

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Monday, 16th September 2013 at 11:00 a.m. (I.S.T.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ended on 31st March 2013 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Sanjay Asher who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Masahiko Nakagawasai who retires by rotation and being eligible, offers himself for re-appointment.
4. "Resolved That M/s. S.R.Batliloi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors. "

SPECIAL BUSINESS :

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

"**RESOLVED THAT** Mr. Noriyuki Watanabe who was appointed as an additional director of the Company by the board of directors and who holds office up to the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation."

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

"**RESOLVED THAT** Mr. Tomio Isogai who was appointed as an additional director of the Company by the board of directors and who holds office up to the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation."

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

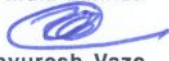
"**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, the Articles of Association of the Company read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, the appointment of Mr. Tomio Isogai as the Managing Director of the Company for a period from 9th December 2012 upto 8th December 2015 be and is hereby approved on the following remuneration .

1. Salary of Rs.1,20,000 / - (Rupees . One Lacs 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. Entitlement to free Air Passage once in a year for the purpose of Annual Leave for self and family (Spouse and dependent children are also eligible) if residing in India.
7. 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 the expiry of his term.
8. Employers' Contribution to the Provident Fund as per the prevailing law.

The above perquisites granted to the Managing Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Managing Director during his tenure shall not exceed the limits laid down in schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT subject to the Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the salary, perquisites, benefits and amenities as set out above be paid or granted to Mr. Tomio Isogai as the minimum remuneration during the term of Mr. Tomio Isogai's tenure as the Managing Director, notwithstanding that in any of the financial years, the company has made no profits or the profits made are inadequate."

By Order of the Board of Directors
For Sharp India Limited


Mayuresh Vaze
Company Secretary

Pune
29th July 2013



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement pursuant section 173(2) in respect of item number 5,6 & 7 is annexed hereto.
3. Members are requested to notify any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrars & Transfer Agents, Link Intime India Private Limited 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect of their physical share folios.
4. Members can avail of nomination facility. Blank Nomination forms will be supplied on request.
5. Members who are holding shares in more than one folio under name(s) in the same order are requested to sent the relative share certificates to the Registrar and Transfer Agents for consolidation of the entire holding in one folio. The share certificates after consolidation will be returned by registered post/courier.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 7th September 2013 to Monday, 16th September 2013 (both days inclusive).
7. Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.
8. Members are requested to forward their queries on accounts at least 10 days in advance to enable us to reply the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5 :**

Mr. Noriyuki Watanabe was appointed as an additional director of the Company with effect from 7th November 2012. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing annual general meeting. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing his candidature as the Director of the Company at the ensuing Annual General Meeting.

Mr. Noriyuki Watanabe is a Joint General Manager of The Mizuho Corporate Bank Limited, Mumbai and has a wide experience in the banking field.

It is considered desirable that the company should have benefit of his experience and advice.

The Board recommends the resolution for acceptance by the members. None of the directors other than Mr. Noriyuki Watanabe may be treated as concerned or interested in the resolution.

ITEM NO. 6 & 7:

Sharp Corporation, Japan recalled Mr. Takashi Mikami and hence he resigned as the Managing Director as well as the Director of the Company with effect from 28th November 2012. In place of Mr. Takashi Mikami, Sharp Corporation, Japan recommended the appointment of Mr. Tomio Isogai as the Managing Director of the Company with effect from 9th December 2012 for a period of three years.

The Board of Directors in its meeting held on 28th November 2012 appointed Mr. Tomio Isogai as an additional director as well as the

Managing Director of the Company to hold the office for a period of three years effective from 9th December 2012 to 8th December 2015. His appointment has been made under Schedule- XIII of the Companies Act, 1956 and is subject to the approval of the members of the Company. The remuneration committee has also approved the remuneration payable to Mr. Tomio Isogai in its meeting held on 28th November 2012 and the same is placed before the shareholders for their approval. In terms of section 260 of the Companies Act, 1956, and article 141 of the Articles of Association of the Company, he holds office till the date of the ensuing annual general meeting. The Company has also received a notice from a member along with a deposit of Rs. 500/- pursuant to section 257 of the Companies Act, 1956 proposing Mr. Tomio Isogai's candidature as a director.

The information as required to be given under Schedule XIII to the Companies Act, 1956 is as under: -**I. GENERAL INFORMATION:**

- (1) **Nature of Industry** - Manufacturing of Consumer Electronic Products
- (2) **Date or expected date of commencement of commercial operation** : - The Company started its commercial operations from July 1986 onwards.
- (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** :

(Rs. In Lakhs)

Financial Parameters	2011-2012	2012-2013
Turnover (Net)	8,344.17	7758.92
Net Profit/ (Loss) for the year as per Profit & Loss Account	(50.47)	(130.44)
EPS	(0.19)	(0.50)

- (5) **Export performance and net foreign exchange collaborations as on 31.03.2013:Exports-** Rs.224.10 Lakhs
- (6) **Foreign investments or collaborators, if any, as on 31.03.2013** - The total Foreign Holdings in the company as on 31.03.2013 is 2,08,88,010 equity shares i.e. 80.51% of the total Paid up Capital. . Out of that Sharp Corporation, Japan who are promoters of the company hold 20,755,200 equity shares i.e. 80 % equity shares in the company. The Company has entered in to a technical collaboration with Sharp Corporation, Japan for the manufacture of LCD type Color TV Receivers on 20th January 2011; and for manufacture of Air conditioners on 20th February 2013.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details** : Mr. Tomio Isogai, a Japanese national, graduated in English from Kyoto University of Foreign Studies in the year 1979. He has an experience of about 32 years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He does not hold any shares in the Company. He is also a Deputy Managing Director in Sharp Business Systems (India) Limited.
- (2) **Past remuneration, Recognition & awards, Job profile & his suitability** : Mr. Tomio Isogai was paid Rs. 11,38,054 as the remuneration in the last financial year by Sharp Business



Systems (India) Limited as the Deputy Managing Director. Mr. Tomio Isogai possesses a wide experience in the field of Sales & Marketing and his association with the company will be of great help to the company. Subject to the superintendence, control and direction of the Board of Directors of the Company, Mr. Tomio Isogai has substantially the whole powers of the management of business and affairs of the Company.

- (3) Remuneration proposed - as set out in the resolution for the Item no.7
- (4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) - Taking into consideration the size of the Company, the profile of Mr. Tomio Isogai, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (5) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any - Besides, the remuneration proposed, Mr. Tomio Isogai 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:
- Company has accumulated losses of the past years. Intense competition, increase in input cost and reduction in selling prices, wide & adverse fluctuations in the currency exchange rates are affecting profitability of the company. As a part of improvement plan the company introduced new production lines for the manufacture of Air Conditioners. Your company has started manufacture of split Air Conditioners which will make your company more competitive and your company is expecting a good demand for the same in the years to come. Your company is also exploring the possibility of manufacturing of other home appliances. Considering the steps taken, the Company expects to increase productivity & profits in coming years. However it will be difficult to predict the same in measurable terms.

IV: DISCLOSURES :

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

Except Mr. Tomio Isogai none of the directors are interested in the resolutions. It is considered desirable that the company should have benefit of his experience and advice. The Board recommends the resolution for acceptance by the members.

DISCLOSURES AND INFORMATION ABOUT DIRECTORS BEING APPOINTED OR REAPPOINTED AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT:

- ▶ Mr. Sanjay Asher is a Chartered Accountant and Solicitor and partner of M/s. Crawfordbayley & Co., Solicitors, Advocates and Notaries, Mumbai. Mr. Sanjay Asher has been practising for a number of years on various matters including corporate laws. He also serves on the Board of following public limited companies: Ashok Leyland Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Balkrishna Industries Limited, Sanghvi Movers Limited, Finolex Cables Limited, Finolex Industries Limited, Kryfs Power Components Limited, Mandhana Industries Limited, Repro India Limited, Shree Renuka Sugars Limited, Sudarshan Chemicals Industries Limited, Tribhovandas Bhimji Zaveri Limited, J.B.Chemicals and Pharmaceuticals Limited, Innoventive Industries Limited. He holds 100 shares of the Company. He is also member of audit committee and remuneration committee and chairman of investor grievance and transfer committee of the company.
- ▶ Mr. Masahiko Nakagawasai is an Executive Director of the Company. Mr. Masahiko Nakagawasai is a Bachelor of Economics from University of Fukushima, Japan. He has a wide experience in the field of Accounts and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares of the Company. He is a member of investor grievance and transfer committee of the company.
- ▶ Mr. Noriyuki Watanabe is a Joint General Manager of Mizuho Corporate Bank, Limited Mumbai. He has a very wide experience in the banking field. He is a member of the audit committee and chairman of the remuneration committee of the company. He does not hold any shares in the company. He is also a director in Kokuyo Camlin Limited.
- ▶ Mr. Tomio Isogai was appointed as an additional director as well as the Managing Director of the Company for a period of three years effective from 9th December 2012. Mr. Tomio Isogai has graduated in English from Kyoto University of Foreign Studies in the year 1979. He has an experience of about 32 years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He does not hold any shares in the Company. He is also a Deputy Managing Director in Sharp Business Systems (India) Limited. He is also a member of investor grievance and transfer committee of the company.
- ▶ Mr. Sanjay Asher and Mr. Masahiko Nakagawasai, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

By Order of the Board of Directors
For Sharp India Limited


Mayuresh Vaze
Company Secretary

Pune
29th July 2013



FORM A
(Pursuant to clause 31 of the listing agreement)

1.	Name of the Company	Sharp India Limited
2.	Annual Financial Statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	Not Applicable

For Sharp India Limited


Mr. Tomio Isogai
Managing Director & CEO

For S.R.Batliboi & Co. LLP, Statutory Auditors
Firm Registration No. 301003E
Chartered Accountants


Mr. Arvind Sethi- Partner



→ Rubber Stamp/ Seal of the Auditor's Firm

For Sharp India Limited


Mr. M. Nakagawasai
Executive Director & CFO

For Sharp India Limited


Mr. Sanjay Vaidya
Chairman of Audit Committee

Rubber Stamp/ Seal of the Company



***28th Annual Report
2012-2013***

SHARP

SHARP INDIA LIMITED

BOARD OF DIRECTORS

SUNILKUMAR SINHA
[Chairman & Executive Director]

TOMIO ISOGAI
[Managing Director]

MASAHIKO NAKAGAWASAI
[Executive Director]

SANJAY VAIDYA

SANJAY ASHER

NORIYUKI WATANABE

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BANKERS

BANK OF INDIA
THE BANK OF TOKYO-MITSUBISHI UFJ LTD.
THE MIZUHO CORPORATE BANK LTD.
CITI BANK N.A.

