.60% |
| Salary escalation rate | 6.35% for Bargainable and 8.35% for Non-Bargainable | 6.35% for Bargainable and 8.35% for Non-Bargainable |
| Attrition rate | 2% | 2% |

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

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Amounts for the current and previous four periods are as follows :

| Particulars | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|----------------|----------------|----------------|
| Defined benefit obligations | 763.63 | 788.55 | 512.69 | 464.49 | 611.26 |
| Plan assets | 797.45 | 771.01 | 736.71 | 694.96 | 655.80 |
| Surplus / (deficit) | 33.81 | -17.54 | 224.02 | 230.47 | 44.54 |
| Experience adjustments on plan liabilities | -37.07 | 8.68 | 6.20 | -21.55 | -32.05 |
| Experience adjustments on plan assets | 9.28 | 7.15 | -6.31 | 8.48 | -10.92 |

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|------------------------|------------------------|
| Financial assets | | |
| Security deposits | 5.58 | 8.28 |
| Trade receivable | - | 4.43 |
| Cash and cash equivalents | 79.53 | 193.31 |
| Other financial assets | 6.05 | 2.70 |
| Total financial assets | 91.16 | 208.72 |
| Financial liabilities | | |
| Borrowings | 8,251.64 | 6,833.40 |
| Trade payables | 27.62 | 56.68 |
| Other financial liabilities | 51.35 | 52.91 |
| Total financial liabilities | 8,330.61 | 6,942.99 |

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

i) Fair value hierarchy

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

| <i>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</i> | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|----------|-----------------|
| At 31 March 2023 | | | | | |
| Financial liabilities | | | | | |
| Borrowings | 13 | - | - | 8,125.98 | 8,125.98 |
| Total financial liabilities | | - | - | | 8,125.98 |

| <i>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</i> | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|---------|---------|-----------------|-----------------|
| At 31 March 2022 | | | | | |
| Financial liabilities | | | | | |
| Borrowings | 13 | - | - | 6,775.02 | 6,775.02 |
| Total financial liabilities | | - | - | 6,775.02 | 6,775.02 |

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

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

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

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

The carrying amounts of all financial assets and liabilities except for borrowings are a reasonable approximation of their fair values. The fair value of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

27 Financial risk management

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

(A) Credit risk

Credit risk mainly arises from cash and cash equivalents, deposits with banks as well as security deposits.

The maximum exposure arising from these financial assets is their carrying value as disclosed in the balance sheet.

(i) Credit risk management

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

For security deposits also, generally the Company is subject to low credit risk with risk of default being negligible. However, considering the nature of balances the Company evaluates the balances and recognises a loss allowance, if any, on a specific identification

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

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

(i) Maturities of financial liabilities

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

| 31 March 2022 | Less than 1 year | 1-3 years |
|---------------------------------------|-------------------------|------------------|
| Borrowings including interest accrued | 6,833.40 | - |
| Employee benefits payable | 52.91 | - |
| Trade payables | 56.68 | - |
| Other financial liabilities | - | - |
| Total | 6,942.99 | - |

| 31 March 2023 | Less than 1 year | 1-3 years |
|---------------------------------------|-------------------------|------------------|
| Borrowings including interest accrued | 8,251.64 | - |
| Employee benefits payable | 51.35 | - |
| Trade payables | 27.62 | - |
| Other financial liabilities | - | - |
| Total | 8,330.61 | - |

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

(C) Market risk**(i) Foreign currency risk and exposure**

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

(ii) Interest rate risk exposure:

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

28 Capital Management**Risk management**

The Company's objectives when managing capital are to:

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

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

Refer Note 33 on Going Concern.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

29 Related party transactions**A Name of the related parties and nature of relationship****(i) where control exists :****a Holding Company**

Sharp Corporation, Japan

b. Shareholders of the Holding Company

Hon Hai Precision Industry Co. Ltd.