SOLICITORS & ADVOCATES

CRAWFORD BAYLEY & CO., MUMBAI

AUDITORS

S. R. BATLIBOI & CO. LLP
Chartered Accountants

REGISTERED OFFICE & FACTORY

Gat No.686/4, Koregaon Bhima,
Tal. Shirur, Dist. Pune 412 216

Phone No. (02137) - 252417

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited
Flat No. 202, 2nd Floor,
Akshay Complex,
Off. Dhole Patil Road,
Near Ganesh Mandir,
Pune 411 001.
Phone No. (020) - 26161629

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Notice is hereby given that the 28th Annual General Meeting of the members of Sharp India Limited will be held at the Registered Office of the Company at Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune 412 216 on Monday, 16th September 2013 at 11:00 a.m. (I.S.T.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ended on 31st March 2013 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Sanjay Asher who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Masahiko Nakagawasai who retires by rotation and being eligible, offers himself for re-appointment.
4. "Resolved That M/s. S.R.Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors. "

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Noriyuki Watanabe who was appointed as an additional director of the Company by the board of directors and who holds office up to the date of this annual general meeting of the Company under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member, proposing his candidature for the office of a director, be and is hereby appointed as a director of the company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, the Articles of Association of the Company read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, the appointment of Mr. Tomio Isogai as the Managing Director of the Company for a period from 9th December 2012 upto 8th December 2015 be and is hereby approved on the following remuneration .

1. Salary of Rs.1,20,000 / - (Rupees . One Lacs Twenty Thousand Only) per month.
2. Rent free furnished residential accommodation together with necessities including gas, electricity, water, etc.
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6. Entitlement to free Air Passage once in a year for the purpose of Annual Leave for self and family (Spouse and dependent children are also eligible) if residing in India.
7. 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 the expiry of his term.
8. Employers' Contribution to the Provident Fund as per the prevailing law.

The above prerequisites granted to the Managing Director shall be evaluated on actual basis, Provided that the overall monthly remuneration payable to the Managing Director during his tenure shall not exceed the limits laid down in schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT subject to the Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the salary, prerequisites, benefits and amenities as set out above be paid or granted to Mr. Tomio Isogai as the minimum remuneration during the term of Mr. Tomio Isogai's tenure as the Managing Director, notwithstanding that in any of the financial years, the company has made no profits or the profits made are inadequate."

By Order of the Board of Directors
For Sharp India Limited

Pune
29th July 2013

Mayuresh Vaze
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement pursuant section 173(2) in respect of item number 5,6 &7 is annexed hereto.
3. Members are requested to notify any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrars & Transfer Agents, Link Intime India Private Limited 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect of their physical share folios.
4. Members can avail of nomination facility. Blank Nomination forms will be supplied on request.
5. Members who are holding shares in more than one folio under name(s) in the same order are requested to sent the relative share certificates to the Registrar and Transfer Agents for consolidation of the entire holding in one folio. The share certificates after consolidation will be returned by registered post/courier.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 7th September 2013 to Monday, 16th September 2013 (both days inclusive).
7. Members are requested to bring along with them a copy of the Annual Report as the same will not be distributed in the meeting.
8. Members are requested to forward their queries on accounts at least 10 days in advance to enable us to reply the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5 :**

Mr. Noriyuki Watanabe was appointed as an additional director of the Company with effect from 7th November 2012. In terms of section 260 of the Companies Act, 1956 and Article No. 141 of the Articles of Association of the Company, he holds office till the date of ensuing annual general meeting. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing his candidature as the Director of the Company at the ensuing Annual General Meeting.

Mr. Noriyuki Watanabe is a Joint General Manager of The Mizuho Corporate Bank Limited , Mumbai and has a wide experience in the banking field.

It is considered desirable that the company should have benefit of his experience and advice.

The Board recommends the resolution for acceptance by the members. None of the directors other than Mr. Noriyuki Watanabe may be treated as concerned or interested in the resolution.

ITEM NO. 6& 7:

Sharp Corporation, Japan recalled Mr. Takashi Mikami and hence he resigned as the Managing Director as well as the Director of the Company with effect from 28th November 2012 . In place of Mr. Takashi Mikami ,Sharp Corporation, Japan recommended the appointment of Mr. Tomio Isogai as the Managing Director of the Company with effect from 9th December 2012 for a period of three years.

The Board of Directors in its meeting held on 28th November 2012 appointed Mr. Tomio Isogai as an additional director as well as the

Managing Director of the Company to hold the office for a period of three years effective from 9th December 2012 to 8th December 2015. His appointment has been made under Schedule- XIII of the Companies Act, 1956 and is subject to the approval of the members of the Company. The remuneration committee has also approved the remuneration payable to Mr. Tomio Isogai in its meeting held on 28th November 2012 and the same is placed before the shareholders for their approval. In terms of section 260 of the Companies Act, 1956, and article 141 of the Articles of Association of the Company, he holds office till the date of the ensuing annual general meeting. The Company has also received a notice from a member along with a deposit of Rs. 500/- pursuant to section 257 of the Companies Act, 1956 proposing Mr. Tomio Isogai's candidature as a director.

The information as required to be given under Schedule XIII to the Companies Act, 1956 is as under: -**I. GENERAL INFORMATION:**

- (1) **Nature of Industry** - Manufacturing of Consumer Electronic Products
- (2) **Date or expected date of commencement of commercial operation** : - The Company started its commercial operations from July 1986 onwards.
- (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** :

(Rs. In Lakhs)

Financial Parameters	2011-2012	2012-2013
Turnover (Net)	8,344.17	7758.92
Net Profit/ (Loss) for the year as per		
Profit & Loss Account	(50.47)	(130.44)
EPS	(0.19)	(0.50)

- (5) **Export performance and net foreign exchange collaborations as on 31.03.2013:Exports-** Rs.224.10 Lakhs
- (6) **Foreign investments or collaborators, if any, as on 31.03.2013** - The total Foreign Holdings in the company as on 31.03.2013 is 2,08,88,010 equity shares i.e. 80.51% of the total Paid up Capital. . Out of that Sharp Corporation, Japan who are promoters of the company hold 20,755,200 equity shares i.e. 80 % equity shares in the company. The Company has entered in to a technical collaboration with Sharp Corporation, Japan for the manufacture of LCD type Color TV Receivers on 20th January 2011; and for manufacture of Air conditioners on 20th February 2013.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background Details** : Mr.Tomio Isogai, a Japanese national, graduated in English from Kyoto University of Foreign Studies in the year 1979. He has an experience of about 32 years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He does not hold any shares in the Company. He is also a Deputy Managing Director in Sharp Business Systems (India) Limited.
- (2) **Past remuneration, Recognition & awards, Job profile & his suitability** : Mr. Tomio Isogai was paid Rs. 11,38,054 as the remuneration in the last financial year by Sharp Business

Systems (India) Limited as the Deputy Managing Director. Mr. Tomio Isogai possesses a wide experience in the field of Sales & Marketing and his association with the company will be of great help to the company. Subject to the superintendence, control and direction of the Board of Directors of the Company, Mr. Tomio Isogai has substantially the whole powers of the management of business and affairs of the Company.

- (3) Remuneration proposed - as set out in the resolution for the Item no.7
- (4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) - Taking into consideration the size of the Company, the profile of Mr. Tomio Isogai, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (5) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any - Besides, the remuneration proposed, Mr. Tomio Isogai 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:
Company has accumulated losses of the past years. Intense competition, increase in input cost and reduction in selling prices, wide & adverse fluctuations in the currency exchange rates are affecting profitability of the company. As a part of improvement plan the company introduced new production lines for the manufacture of Air Conditioners. Your company has started manufacture of split Air Conditioners which will make your company more competitive and your company is expecting a good demand for the same in the years to come. Your company is also exploring the possibility of manufacturing of other home appliances. Considering the steps taken, the Company expects to increase productivity & profits in coming years. However it will be difficult to predict the same in measurable terms.

IV: DISCLOSURES :

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

Except Mr. Tomio Isogai none of the directors are interested in the resolutions. It is considered desirable that the company should have benefit of his experience and advice. The Board recommends the resolution for acceptance by the members.

DISCLOSURES AND INFORMATION ABOUT DIRECTORS BEING APPOINTED OR REAPPOINTED AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT:

- ▶ Mr. Sanjay Asher is a Chartered Accountant and Solicitor and partner of M/s. Crawfordbayley & Co., Solicitors, Advocates and Notaries, Mumbai. Mr. Sanjay Asher has been practising for a number of years on various matters including corporate laws. He also serves on the Board of following public limited companies: Ashok Leyland Limited, Bajaj Allianz General Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Balkrishna Industries Limited, Sanghvi Movers Limited, Finolex Cables Limited, Finolex Industries Limited, Kryfs Power Components Limited, Mandhana Industries Limited, Repro India Limited, Shree Renuka Sugars Limited, Sudarshan Chemicals Industries Limited, Tribhovandas Bhimji Zaveri Limited, J.B.Chemicals and Pharmaceuticals Limited, Innoventive Industries Limited. He holds 100 shares of the Company. He is also member of audit committee and remuneration committee and chairman of investor grievance and transfer committee of the company.
- ▶ Mr. Masahiko Nakagawasai is an Executive Director of the Company. Mr. Masahiko Nakagawasai is a Bachelor of Economics from University of Fukushima, Japan. He has a wide experience in the field of Accounts and has held various positions in Sharp Group of Companies before joining Sharp India Limited. He does not hold any shares of the Company. He is a member of investor grievance and transfer committee of the company.
- ▶ Mr. Noriyuki Watanabe is a Joint General Manager of Mizuho Corporate Bank, Limited Mumbai. He has a very wide experience in the banking field. He is a member of the audit committee and chairman of the remuneration committee of the company. He does not hold any shares in the company. He is also a director in Kokuyo Camlin Limited.
- ▶ Mr. Tomio Isogai was appointed as an additional director as well as the Managing Director of the Company for a period of three years effective from 9th December 2012. Mr. Tomio Isogai has graduated in English from Kyoto University of Foreign Studies in the year 1979. He has an experience of about 32 years and has held various positions in Sharp Group of Companies in various fields which include Managing Director of some regional sales subsidiaries before joining Sharp India Limited. He does not hold any shares in the Company. He is also a Deputy Managing Director in Sharp Business Systems (India) Limited. He is also a member of investor grievance and transfer committee of the company.
- ▶ Mr. Sanjay Asher and Mr. Masahiko Nakagawasai, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

By Order of the Board of Directors
For Sharp India Limited

Pune
29th July 2013

Mayuresh Vaze
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Twenty- Eighth Report together with the Audited Statement of Accounts for the year ended on March 31, 2013.

1. FINANCIAL RESULTS :

Rs. In '000'

	Year ended March 31, 2013	Year ended March 31, 2012
INCOME		
Sales and Services (Gross)	919,228	969,107
Less : Excise Duty & Service Tax	<u>(141,452)</u>	<u>(131,506)</u>
Sales and Service income (Net)	777,776	837,601
Other Income	667	3,864
	<u>778,443</u>	<u>841,465</u>
EXPENDITURE		
Manufacturing and other expenses	740,623	815,053
Depreciation	49,181	21,982
Financial expense	1,678	9,470
	<u>791,482</u>	<u>846,505</u>
PROFIT BEFORE TAX	(13,039)	(5,040)
PROVISION FOR TAX		
Wealth tax	0,005	0,007
NET PROFIT / (LOSS) FOR THE YEAR	(13,044)	(5,047)
PROFIT AND LOSS ACCOUNT, beginning of the year	(199,505)	(194,458)
PROFIT AND LOSS ACCOUNT, end of the year,	(212,549)	(199,505)

2. OPERATIONS :

Gross sales income during the year under review was Rs. 919.228 Million.

The net loss of the company for the fiscal 2012- 2013 is Rs.13.044 Million. This was mainly due to additional depreciation on certain machinery, low LCD volume, pressure on prices / margins.

3. DIRECTORS :

Mr. Takashi Mikami resigned as the Managing Director as well as Director of the Company with effect from 28th November 2012. The Board places on record their sincere appreciation for the useful contribution made by Mr. Takashi Mikami as the Managing Director of the Company.

Mr. Tomio Isogai was appointed as an additional director of the company with effect from 9th December 2012. He was also appointed as the Managing Director of the Company with effect from that date for a period of three years. He holds the office till the ensuing Annual General Meeting as he has been appointed as the additional director of the Company. A notice proposing appointment of Mr. Tomio Isogai under section 257 of the Companies Act, 1956 has been received from a member and included in the notice for the ensuing Annual General Meeting. His appointment has been made under Schedule -XIII of the Companies Act, 1956. Members consent is sought for his appointment and remuneration payable to him during his tenure as the Managing Director of the Company.

Mr. Hiroaki Takayama resigned as a Director of the Company with effect from 7th November 2012. The Board places on record their sincere appreciation for the useful contribution made by Mr. Hiroaki Takayama.

Mr. Noriyuki Watanabe was appointed as an additional director of the company with effect from 7th November 2012. He holds office till the ensuing Annual General Meeting as he has been appointed as the additional director of the Company. A notice proposing appointment of Mr. Noriyuki Watanabe under section 257 of the Companies Act, 1956 have been received from the member and included in the Notice for the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company Mr. Sanjay Asher and Mr. Masahiko Nakagawasai retire by rotation and being eligible they have offered themselves for the reappointment.

4. MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE :

The Management Discussion Analysis and the report on Corporate Governance are attached to the Directors' Report and form parts of this Annual Report. A Certificate from a Company Secretary in whole time practice verifying compliance thereof is also incorporated in the Corporate Governance section.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

6. AUDITORS :

M/s S. R. Batliboi & Co, LLP, Statutory Auditors, will retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment. M/s S. R. Batliboi & Co. LLP has furnished the required certificate pursuant to section 224(1B) of the Companies Act, 1956.

7. PARTICULARS OF EMPLOYEES :

None of the employees whether employed through out the year or part of the year was in receipt of remuneration exceeding the limits specified in section 217 (2A) of the Companies Act, 1956 and the Rules made there under.

8. CERTIFICATES AND MARKS :

Your Company continues to be an ISO 14001 and ISO 9001 certified Company.

9. INDUSTRIAL RELATIONS :

Industrial Relations have been and continue to be harmonious and cordial.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company is conscious about its responsibility to conserve energy, power and other energy sources and has taken necessary steps to conserve the same. It lays great emphasis towards a safe and clean environment and continues to adhere to all regulatory requirements and guidelines.

Your company implements the 3E Policy i.e. -

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

Even though the nature of company's operations is not energy-intensive your company make 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.

The in-house development of new models of TVs is supported by strong overseas technical knowledge from Sharp Corporation, Japan. The technology provided by Sharp Corporation, Japan has been fully absorbed and the company continues to utilize the same.

Benefits derived from R&D :

The efforts made by the company have helped in introducing derivative LCD TV & LED TV models with unique features & superior technology at competitive costs. These models are designed keeping in view customer requirements.

<u>Expenditure on R & D :</u>	<u>Amount Rs.000</u>
Capital	-
Recurring	6,533
Total	6,533
Total R&D Expenditure as a percentage of total sales turnover	0.71%

<u>Foreign Exchange Earnings and Out go :</u>	<u>Amount Rs.000</u>
Foreign Exchange outgo	631,466
Foreign Exchange earning	22,410

11. Cost Audit :

Cost Audit has become applicable to your company from the financial year 2012- 2013 vide the notification dated 24th January 2012 issued by the Cost Audit Branch of the Ministry of Corporate Affairs. Mr. Chandrashekhar S. Adawadkar , Practicing Cost Accountant, Pune has been appointed as the 'Cost Auditor' of your company for the financial year 2012-2013. The due date of filing cost audit report for the financial year ended on 31st March 2013 is 27th September 2013.

12. 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

Pune,
29th July 2013

Tomio Isogai **Masahiko Nakagawasai**
Managing Director **Executive Director**

MANAGEMENT DISCUSSION & ANALYSIS

The Indian economy witnessed a slow down in the fiscal 2012- 2013 and the same was due to both domestic and external factors. As per the latest estimates the growth rate of the Gross Domestic Product (GDP) during the fiscal 2012 -2013 was around 5% as compared to 6.2. % in 2011-2012. It was a major fall in the GDP growth in the last 10 years. India's slow down was mainly due to weakening of all the important sectors like agriculture, industry and the services sector. The main factors responsible for the slowdown are high interest rates to curb inflation, investment bottlenecks and slowdown of the global economy particularly in Europe and United States.

India's GDP growth in the year 2013-14 is expected to be around 6.1%. - 6.7 %.

INDUSTRY STRUCTURE & DEVELOPMENT:

Your Company is principally engaged in the manufacture and sale of Colour televisions (CRT TVs) and liquid crystal display televisions (LCD TVs) & LED TVs.

Television became very much popular in India during the last 20 to 25 years despite a strong competition from other forms of entertainment available in India with 167 million TV households the prospects for growth are enormous. During the last twenty years India's television distribution capacity and production content has grown which has lead to rise in the total television viewing time. In 2012 there were around 800 TV channels broadcasting in numerous languages in India. Digitalization of Cable TV has added to the quest for a better picture quality and a great viewing experience.

Technologically the Indian television industry has undergone significant changes in recent times. Sale of flat panel TVs are expected to increase till 2015, which are driven by reduction in prices & new low cost designs triggered by intense competition in the market. The small size CRT TVs are being replaced by large size LCD & LED TVs, There is a potential for renewed growth as the prices for new LCD TVs are becoming more affordable & the industry is coming out with new value added features for LCD as well as LED TVs.

OPPORTUNITIES AND THREATS :

Opportunity:

Consumer Durable Industry has good opportunity to grow due to following reasons:

(1) Growth in income levels which is resulting in more disposable income in the hands of consumer. (2) Increase in the number of households (3) Continuous decline in the prices due to advancement of technology. (4) Growth of entertainment industry & TV Channels (5) Availability of Credit schemes for purchase of the products.

Threats:

(1) Since most of the components are imported, the exchange rate volatility is increasing the import cost. (2) Lack of proper roads & sales infrastructure results in distribution challenges in rural areas & tier II & tier III cities which represent a significantly untapped market opportunity. (3) Stiff competition among the market players is also putting pressure on margins as prices have to be revised to keep them competitive .(4) High promotional cost (5) Constant Changes in technologies is making product life cycle short.

Outlook:

In the years to come introduction of new unique features, optimum

product mix, well established brand image, better distribution network, after sales service and technological superiority will be the factors which will decide the competitive advantage of the industry players. Increase in the TV Channels, digitalization, increase in disposable income & change in consumer preferences and lifestyles, penetration of the TV market in the rural areas is expected to have a good growth in the future too for LCD TVs. and LED TVs. Your Company will focus on the manufacture of various models of LCD TVs and LED TVs. Your company has started manufacture of split Air Conditioners which will make your company more competitive. Your company is also exploring the possibility of manufacturing of other home appliances. All these will definitely help us to put our best foot forward with respect to competition.

Risks & Concerns:

The risk associated with the consumer electronics are:-

(a) The Consumer Electronics and Home Appliances business is highly competitive and volatile and thereby making it difficult for companies to increase the bottom line. (b) Since most of the raw material & components are imported, there is exchange fluctuation risk in case of abnormal exchange rate fluctuation (c) There is a risk of obsolescence of technology due to changes in the technology in a short time span. (d) Striking a balance between increasing input cost & pressure on prices. (e) 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. (f) Air Conditioners have seasonal demand.

The management is aware of these risks and has been taking steps to minimize the same.

FINANCIAL AND OPERATIONAL PERFORMANCE:

The financial highlights for the fiscal 2012-2013 are dealt with in the Directors' Report. During the current year under review, your company has made a loss of Rupees 13.044 Million. Increase in input cost, low volumes, exchange rate fluctuations, immense competition, & pressure on selling prices, are the factors which have an effect on the financial results of your company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company strongly believes that Internal Control Systems are necessary for good Corporate Governance .The Company has in place an effective system of internal controls to ensure that all assets are properly safeguarded and protected and used optimally and financial transactions are reported accurately. As a part of the internal control system, the Company has engaged services of the professional firm to carry out independent internal audit and to monitor the entire operations and functions on a regular basis. The top management and the Audit Committee of the Board periodically review the findings and recommendations of the internal audit and ensure that the recommendations of the internal audit are implemented effectively.

HUMAN RESOURCES:

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

Your company considers the quality of its human resources to be the most important asset and places emphasis on training and development of employees at all levels. Company ensures equal opportunities to the employees to excel in their work and advance themselves in their carrier depending on their abilities. 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.

Industrial relations were cordial during the year under review. The total number of employees as on March 31, 2013 is 144.

CAUTIONERY STATEMENT :

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates

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

CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders. The necessary information as stipulated by clause 49 of the Listing Agreement 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 2012 -2013.

- COMPOSITION OF THE BOARD :

The Board of Directors of the Company represents an optimum

combination of Executive Directors, Non - Executive directors and Independent Directors as required under clause 49 of the listing agreement. The total strength of the directors is Six. There are three Executive Directors comprising of Chairman who is an Executive Director, Managing Director and one more Executive Director. The remaining three directors are Non Executive Independent Directors. The details of number of meetings held and attended by directors and other related information is given in Table 1.

The Board Meetings are generally held in Pune. During the financial year, 5 (Five) Board Meetings were held on 28/05/2012 , 07/08/2012, 07/11/2012 , 28/11/2012 & 04/02/2013. respectively and the time gap between two consecutive meetings did not exceed four months. 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.