Foxconn (Far East) Limited

Foxconn Technology Pte Limited

SIO International Holdings Limited

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

Sharp Electronics (Malaysia) SDN. BHD., Malaysia

Sharp Business Systems (India) Private Limited

Sharp Software Development India Private Limited

Directors:

Naoki Hatayama (Non-executive, Non-Independent Director)

Yoshihiro Hashimoto (Non-executive, Non-Independent Director) (Upto 3rd March, 2023)

Masao Terada (Non-executive, Non-Independent Director) (From 3rd March, 2023)

Bhumika Batra (Non-executive, Independent Director)

Prashant Asher (Non-executive, Independent Director)

Abhijeet Bhagwat (Non-executive, Independent Director)

(iii) Key management personnel :

M. Nakagawasai (Managing Director)

Sunil K Sane (CFO)

Chandranil S Belvalkar (Company Secretary)

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

29 Related party transactions (Continued)

B Disclosure of transactions/balances with related parties:

| Name of related party | Nature of transactions | Year ended | |
|--|---|-----------------|---------------|
| | | 31 March 2023 | 31 March 2022 |
| Sharp Corporation, Japan | Interest on loan | 110.82 | 110.82 |
| | Reimbursement of expenses received | 33.54 | 47.40 |
| | Reimbursement of expenses paid | 6.14 | 5.55 |
| | Loan guarantee fees | 45.18 | 34.18 |
| Sharp Business Systems (India) Private Limited | Sale of services | 2.63 | 11.58 |
| | Purchase of goods/services/others* | 0.17 | 0.18 |
| | Reimbursement of expenses received | 0.02 | 2.01 |
| | Reimbursement of expenses paid | 0.91 | 0.91 |
| | Interest on loan | 499.19 | 365.63 |
| | Proceeds from loan | 1,420.00 | 1,460.00 |
| Sharp Electronics (Malaysia) SDN. BHD., Malaysia | Reimbursement of expenses paid | 1.78 | 6.09 |
| Sharp Software Development India Private Limited | Interest on Loan | 22.74 | 23.37 |
| Independent Directors | | | |
| Bhumika Batra | Sitting Fees | 4.08 | 3.73 |
| Prashant Asher | Sitting Fees | 4.08 | 3.72 |
| Abhijeet Bhagwat | Sitting Fees | 1.39 | 1.60 |
| Key management personnel M. Nakagawasai (Managing Director) | Managerial Remuneration (Inc value of perquisites) | 14.40 | 14.80 |
| Sunil K Sane (CFO) | Managerial Remuneration (Inc value of perquisites) | 21.21 | 22.51 |
| Chandranil S Belvalkar (Company Secretary) | Managerial Remuneration (Inc value of perquisites) | 17.25 | 17.24 |

Reimbursement of expenses paid relate to IT support charges and global network charges and professional fees.

Reimbursement of expenses received majorly relate to tax deducted at source of Mr. M. Nakagawasai.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Disclosure of outstanding balances**(i) Trade receivables**

| Name of the party | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sharp Business Systems (India) Private Limited | - | 4.43 |
| Total | - | 4.43 |

(ii) Trade and other payables

| Name of the party | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sharp Electronics (Malaysia) SDN. BHD., Malaysia | 0.40 | 1.41 |
| Sharp Corporation, Japan | 13.75 | 10.98 |
| Total | 14.15 | 12.39 |

(iii) Other Receivables

| Name of the party | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sharp Business Systems (India) Private Limited | - | - |
| Sharp Corporation, Japan | 2.30 | 2.55 |
| Total | 2.30 | 2.55 |

(iv) Borrowings*

| Name of the party | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sharp Software Development India Private Limited | 285.00 | 285.00 |
| Sharp Corporation, Japan | 1,584.11 | 1,584.11 |
| Sharp Business Systems India Private Limited | 6,435.00 | 5,015.00 |
| Total | 8,304.11 | 6,884.11 |

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

(v) Interest accrued*

| Name of the party | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Sharp Business Systems India Private Limited | 40.97 | 31.82 |
| Total | 40.97 | 31.82 |

*amounts disclosed represents differential Interest as per rates of loan agreement and fair value interest rate.