Table 1: Details about Board of Directors during the year 2012- 2013 :

Name of Director	Category	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM	No. of directorships of other public limited companies	Number of Committees in which Chairman / Member (Other than Sharp India Limited)	
						Chairman	Member
a) # Mr. S.K.Sinha.	Executive	5	1	Yes	1	1	1
b)^ Mr.T. Isogai	Executive	5	2	No	1	0	1
c) @ Mr. M.Nakagawasai	Executive	5	4	Yes	0	0	0
d) ** Mr.N.Watanabe	Non Executive Independent	5	1	No	1	1	1
e) Mr. Sanjay Vaidya	Non Executive Independent	5	4	Yes	10	4	8
f) Mr. Sanjay Asher	Non Executive Independent	5	4	No	14	3	8
g) ++Mr. T.Mikami	Executive	5	3	Yes	1	0	0
h) \$ Mr.T. Sakamoto	Executive	5	0	No	1	0	1
i) *** Mr. H.Takayama	Non Executive Independent	5	1	No	1	1	1

Notes :

- a) # - Mr. S.K.Sinha was appointed as an additional director as well as Chairman & Executive Director of the company w.e.f . 28th May 2012.
b) ^- Mr. T. Isogai resigned as a Director w.e.f 28th May 2012 and was appointed as an additional director as well as Managing Director of the Company w.e.f 9th December 2012. .
c) @- Mr. M.Nakagawasai was appointed as an additional director as well as Executive Director of the Company w.e.f 28th May 2012.
d) ** - Mr. N.Watanabe was appointed as an additional director of the company w.e.f 7th November 2012.
e) ++- Mr.T.Mikami resigned as the Managing Director as well as the Director of the Company w.e.f 28th November 2012.
f) \$ - Mr. T.Sakamoto resigned as the Executive Director as well as the Director of the Company w.e.f. 25th May 2012 .
g) *** - Mr. H.Takayama resigned as the Director of the company w.e.f. 7th November 2012. .
h) None of the directors is a Member of more than 10 Board level committees of the public Companies in which they are directors or is a Chairman of more than 5 such committees as included for the purposes of Corporate Governance laid down by Listing agreement. *For this purpose Audit Committee & Investor Grievance Committee only have been considered as stipulated in clause 49 of the listing agreement.

DIRECTORS' ATTENDANCE RECORD FOR AUDIT AND REMUNERATION COMMITTEE MEETINGS :

Name of Director	Audit Committee Meetings			Remuneration Committee Meetings		
	Number of Meetings Held	Number of Meetings Attended	Position Held	Number of Meetings Held	Number of Meetings Attended	Position Held
a) Mr. S. S. Vaidya	4	4	Chairman	2	1	Member
b) Mr. Sanjay Asher	4	3	Member	2	1	Member
c) Mr. H. Takayama	4	1	Member	2	1	Chairman
d) Mr. N. Watanabe	4	0	Member	2	1	Chairman

- INFORMATION SUPPLIED TO THE BOARD :

Information supplied to the Board includes -

- Quarterly and annual results of the Company
- Annual operating plans and budgets, capital budgets, updates
- Minutes of board meetings and committees thereof

- Compliance of statutory and regulatory nature, listing requirements and investor grievances, if any and shareholder-services
- Disclosures pertaining clause 49 of the Listing Agreement.
- Important show cause notices and demand notices.

• **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 year 2012 -2013.No payment other than the sitting fees was made to any of the Non- Executive Independent Directors. Mr. Sanjay Asher holds 100 equity shares of the Company, no other director holds shares in the company.

• **REMUNERATION TO DIRECTORS :**

The details of the remuneration package for the financial year 2012- 2013 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.S.K.Sinha	None	Nil	Nil	Nil
Mr. T.Isogai	None	Nil	7,41,396	7,41,396
Mr. M. Nakagawasai	None	Nil	16,81,588	16,81,588
Mr. N.Watanabe	None	Nil	Nil	Nil
Mr. Sanjay Vaidya	None	3,42,500	Nil	3,42,500
Mr.Sanjay Asher	None	2,72,500	Nil	2,72,500
Mr. T.Mikami	None	Nil	15,00,906	15,00,906
Mr. T.Sakamoto	None	Nil	3,01,139	3,01,139
Mr. H.Takayama	None	Nil	Nil	Nil

The payments made to the Executive Directors & Managing Directors are in the nature of salary and perquisites as approved by the Remuneration Committee ,the shareholders and if required by the Central Government as required by the Companies Act, 1956 and other applicable regulations. No other benefits/ stock options/ bonuses, pensions are given to any of the Directors. There is no fixed component and performance linked incentive. The company has entered into the service agreement with the managing director and executive director and the notice period for termination of agreement is three months or as decided mutually. There are no severance fees payable to the Executive Directors and Managing Director. The Company has not issued any stock options or any other convertible instruments to any of its Directors. The Company does not pay any remuneration to the non executive independent directors except sitting fees. Rs. 20,000/- are paid as sitting fees for attending every board meeting & audit committee meeting, Rs. 10,000/- are paid for attending every remuneration committee meeting and Rs. 7,500/- are paid for attending every investor grievance and transfer committee meeting.

• **REMUNERATION COMMITTEE :**

The terms of references of the Remuneration Committee pertain to determining the Company's policy on and approving remuneration packages for Managing Director / Executive Director. The Committee consists of three Non-Executive Independent Directors. The Remuneration Committee consisted of Mr. Hiroaki Takayama (Chairman), Mr. Sanjay Vaidya, and Mr. Sanjay Asher as the members at the beginning of the financial year 2012-2013. It was reconstituted on 7th November 2012 as Mr. H.Takayama resigned as the director and hence ceased to be the committee member also from that day. Mr. N.Watanabe was appointed as an additional director of the company and also 'Chairman' of the committee w.e.f 7th November 2012 and from that day the committee consists of Mr. N.Watanabe (Chairman) , and Mr. Sanjay Vaidya & Mr. Sanjay Asher as the Members of the Committee. The attendance of the committee members is given in the separate table attached

• **AUDIT COMMITTEE :**

The Audit Committee consists of three non executive independent directors of the Company. It consisted of Mr. Sanjay Vaidya (Chairman), Mr. Sanjay Asher , and Mr. H.Takayama as the members at the beginning of the financial year 2012-2013. It was

reconstituted on 7th November 2012 as Mr. H.Takayama resigned as the director and hence ceased to be the committee member also from that day. Mr. N.Watanabe was appointed as an additional director of the company and also member of the committee w.e.f 7th November 2012 and from that day the committee consists of Mr. Sanjay Vaidya (Chairman), and Mr. Sanjay Asher & Mr. N.Watanabe as the Members of the Committee.

The Audit Committee met 4 (four) times in the year on May 28, 2012, August 7, 2012, November 7, 2012 and February 4, 2013. The attendance of the committee members is given in the separate table attached .The Audit Committee 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. The scope of the Committee includes-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the board, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries based on exercise of judgement by management.
 - d) Significant adjustments arising out of audit findings
 - e) Compliance with stock exchange and legal requirements concerning financial statements.
 - f) Disclosure of any related party transactions
 - g) Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, and reports submitted by the internal auditors
8. 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.
9. Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. 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.

• **SHAREHOLDERS'/ INVESTORS' GRIEVANCE AND TRANSFER COMMITTEE :**

The Committee handles redressal of shareholders' and investors' complaints and oversees transfer of shares as well. The Committee consisted of Mr. Sanjay Asher (Chairman), Mr.Sanjay Vaidya , Mr..T.Mikami and Mr. T.Sakamoto as the Members at the beginning

of the financial year 2012- 2013. Due to resignation of Mr. T.Sakamoto as an Executive Director as well as a Director of the company w.e.f 25th May 2012 he also ceased to be the member of the committee w.e.f 25th May 2012. Mr. M.Nakagawasai was appointed as an additional director as well as the Executive Director of the Company w.e.f 28th May 2012. The committee was reconstituted on 28th May 2012 and from that day, the committee consisted of Mr. Sanjay Asher (Chairman) & Mr. Sanjay Vaidya, Mr. T.Mikami and Mr. M.Nakagawasai as the Members. Due to resignation of Mr. T.Mikami as the Managing Director as well as a Director of the Company w.e.f 28th November 2012 he also ceased to be the member of the committee from that day. Mr. T.Isogai was appointed as an additional director as well as the Managing Director of the Company w.e.f 9th December 2012. The committee was reconstituted with effect from 9th December 2012 and from that day, the committee consists of Mr. Sanjay Asher (Chairman), and Mr. Sanjay Vaidya, Mr. T.Isogai and Mr. Masahiko Nakagawasai as the Members. The status of complaints is reported to the Committee as well as the Board of Directors. The Committee met 24 times during the year 2012 - 2013. 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.

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

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

• MANAGEMENT DISCUSSION AND ANALYSIS :

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

• DISCLOSURES :

There has been no instances of non-compliance by the Company. There are no penalties, strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital market, during the last year.

None of the Senior Management Personnel has material, financial and commercial interest in the transactions that may have a potential conflict with that of the Company. As required by clause 49(IV)(F)(ii) of the Listing Agreement the Senior Management Personnel have given declarations to that effect.

There are no significant related party transactions 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. Some of the employees nominated by Sharp Corporation, Japan holding positions in the Senior Management may be deemed to be interested as employees of Sharp Corporation, Japan.

The Company has complied with all mandatory requirements of the clause 49 of the listing agreement and it is having 'remuneration committee' which is a non mandatory requirement adopted by the Company.

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.

Sd/
Managing Director

The Code of Conduct has been posted on the company's website: www.sharpindialimited.com.

• COMMUNICATION TO SHAREHOLDERS :

The Company has 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 are uploaded on the company's website. 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 - mayuresh.vaze@sil.sharp-world.com

• DETAILS OF GENERAL BODY MEETINGS FOR LAST THREE YEARS:

Financial Year	Date	Time	Venue
March 31, 2010	Sept. 20, 2010	11:00 a.m	Registered Office
March 31, 2011	Sept. 20, 2011	11:00 a.m.	Registered Office
March 31, 2012	Sept. 25, 2012	11:00 a.m.	Registered Office

Special Resolutions during last three years:

(1) A special resolution was passed in the 27th annual general meeting held on 25th September 2012 for the appointment of Mr. M.Nakagawasai as the Executive Director of the company (2) A special resolution was passed in the 26th annual general meeting held on 20th September 2011 for the appointment of Mr. Takashi Mikami as the Managing Director of the company. (3) A Postal ballot was conducted in the year 2010 -2011 for passing the "Special Resolution" for 'Redefining the Role of Sharp India Limited - Focus of Manufacturing' and the same was passed by the shareholders with requisite majority.

ADDITIONAL INFORMATION TO SHAREHOLDERS

1. ANNUAL GENERAL MEETING :

Day & Date : Monday, 16th September 2013
Time : 11:00 a.m.
Venue : Registered Office of the Company at Gat No.686/4, Koregaon Bhima, Tal. Shirur, Dist. Pune 412 216

2. FINANCIAL YEAR :

April 1 to March 31

3. BOOK CLOSURE :

The Books will be closed from Saturday, 7th September 2013 to Monday, 16th September 2013 (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, 2013 -Last week of July 2013
: Results for quarter and half-year ending September 30, 2013 - Last week of October 2013
: Results for quarter and nine months ending December 2013 - Last week of January 2014
: Results for the year ending March 31, 2014 _ Last Week of May 2014.

5. LISTING ON STOCK EXCHANGES :

The shares of the Company are listed on Bombay Stock Exchange Limited (BSE). The Company has paid the Listing fees for the year 2013-2014 to BSE in the prescribed time .

6. STOCK CODE AND ISIN

Stock codes : Bombay Stock Exchange Limited : 523449
ISIN : INE207B01011 with NSDL and CDSL

7. MARKET PRICE DATA :

The monthly High and Low prices of the Equity Shares of the Company quoted on the Bombay Stock Exchange Limited along with the monthly Sensex for the year 2012 - 2013 is given below.

Table 3

MONTH	HIGH (Rs.)	LOW (Rs.)	BSE Sensex	
			High	Low
April 2012	48.95	30.80	17664.10	17010.16
May 2012	39.35	31.75	17432.33	15809.71
June 2012	36.35	31.25	17448.48	15748.98
July 2012	37.95	31.20	17631.19	16598.48
August 2012	36.95	30.55	17972.54	17026.97
September 2012	32.75	28.10	18869.94	17250.80
October 2012	36.75	30.00	19137.29	18393.42
November 2012	35.00	29.10	19372.70	18255.69
December 2012	34.80	29.20	19612.18	19149.03
January 2013	35.00	28.75	20203.66	19508.93
February 2013	30.50	19.15	19966.69	18793.97
March 2013	22.35	15.70	19754.66	18568.43

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, 2013) :

Category	No of Shares Held	Percentage to Total (%)
Promoters	20755200	80.0000
Mutual Funds	1700	00.0066
Foreign Institutional Investors	1200	00.0046
Bodies Corporate	608974	02.3473
Individuals upto 1 Lakhs	3386509	13.0531
Individuals above 1 Lakhs	1026854	03.9580
Clearing Members	30953	00.1193
Non - Resident Indian (Repat)	79581	00.3067
Non Resident Indians (Non-Repat)	52029	00.2005
Hindu Undivided Family	1000	00.0039
TOTAL	25944000	100.0000

10. Distribution of Shareholding as on March 31, 2013

Shareholding of Nominal Value of		Share		Share Amount	
Rs.	Rs.	Number of Shareholders	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto 5,000		12122	91.77	16480200	06.35
5,001 - 10,000		526	03.98	4497860	01.73
10,001 - 20,000		248	01.87	3930450	01.51
20,001 - 30,000		90	00.68	2407190	00.92
30,001 - 40,000		43	00.32	1544690	00.59
40,001 - 50,000		47	00.35	2241480	00.86
50,001 - 100,000		75	00.56	5590310	02.15
100,001 and above		57	00.43	222747820	85.85
TOTAL		13208	100.00	259440000	100.00

11. Dematerialisation :

The Company's Equity Shares are under compulsory dematerialized (demat) mode of trading. As on March 31, 2013, shares in dematerialized form accounted for 95.99% of total equity shares.

12. Details of Public funding obtained in the last three years :

No capital has been raised from Public during the last three years.

13. Outstanding GDRs / ADRs / Warrants and their likely impact on Equity :

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

14. 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 : mayuresh.vaze@sil.sharp-world.com
- 2) Link Intime India Private Limited
202, 2nd Floor Akshay Complex,
Off. Dhole Patil Road, Near Ganesh Mandir,
Pune- 411 001
Tel: (020) 26161629
Fax: No.(020)- 2616 3503
Email: 'pune@linkintime.co.in'

CERTIFICATE ON CORPORATE GOVERNANCE - MARCH 31, 2013

To,

The Members of Sharp India Limited

I have examined the compliance of conditions of Corporate Governance by Sharp India Limited ("the Company") for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for a period exceeding one-month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sridhar G. Mudaliar

Company Secretary

Date : 29th July, 2013

Membership No.: FCS-6156

Place : Pune

C P No : 2664

INDEPENDENT AUDITORS' REPORT

To

The Members of Sharp India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sharp India Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Sharp India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. BATLIBOI & Co.LLP
Firms' Registration No. 301003E
Chartered Accountants
 per Arvind Sethi

Place of signature : Pune

Partner

Date : May 30, 2013

Membership No.: 89802

- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations

given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Accordingly the provisions of clause 4 (vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of 'Electronic Products-Television', 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 same.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Including interest & penalty) (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	MODVAT on WIP destroyed in fire	3,504,746	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act 1944	Remission of Excise Duty on Finished Goods destroyed in fire	7,778,232	1999-2000	Customs/Central Excise and Service Tax Appellate Tribunal
Service Tax (Finance Act 1994)	Service Tax on Royalty paid to Sharp Corporation Japan	478,629	August 2002 to March 2004	Customs/Central Excise and Service Tax Appellate Tribunal
Service Tax (Finance Act 1994)	Service Tax credit availed on Repairs and Maintenance services provided by companies.	8,296,609	August 2003 to September 2011	Customs/Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Demand notice for import of refrigerators	3,625,949 (This amount has been deposited with the tax authorities)	April 2008 to September 2008	Customs/Central Excise and Service Tax Appellate Tribunal

Customs Act, 1962	Provisional assessment for import of refrigerators	1,778,289 (This amount has been deposited with the tax authorities.)	October 2008 to December 2008	Customs/Central Excise and Service Tax Appellate Tribunal
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- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks during the year. The Company has no outstanding dues in respect of a financial institution or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company and hence not commented upon.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company and hence not commented upon.
- (xix) The Company did not have any debentures outstanding during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company and hence not commented upon.
- (xx) The Company has not raised any money through public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company and hence not commented upon.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & Co. LLP
Firms' Registration No. 301003E
Chartered Accountants

per Arvind Sethi

Partner

Place of Signature : Pune

Date : May 30, 2013

Membership No.: 89802

BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in thousands of Rupees, unless otherwise stated)

Particulars	Note No	As at March 31, 2013	As at March 31, 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share capital	3	259,440	259,440
Reserves and surplus	4	(31,949)	(18,905)
		<u>227,491</u>	<u>240,535</u>
Non-Current Liabilities			
Long Term Borrowings	5	90,000	-
Long term provisions	6	3,872	13,727
		<u>93,872</u>	<u>13,727</u>
Current Liabilities			
Short term borrowings	7	-	72,297
Trade payables	8	286,705	154,043
Other current liabilities	8	22,902	7,152
Short term provisions	6	6,540	7,485
		<u>316,147</u>	<u>240,977</u>
Total		<u><u>637,510</u></u>	<u><u>495,239</u></u>
<u>ASSETS</u>			
Non Current Assets			
Fixed assets			
Tangible assets	9	120,892	156,816
Intangible assets	9	866	14,603
Capital work in progress	9	47,865	-
Long term loans and advances	10	45,310	638
Trade receivables	11	-	-
		<u>214,933</u>	<u>172,057</u>
Current Assets			
Short term loans and advances	10	31,485	72,054
Trade receivables	11	242,580	75,668
Other current assets	12	-	474
Inventories	13	73,583	172,922
Cash and bank balances	14	74,929	2,064
		<u>422,577</u>	<u>323,182</u>
Total		<u><u>637,510</u></u>	<u><u>495,239</u></u>
Summary of significant accounting policies	2.1		

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

As per our report of even date

S. R. BATLIBOI & CO.LLP
Firm Registration No. 301003E

Chartered Accountants
per Arvind Sethi

Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013

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

T. Isogai
Managing Director

M. Nakagawasai
Executive Director

M. Vaze
Company Secretary

Place : Pune
Date : May 30, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Rupees, unless otherwise stated)

Particulars	Note No	For the year ended March 31, 2013	For the year ended March 31, 2012
Income			
Revenue from operations (gross)	15	919,228	969,107
Less: excise duty		(141,452)	(131,506)
Revenue from operations (net)		777,776	837,601
Other income	16	667	3,864
Total revenue		778,443	841,465
Expenses			
Cost of raw material and components consumed	17	567,269	552,839
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	18	16,320	85,286
Employee benefits expense	19	66,277	62,457
Other expenses	20	90,757	114,471
		740,623	815,053
Earnings before finance cost, tax, depreciation and amortisation expense		37,820	26,412
Depreciation and amortisation expenses	21	49,181	21,982
Finance costs	22	1,678	9,470
Loss before tax		(13,039)	(5,040)
Tax expenses			
Wealth tax		5	7
Current tax		-	-
Deferred tax		-	-
		-	-
Loss for the year		(13,044)	(5,047)

**Earnings per equity share [nominal value of share Rs.10
(31 March, 2012: Rs. 10)]**

Basic and diluted (in rupees)	23	(0.50)	(0.19)
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Summary of significant accounting policies

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

As per our report of even date

S. R. BATLIBOI & CO.LLP
Firm Registration No. 301003E

Chartered Accountants
per Arvind Sethi

Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013

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

T. Isogai
Managing Director

M. Nakagawasai
Executive Director

M. Vaze
Company Secretary

Place : Pune
Date : May 30, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Rupees, unless otherwise stated)

Particulars	31 March 2013	31 March 2012
Profit before tax	(13,039)	(5,040)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	54,702	37,715
Provision for doubtful debts	(1,982)	6,300
Sundry credit balances written back (net)	-	(1,891)
Provision no longer required written back	(7)	(6,102)
Profit on sale of fixed assets	(406)	(1,973)
Provision for product warranty	-	-
Finance costs	1,678	9,470
Unrealised exchange differences	-	(873)
	53,985	42,646
Operating profit before working capital changes	40,946	37,606
Movements in working capital :		
Increase/ (decrease) in trade payables	132,663	(65,692)
Increase / (decrease) in long term provisions	(9,855)	379
Increase / (decrease) in short term provisions	(945)	(7,031)
Increase / (decrease) in other current liabilities	15,750	(9,669)
Decrease / (increase) in trade receivables	(164,930)	47,106
Decrease / (increase) in inventories	99,339	56,332
Decrease / (increase) in long-term loans and advances	(44,672)	-
Decrease / (increase) in short-term loans and advances	40,569	(18,841)
Decrease / (increase) in other current assets	474	(230)
Change in working capital	68,393	2,354
Cash generated from operations	109,339	39,960
Direct taxes paid (Net of refunds)	-	(13)
Net cash flow from operating activities	109,339	39,947
B. Cash flow from investing activities		
Purchase of fixed assets, including intangible assets & Capital work in progress	(53,228)	(66,972)
Proceeds from sale of fixed assets	729	2,144
Net cash flow used in investing activities	(52,499)	(64,828)
C. Cash flow from financing activities		
Proceeds of short term borrowings	90,000	32,261
Repayment of short term borrowings	(72,297)	(50,000)
Interest paid	(1,678)	(9,492)
Net cash flow from/ (used in) financing activities	16,025	(27,231)
Net increase in cash and cash equivalents	72,865	(52,112)
Cash and cash equivalents as at beginning of year	2,064	54,176
Cash and cash equivalents as at year end	74,929	2,064
	31 March 2013	31 March 2012
Components of cash and cash equivalents:		
Balances with banks:		
On current accounts	183	531
On cash credit account	74,624	1,453
Cheques-in-hand and in transit	-	-
Cash in hand	122	80
Total cash and cash equivalents	74,929	2,064

As per our report of even date

For and on behalf of the Board of Directors
of Sharp India Limited**S. R. BATLIBOI & CO. LLP**
Firm Registration No. 301003E

Chartered Accountants

per Arvind Sethi

Partner

Membership No. : 89802

T. Isogai
Managing Director**M. Nakagawasai**

Executive Director

M. Vaze

Company Secretary

Place : Pune

Date : May 30, 2013

Place : Pune

Date : May 30, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Rupees, unless otherwise stated)

Note - 1 : BACKGROUND

Sharp India Limited ('the company') was incorporated on July 5, 1985. The company is principally engaged in the manufacture and sale of colour televisions ('CTVs') and liquid crystal display televisions ('LCD TVs'). Further, the company was also engaged in trading microwave ovens, refrigerators, colour televisions, LCD TVs, air conditioners and audio systems.