Notes to Financial Statements**(All amounts in INR lakhs, unless otherwise stated)****30 Contingencies**

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

31 Loss per share

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Basic and diluted loss per share | | |
| a) Loss attributable to the equity holders of the company (Rs. In Lakhs) | (1,574.80) | (1,470.82) |
| b) Weighted average number of equity shares outstanding (Nos.) | 25,944,000 | 25,944,000 |
| c) Loss per share | | |
| - Basic | (6.07) | (5.67) |
| - Diluted | (6.07) | (5.67) |

32 Segment reporting

The Company was exclusively engaged in the business of 'consumer electronics' consisting of all types of Color Televisions, LED TVs and Air-conditioners which constitute one single segment. The Company is domiciled in India. Revenue from operations during the current financial year is within India. The revenue is generated from a single customer. (Previous Year Rs. 11.58 Lakhs). All non current assets are located within India.

33 Going concern assessment

"During the quarter and year ended on March 31, 2023, the Company incurred a loss of Rs. 402.88 Lakhs and Rs. 1574.80 Lakhs respectively. The accumulated losses of the Company as at March 31, 2023 are Rs. 12,943.94 Lakhs. There is no production of LED TVs from April, 2015 and of Air Conditioners since June, 2015 onwards in the absence of any orders. Considering the same, there is a significant doubt whether the company would be able to continue as a going concern due to material uncertainties in respect of commencement of production and other operations pertaining to it, mobilisation of human and other resources, revival of sales and services, establishing supply chain and also on account of current economic scenario. However, the Company continues to receive financial and operational support from Sharp Corporation, Japan, the majority shareholder and holding company and as at March 31, 2023, the Company has received a support letter from Sharp Corporation, Japan for financial and operational support until March 31, 2024. 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 as such the management is of the opinion that the Company will be able to continue as a going concern. 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.

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

Nevertheless, the recognition and measurement of assets (except freehold land) has been considered at lower of their carrying value or net realisable value and in the opinion of the management, no further adjustments would be required if going concern assumption is not considered as appropriate.

- 34** There was delay in submission of results of company for quarter and financial year ended March 31, 2022, quarter ended June 30, 2022, quarter and half year ended September 30, 2022, for the quarter and financial year ended March 31, 2023 and subsequent quarters. The letters stating reason for delay in submission of financial results as per SEBI Circular No. CIR/CFD/CMD-1/142/2018 dated November 19, 2018 and SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 were submitted to stock exchange on 11 November 2022, 30 May 2023, 11 August 2023, 13 November 2023 and consequential penalty as leveid, has been paid/provided by the Company. Due to non-compliance in respect of submission of quarterly results for two consecutive quarters i.e., March, 2022 and June 2022 and March 2023 and June 2023, in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/12 dated January 22, 2020, the company was placed by SEBI in Z group (Non-compliant Companies) during the period from 25th October 2022 to 26th December 2022 and 30th October 2023 onwards respectively. Further, the entire shareholding of promoters has been frozen w.e.f. August 3, 2023.
- 35** Previous year figures have been Re-grouped / Re-arranged and reclassified as necessary.

For G.D. Apte & Co.
Firm Registration Number: 100 515W

Santosh B. Rashinkar
Partner
Membership No. 103483

Place : Pune
Date : November 27, 2023
UDIN: 23103483BGYBPM8530

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

| | |
|----------------------|----------------------|
| M Nakagawasai | Bhumika Batra |
| Managing Director | Independent Director |
| DIN : 05274985 | DIN : 03502004 |

Place : Pune
Date : November 27, 2023

SHARP

SHARP INDIA LIMITED

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