Sharp Corporation ('Sharp'), a company incorporated in Japan, holds 80 per cent of the issued share capital of the company. The company has a technical collaboration with Sharp for the manufacture of colour televisions ('CTVs') and ('LCD/ LED TVs').

The Company has commenced the production of Air conditioners from May 2013.

Note - 2 :BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies (Accounting Standards) Rules 2006 (as amended)('the rules') and the relevant provisions of the Companies Act ,1956. The financial statements have been prepared under the historical cost convention on an accrual basis except for derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Note- 2.1: Statement of significant accounting policies**(a) Use of estimates**

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates.

(b) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de- recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(c) Borrowing Cost:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(d) Depreciation on tangible fixed assets

Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets:

	Rates applied by the company	Rates as per Schedule XIV
Buildings		
- Factory	3.34%	3.34%
- Others	1.63%	1.63%
Plant and machinery	5.38*%	5.38%
Moulds, jigs and fixtures	16.21*%	16.21%
Furniture, fittings and equipment	4.75 - 6.33%	4.75%-6.33%
Computers	16.21 - 25.00%	16.21%
Vehicles	20%	9.5%

* Plant and machinery, moulds, jigs and fixtures identified and evaluated technically as obsolete by management are stated at lower of their net book value and estimated net realisable values. Any loss is recognised immediately in the statement of profit and loss.

Depreciation on fixed assets added during the year is provided on pro rata basis with reference to date of addition except in case of assets individually costing below Rs 5,000 which are fully depreciated in the year of purchase.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets are not recorded, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets amortised on straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. The amortisation period of the intangible assets are given below:

SAP software - 6 years
 Technical know-how - 10 years
 Model fees - 4 years

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Leases

Operating lease-Where company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Inventories

Inventories are valued as follows:

Raw materials, components, Stores, Packing Material and Spares : Lower of cost and net realisable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and Finished Goods : Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, on the basis of actual despatch and are recorded net of trade discounts and sales taxes, but including excise duty. The company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenue from service contracts are recognised pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore it is not an economic benefit flowing to the company. Hence it is excluded from the revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

(j) Foreign currency translation*Foreign currency transactions***Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denomination in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items of the company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses, in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(k) Retirement benefits

Retirement benefits to employees comprise of contributions to gratuity, superannuation, pension fund, provident fund and employee deposit linked insurance as per the approved scheme of the company.

Retirement benefit in the form of provident fund, pension fund and employee deposit linked insurance is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund, pension fund and employee deposit linked insurance. The company recognizes contribution payable to the provident fund, pension fund and employee deposit linked insurance as expenditure, when an employee renders the related service. If the contribution payable to provident fund, pension fund and employee deposit linked insurance for services received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contributions already paid. If the contributions already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Contributions to superannuation fund with LIC through its employees' trust are charged to the statement of profit and loss on an accrual basis. There are no other obligations other than the contribution made each year.

Gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The actuarial valuation is done as per projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(l) Income tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes virtually certain, that sufficient future taxable income will be available.

(m) Earnings per share

Basic earnings/loss per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purposes of cash flow statement comprises of cash at bank and cash in hand.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(q) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(r) Measurement of EBFTDA

As permitted by the guidance note on the Revised Schedule VI to the Companies Act 1956, the company has elected to present earnings before finance cost, tax, depreciation and amortisation (EBFTDA) as a separate line item on the face of the statement of profit and loss. The company measures EBFTDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expenses, interest income, finance cost and tax expense.

Note - 3 : SHARE CAPITAL

Particulars	March 31, 2013	March 31, 2012
	(Rs.'000)	(Rs.'000)
AUTHORISED CAPITAL		
40,000,000 (31 March, 2012: 40,000,000) equity shares of Rs.10/- each	<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid up	259,440	259,440
25,944,000 (31 March, 2012: 25,944,000) equity shares of Rs.10/- each fully paid up	<u>259,440</u>	<u>259,440</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	March 31, 2013		March 31, 2012	
	(Nos. '000)	(Rs. '000)	(Nos. '000)	(Rs. '000)
At the beginning of the year	<u>25,944</u>	<u>259,440</u>	25,944	259,440
Outstanding at the end of the year	<u>25,944</u>	<u>259,440</u>	<u>25,944</u>	<u>259,440</u>

b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

c) Shares held by holding /ultimate holding company and/or their subsidiaries / associates

	March 31, 2013		March 31, 2012	
	(Nos. '000)	(Rs. '000)	(Nos. '000)	(Rs. '000)
Sharp Corporation Japan, the holding company	20,755	207,552	20,755	207,552

d) Details of shareholding more than 5% shares in the company

	March 31, 2013		March 31, 2012	
	(Nos. '000)	% holding in the class	(Nos. '000)	% holding in the class
Sharp Corporation Japan, the holding company	20,755	80%	20,755	80%

Note - 4 : RESERVES AND SURPLUS

Particulars	March 31, 2013	March 31, 2012
Capital reserve	2,000	2,000
- Special capital incentive received from the Government of Maharashtra		
Securities premium account	178,600	178,600
Deficit in the statement of profit and loss		
Balance as per last financial statements	(199,505)	(194,458)
Loss for the year	(13,044)	(5,047)
Net deficit in the statement of profit and loss	(212,549)	(199,505)
Total reserves and surplus	(31,949)	(18,905)

Note- 5: Long Term Borrowing

Particulars	Long-term	
	March 31, 2013	March 31, 2012
Term Loan (Unsecured)		
Loan from Sharp Software Development India Private Limited	30,000	-
External commercial borrowing from Sharp Corporation Japan	60,000	-
Total Long Term Borrowings	90,000	-

- Loan taken from Sharp Software Development India Private Limited is repayable anytime after 3 years but before expiry of Loan term of 5 year. The loan carries an interest of 10% per annum.
- External commercial borrowing taken from Sharp Corporation Japan is repayable after 4 years from the date of withdrawal. The loan carries a fixed interest of 6.90% per annum.

Note - 6 : PROVISIONS

Particulars	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits				
Provision for gratuity (Refer Note 24)	1,792	9,329	-	-
Provision for leave encashment	-	-	5,512	5,174
Provision for bonus	-	-	1,023	1,176
Other provisions				
Provisions for dues under dispute (Refer Note 38)	2,080	4,398	-	-
Provision for wealth tax	-	-	5	7
Provision for product warranties (Refer Note 37)	-	-	-	1,128
Total Provisions	3,872	13,727	6,540	7,485

Note - 7 : SHORT TERM BORROWINGS

Particulars	March 31, 2013	March 31, 2012
Cash credit from banks (secured)	-	72,297
	<u>-</u>	<u>72,297</u>
	<u>-</u>	<u>72,297</u>

(Cash credit from banks is secured by first hypothecation charge on the company's entire stock of raw materials, finished goods, work in progress, spares and packing material, book debts and movable plant and machinery.)

The cash credit is repayable on demand and carries interest @ 12-14 %

Note - 8 : OTHER CURRENT LIABILITIES

Particulars	March 31, 2013	March 31, 2012
Trade payables	286,705	154,043
(For dues to micro, small and medium enterprises, Refer Note 31)		
Other liabilities		
Creditors for fixed assets	17,315	-
TDS payable	2,237	2,151
Sales tax payable	2,660	3,243
Service tax payable	245	720
Payables to employees	228	187
Advances from customers	217	349
Interest accrued but not due	-	28
Unamortised premium liability	-	474
	<u>22,902</u>	<u>7,152</u>
	<u>309,607</u>	<u>161,195</u>

Note- 9: FIXED ASSETS AS AT 31, MARCH 2013

	TANGIBLES							INTANGIBLES				TOTAL			
	Land- Freehold (Refer Note 1)	Factory Buildings	Plant and machinery	Moulds, jigs and fixtures	Furniture fittings and equipment	Computers	Vehicles	Total	Previous year	(A)	(D)	(E)	(B)	(C=A+B)	(F=D+E)
Gross Block															
As at 01.04.2011	1,931	90,916	391,789	307,953	28,784	46,241	10,295	877,909	845,330				53,375	42,884	931,284
Additions	-	-	40,720	10,492	214	268	500	52,194	35,876				15,316	10,491	67,519
Deductions	-	-	19,706	4,021	9,369	5,138	4,996	43,230	3,297				-	-	43,280
As at 31.03.2012	1,931	90,916	412,803	314,424	19,629	41,371	5,799	886,873	877,909				38,549	53,375	955,523
Additions	-	-	1,472	1,973	1,804	-	-	5,249	52,194				-	115	5,364
Deductions	-	-	1,673	3,674	620	12,873	-	18,840	43,230				38,542	50	58,127
As at 31.03.2013	1,931	90,916	412,602	312,723	20,813	28,498	5,799	873,282	886,873				7	68,650	902,760
Accumulated depreciation															
As at 01.04.2011	-	43,872	349,320	274,797	26,523	45,096	7,077	746,685	722,603				13,867	39,818	789,499
For the year	-	2,820	6,365	15,429	267	555	996	26,432	27,343				11,060	2,996	37,715
Disposal	-	-	19,691	3,953	9,282	5,138	4,996	43,060	3,261				-	-	43,110
As at March 31, 2012	-	46,692	335,994	286,273	17,508	40,513	3,077	730,057	746,685				24,927	42,814	784,104
For the year	-	2,820	7,391	28,828	433	395	983	40,850	26,432				13,615	11,283	54,702
deletions	-	-	1,673	3,674	297	12,873	-	18,517	43,060				38,542	50	57,804
As at March 31, 2013	-	49,512	341,712	311,427	17,644	28,035	4,060	752,390	730,057				-	54,047	781,002
Net Block															
As at March 31, 2012	1,931	44,224	76,809	28,151	2,121	858	2,722	156,816	131,224				13,622	10,561	171,419
As at March 31, 2013	1,931	41,404	70,890	1,296	3,169	463	1,739	120,892	156,816				7	14,603	121,758
Capital Work In Progress	-	-	-	-	-	-	-	47,865	-				-	-	47,865

Note 9a

Freehold land includes Rs.18,12,000/- paid for the acquisition of land at Koregaon Bhima. Although the Company possesses the title deeds to this land, the final purchase consideration is still to be determined. Management believes that no additional claims are likely to be made against the Company consequent to the finalization of the purchase consideration.

Note 9b

Depreciation figure disclosed in the statement of profit and loss for the year ended March 31, 2013 is net of reimbursement amounting to Rs. 5,521 thousands (March 31, 2012: Rs. 15,733 thousands) received from Sharp Corporation, Japan towards additional depreciation on certain assets of plant and machinery, moulds technical know-how, furniture and fittings.

Reconciliation of depreciation as per Fixed Asset schedule with the depreciation as per statement of profit and loss	March 31, 2013	March 31, 2012
Depreciation as per note above	54,702	37,715
Less : Additional depreciation on certain assets of plant and machinery, moulds, technical know-how, furniture and fittings and assets	5,521	15,733
Depreciation, net charged to statement of profit and loss	49,181	21,982

Note - 10 : LOANS AND ADVANCES

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Loans and advances to related parties (Refer Note 27 (d))				
Unsecured considered good	-	-	25,757	50,524
Capital Advances				
Unsecured considered good	43,273	-	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	1,260	1,517
Other loans and advances				
Unsecured considered good				
Advance income tax (net of provision for tax)	497	638	-	-
Prepaid expenses	328	-	720	3,010
Deposits - others	1,212	-	825	3,138
Balances with statutory/government authorities	467	2,212	2,923	13,865
Less : provision for doubtful advances	(467)	(2,212)	-	-
	<u>45,310</u>	<u>638</u>	<u>31,485</u>	<u>72,054</u>

Note- 11 : TRADE RECEIVABLES

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
- Considered good	-	-	530	-
- Considered doubtful	58,651	60,490	-	-
	<u>58,651</u>	<u>60,490</u>	<u>530</u>	<u>-</u>
Provision for doubtful receivables	(58,651)	(60,490)	-	-
Sub-Total (A)	<u>-</u>	<u>-</u>	<u>530</u>	<u>-</u>
Other receivables				
- Considered good	-	-	242,050	75,668
- Considered doubtful	-	-	-	144
	<u>-</u>	<u>-</u>	<u>242,050</u>	<u>75,812</u>
Provision for doubtful receivables	-	-	-	(144)
Sub-Total (B)	<u>-</u>	<u>-</u>	<u>242,050</u>	<u>75,668</u>
Total (A+B)	<u>-</u>	<u>-</u>	<u>242,580</u>	<u>75,668</u>

Note - 12 : OTHER CURRENT ASSETS

Particulars	March 31, 2013	March 31, 2012
Unsecured considered good unless stated otherwise		
Unamortised premium on forward contract	-	474
	<u>-</u>	<u>474</u>

Note - 13 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	March 31, 2013	March 31, 2012
Raw materials and components (Includes material in transit Rs. 35,078 thousands (31 March 2012 Rs.27,833 thousands))	68,574	151,468
Stores and packing materials	519	644
Work-in-progress	675	3,674
Finished goods	3,815	17,136
	<u>73,583</u>	<u>172,922</u>

Note - 14 : CASH AND CASH EQUIVALENTS

Particulars	March 31, 2013	March 31, 2012
Balances with banks		
- On current account	183	531
- On cash credit account	74,624	1,453
Cash on hand	122	80
	<u>74,929</u>	<u>2,064</u>

Note - 15 : REVENUE FROM OPERATIONS

Particulars	March 31, 2013	March 31, 2012
Revenue from operations		
Sale of products		
Finished goods	917,344	935,984
Traded goods	-	29,940
Other operating revenue		
Scrap sales	1,288	1,143
Duty drawback income	596	2,040
Revenue from operations (gross)	919,228	969,107
Less: excise duty	(141,452)	(131,506)
Total excise duty	(141,452)	(131,506)
Revenue from operations (net)	<u>777,776</u>	<u>837,601</u>

Details of products sold	March 31, 2013	March 31, 2012
Finished goods sold		
Colour televisions	425,543	411,279
Liquid crystal display televisions	488,898	518,638
Spares	2,903	6,067
	<u>917,344</u>	<u>935,984</u>

Traded goods sold

Liquid crystal display televisions	–	22,379
Microwave ovens	–	3,144
Refrigerators	–	3,315
DVDs	–	4
Air purifiers	–	32
Air conditioners	–	1,066
	–	29,940
	917,344	965,924

Note - 16 : OTHER INCOME

Particulars	March 31, 2013	March 31, 2012
Sundry credit balances written back (net)	261	1,891
Profit on sale of fixed assets	406	1,973
	667	3,864

Note - 17 : COST OF RAW MATERIAL AND COMPONENT CONSUMED

Particulars	March 31, 2013	March 31, 2012
Inventory as at the beginning of the year	151,468	122,364
Add : Purchases during the year	484,375	581,943
Less : Inventory as at the end of the year	68,574	151,468
Cost of raw material and components consumed	567,269	552,839

Details of raw material and components consumed

	March 31, 2013	March 31, 2012
Colour picture tubes	208,512	156,120
Liquid crystal display panels	214,303	310,116
Others	144,454	86,603
	567,269	552,839

Details of inventory**Raw material and components**

(Including materials in transit)	March 31, 2013	March 31, 2012
Colour picture tubes	1,712	20,466
Liquid crystal display panels	5,092	72,831
Others	61,770	58,171
	68,574	151,468

Note - 18 : (INCREASE) /DECREASE IN INVENTORIES**Particulars**

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Inventories as at the end of the year		
Finished goods (including material in transit)	3,815	17,136
Traded goods (including material in transit)	-	-
Work in progress	675	3,674
Total (A)	<u>4,490</u>	<u>20,810</u>
Inventories as at the beginning of the year		
Finished goods (including material in transit)	17,136	73814
Traded goods (including material in transit)	-	28,476
Work in progress	3,674	3,806
Total (B)	<u>20,810</u>	<u>106,096</u>
(Increase)/decrease in inventories (B-A)	<u>16,320</u>	<u>85,286</u>

Details of inventory

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Finished goods		
Colour televisions	2,501	7,394
Liquid crystal display televisions	1,314	9,742
	<u>3,815</u>	<u>17,136</u>
Work in progress		
Colour televisions	55	1,618
Liquid crystal display televisions	620	2,056
	<u>675</u>	<u>3,674</u>
	<u>4,490</u>	<u>20,810</u>

Note - 19 : EMPLOYEE BENEFITS EXPENSE**Particulars**

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Salaries, wages and bonus	46,554	40,188
Contribution to provident fund	2,389	2,419
Gratuity expense (Refer Note 24)	1,514	4,179
Contributions to pension funds	1,201	1,149
Contributions to superannuation fund	940	635
Contributions to employees deposit linked insurance	49	66
Staff welfare	13,630	13,821
VRS expenses	-	6,650
Less Reimbursement received from Sharp Corporation, Japan	-	(6,650)
	<u>66,277</u>	<u>62,457</u>

Note - 20 : OTHER EXPENSES

Particulars	March 31, 2013	March 31, 2012
Consumption of stores, spares	147	442
Consumption of packing materials	16,447	17,303
Freight, octroi, transit insurance	17,520	15,535
Power, fuel, water charges	3,971	3,756
Water charges	421	421
Packing and forwarding charges	–	761
Rent	13	2,044
Rates and taxes	1,611	1,672
Repairs and maintenance		
- Plant and machinery	2,112	3,303
- Building	280	440
- Others	3,961	3,018
Insurance	1,481	1,613
Travel	1,227	4,764
Communication expenses	3,864	3,971
Directors sitting fees	660	700
Provision for doubtful debts	(1,982)	6,300
Royalty	18,088	17,660
Professional fees and expenses	5,129	5,211
Auditors' remuneration	2,194	2,171
(Increase)/decrease of excise duty on inventory	2,378	2,805
Sales promotion expenses	–	(834)
Printing and stationery	544	602
Service tax	736	509
Product warranty expenses/(write back)	–	(5,927)
Exchange rate difference (net)	91	20,068
After sales service charge	–	(175)
Miscellaneous expenses	9,864	6,338
	<u>90,757</u>	<u>114,471</u>

Payment to auditor

Particulars	March 31, 2013	March 31, 2012
As auditor		
Audit fees	1,430	1,430
Tax audit fees	150	150
Limited review	400	400
Reimbursement of expenses	214	191
	<u>2,194</u>	<u>2,171</u>

Note - 21 : DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2013	March 31, 2012
Depreciation of tangible assets	40,850	26,432
Amortisation of intangible assets	13,852	11,283
	<u>54,702</u>	<u>37,715</u>
Less: reimbursement received from Sharp Corporation Japan (Refer Note 27 (e))	5,521	15,733
	<u>49,181</u>	<u>21,982</u>

Note - 22 : FINANCE COSTS

Particulars	March 31, 2013	March 31, 2012
Interest on bank loans	571	6,033
Interest others	471	887
Bank charges	636	2,550
	<u>1,678</u>	<u>9,470</u>

Note - 23 : EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2013	March 31, 2012
Profit/(loss) after tax	(13,044)	(5,047)
Net profit/(loss) for calculation of basic and diluted EPS	<u>(13,044)</u>	<u>(5,047)</u>

Particulars	March 31, 2013	March 31, 2012
	Nos. (in '000)	Nos. (in '000)
Weighted average number of equity shares in calculating basic and diluted EPS	<u>25,944</u>	<u>25,944</u>

Note - 24 : GRATUITY & OTHER POST EMPLOYMENT BENEFITS**Defined contribution plans -**

The company has recognised the following amounts in the statement of profit and loss for the year:

Particulars	March 31, 2013	March 31, 2012
Provident & pension fund	3,590	3,568
Superannuation fund	940	635

Defined benefit plans -

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure, computed based on the company's gratuity scheme for each completed year of service. The scheme is funded with an insurance company. The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and the amount recognised in the balance sheet for the respective plans.

Statement of profit and loss

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

Particulars	March 31, 2013	March 31, 2012
Current service cost	1,733	1,703
Interest on defined benefit obligation	3,035	2,706
Expected return on plan assets	(1,953)	(1,976)
Net actuarial (gain)/loss recognised in the year	(1,417)	1,201
Net benefit expense**	<u>1,398</u>	<u>3,634</u>
Actual return on plan assets	3,801	2,464

** During the year company has paid premium to LIC/settled the gratuity liability of employees directly Rs. 116 thousands (31 March, 2012: Rs.545 thousands), which has been included in the gratuity expense charged to the statement of profit and loss.

Balance sheet**Benefit asset/liability**

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

Details of defined benefit gratuity plan

Particulars	March 31, 2013	March 31, 2012
Defined benefit obligation	40,132	35,183
Fair value of plan assets	(38,340)	(25,854)
Plan liability	1,792	9,329

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

Particulars	March 31, 2013	March 31, 2012
Opening defined benefit obligation	35,183	31,807
Interest cost	3,035	2,706
Current service cost	1,733	1,703
Benefits paid/payable	(250)	(2,720)
Actuarial (gain)/loss on obligation	431	1,687
Closing defined benefit obligation	40,132	35,183

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

Particulars	March 31, 2013	March 31, 2012
Opening fair value of plan assets	25,854	26,111
Expected return	1,953	1,976
Contributions by employer	8,935	-
Benefits paid	(250)	(2,720)
Actuarial gains/(loss) on obligation	1,848	487
Closing fair value of plan assets	38,340	25,854

* The Company expects to contribute Rs. 2,000 thousand to gratuity in the next year (31 March 2012 : Nil).

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

Particulars	2013	2012
Investments with Life Insurance Corporation of India	100%	100%

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

Particulars	March 31, 2013	March 31, 2012
Discount rate	8.05%	8.35%
Expected rate of return on plan assets	7.50%	7.50%
Salary escalation rate	6% for Bargainable & 8% for Non-Bargainable	6% for Bargainable & 8% for Non-Bargainable
Attrition rate	2%	2%

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, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	40,132	35,183	31,807	43,061	40,458
Plan assets	38,340	25,854	26,111	37,315	30,328
Surplus/(deficit)	(1,792)	(9,329)	(5,696)	(5,746)	(10,130)
Experience adjustments on plan liabilities	780	2,268	(2,414)	(1,637)	(1,305)
Experience adjustments on plan assets	1,848	487	1,010	279	859

Note - 25 : LEASE COMMITMENTS

Operating Lease: Company as lessee

The company has entered into operating lease agreements for the rental of property. Typically, lease agreements are for a period of three years and contain provisions for early termination. There were no restrictions placed upon the Company by entering into this lease.

Lease payments on cancellable operating leases during the year Rs. 13 thousands. (31 March, 2012 Rs. 2,044 thousands)

Note - 26 : SEGMENT REPORTING

The company is exclusively engaged in the business of 'consumer electronics' consisting of all types of Colour Televisions and other products which is considered to constitute one single primary segment in context of Accounting Standard (AS) - 17 on Segment Reporting, notified under the Rules.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Details of segment revenue

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Sales within India	756,041	792,369
Sales outside India	21,735	45,232
Total	<u>777,776</u>	<u>837,601</u>

The company has only one geographical location based on location of assets and hence the additional information relating to carrying amount of segment assets and cost to acquire tangible and intangible fixed assets based on location of assets has not been disclosed.

Note - 27 : RELATED PARTY TRANSACTIONS

a) Names of related parties and related party relationship

I. Related parties where control exists:

Holding company:

Sharp Corporation, Japan

II. Related parties with whom transactions have taken place:

Fellow subsidiaries:

Sharp Electronics (Malaysia) SDN. BHD., Malaysia

Sharp Manufacturing Corporation (M) SDN BHD, Malaysia

Sharp Business Systems (India) Limited

Sharp Software Development India Private Limited

Sharp Middle East FZE, UAE

Sharp Roxy Sales (Singapore) Pte Ltd, Singapore

Sharp Electronics Inc of Korea

Key management personnel:

Mr. T. Sakamoto (upto June 11, 2012)

Mr. M. Nakagawasai (from June 1, 2012)

Mr. T.Isogai (from December 9, 2012)

Mr. T. Mikami (upto November 25, 2012)

b) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	Holding company		Fellow subsidiaries		Key management personnel	
	2012-13	2011-2012	2012-13	2011-2012	2012-13	2011-2012
Sale of goods, spares and raw materials	-	61	956,278	1,029,865	-	-
Sale of fixed assets	-	-	-	111	-	-
Purchase of fixed assets (including capital work in progress)	8,288	14,587	2,311	1,317	-	-
Purchase of goods and services	-	-	532,147*	324,303*	-	-
Loans	60,000	-	30,000	-	-	-
Interest on Loan	621	-	619	-	-	-
Royalty expense incurred	18,088	17,660	-	-	-	-
Reimbursement of expenses (paid)/ received to/from (net)	184,629	56,808	(379)	(1,527)	-	-
Managerial remuneration	-	-	-	-	4,225	3,388

* Net of discounts received

c) List of material transactions with fellow subsidiaries:

Type of transaction	Type of relationship	Name of the entity/person	2013	2012
Sale of goods, spares and raw materials	Fellow subsidiaries	Sharp Business Systems (India) Limited	933,871	984,693
		Sharp Roxy Sales (Singapore) Pte Ltd, Singapore	15498	29,518
		Sharp Middle East FZE, UAE	5226	13,832
		Sharp Manufacturing Corporation (M) SDN BHD, Malaysia	1,683	1,822
			<u>9,56,278</u>	<u>1,029,865</u>

			<u>2013</u>	<u>2012</u>
Sale of fixed assets	Fellow subsidiaries	Sharp Business Systems (India) Limited	–	111
Purchase of fixed assets	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	1,106	1,042
		Sharp Electronics Inc of Korea	–	152
		Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	353	123
		Sharp Business Systems (India) Limited	852	–
			2,311	1,317
Purchase of goods/ Services/Others	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	479,563	166,610
		Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	52,456	157,693
		Sharp Business Systems (India) Limited	128	–
			532,147	324,303
Loan	Fellow subsidiaries	Sharp Software Development India Private Limited	30,000	–
Interest on Loan	Fellow subsidiaries	Sharp Software Development India Private Limited	619	–
Reimbursement of expenses (paid)/ received to/from (net)	Fellow subsidiaries	Sharp Electronics (Malaysia) SDN. BHD., Malaysia	(2,025)	(2,173)
		Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	11	(78)
		Sharp Business Systems (India) Limited	1,651	724
		Sharp Software Development India Private Ltd.	8	–
		Sharp Roxy Sales (Singapore) Pte Ltd, Singapore	(24)	–
			(379)	(1,527)
Managerial remuneration	Key management personnel	T. Sakamoto	301	1,388
		M. Nakagawasai	1,682	–
		K. Ajikawa	–	103
		T.Isogai	741	–
		T.Mikami	1501	1,897
			4225	3,388

d) Amounts outstanding as at year end :

	<u>As at March 31, 2013</u>		<u>As at March 31, 2012</u>	
	<u>Holding company</u>	<u>Fellow subsidiaries</u>	<u>Holding company</u>	<u>Fellow subsidiaries</u>
i) Trade receivables	–	242,560	–	75,624
ii) Trade payables	–	242,543	–	51,905
iii) Loans and advances	24,880	877	31,459	19,065
iv) Long term loans	60,000	30,000	–	–

Name of related partyMarch 31, 2013 March 31, 2012**Trade Receivables**

Sharp Roxy Sales (Singapore) Pte Ltd, Singapore	–	11,501
Sharp Middle East FZE, UAE	5,225	2,377
Sharp Business Systems (India) Limited	237,335	61,746
	242,560	75,624

Trade payables

Sharp Electronics (Malaysia) SDN. BHD., Malaysia	236,301	36,747
Sharp Business Systems (India) Limited	–	2,416
Sharp Manufacturing Corporation.(M) SDN BHD, Malaysia	6,242	12,742
	242,543	51,905

<u>Name of related party</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Loans and advances		
Sharp Electronics (Malaysia) SDN. BHD., Malaysia	848	1,387
Sharp Manufacturing Corporation. (M) SDN BHD, Malaysia	85	17,736
Sharp Business Systems (India) Limited	(37)	(58)
Sharp Roxy Sales (Singapore) Pte Ltd, Singapore	(19)	-
Sharp Corporation Japan	24,880	31,459
	<u>25,757</u>	<u>50,524</u>
Long Term Loans		
Sharp Software Development India Private Limited	30,000	-

e) Reimbursements from holding company

During the current year, the company has received following reimbursements from Sharp Corporation, Japan:

- Rs. 7,001 thousand (31 March 2012: Rs. Nil thousands) towards provision for slow moving inventories.
- Rs. 5,521 thousands (31 March 2012: Rs. 15,733 thousands) towards additional depreciation on certain assets of plant and machinery, Moulds and model fees.
- Rs. 165,611 thousands (31 March, 2012: Rs. 25,115 thousands) towards discount on raw material / LCD panel price support.
- Rs. Nil (31 March, 2012: Rs. 6,650) towards Voluntary Retirement Scheme (VRS) expenses.
- Rs. 6,496 thousands (31 March, 2012: Rs. 9,310 thousands) towards other expenses, net.

Note - 28 : There are capital commitments worth Rs 67,086 (thousands) outstanding as at the year end (31 March, 2012: Rs. Nil)

Note - 29 : CONTINGENT LIABILITIES

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Claims against the company not acknowledged as debts		
- Central excise authorities	20,601	20,038
	<u>20,601</u>	<u>20,038</u>

Based on the opinion of the legal counsel of the company, all contingent liabilities as at balance sheet date have been assessed as remote. Claims against the company for central excise pertain to claim for (i) centvat on work-in-progress and finished goods destroyed by fire and (ii) service tax on royalty paid to Sharp Corporation, Japan, (iii) service tax on repairs and maintenance services and Centvat credit on input services availed for procurement of inputs (iv) Service tax credit on input services attributable to purchase of inputs which were removed as such.

Note - 30 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

<u>Particulars of derivatives</u>	<u>Purpose</u>
Forward contract outstanding as at balance sheet date	
Buy USD Nil (31 March, 2012: - USD 950,578) (these amount is not in thousands)	Hedge against USD liabilities

Particulars of unhedged foreign currency exposure as at the balance sheet date

<u>March 31, 2013</u>			
<u>Particulars</u>	<u>Foreign Currency</u>	<u>In Foreign Currency</u>	<u>In Indian rupees</u>
Trade payables	USD	4,745	257,613
	JPY	5,453	3,146
Loans and advances	USD	(745)	(40,468)
	JPY	25,841	14,908
	SGD	1	19
Trade receivables	USD	(96)	(5,225)
<u>March 31, 2012</u>			
<u>Particulars</u>	<u>Foreign Currency</u>	<u>In Foreign Currency</u>	<u>In Indian rupees</u>
Trade payables	USD	1,205	61,331
Loans and advances	USD	(331)	(16,860)
	JPY	(53,666)	(33,245)
Trade receivables	USD	(272)	(13,878)

Note - 31 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no dues to micro, small and medium enterprises as at March 31, 2013, 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.

Note - 32 : VALUE OF IMPORTS CALCULATED ON CIF BASIS

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Raw material and components (Gross)	574,418	655,932
Capital goods including knowhow fees	32,771	58,475
Spare parts	-	155
	<u>607,189</u>	<u>714,562</u>

Note - 33 : EXPENDITURE IN FOREIGN CURRENCY (accrual basis)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Travel	774	2,830
Management consultancy fees	1,780	2,161
Global network charges	986	1,104
Bill negotiation charges	-	789
Royalty	11,467	13,534
Patent fees	6,621	4,126
Others	2,649	104
	<u>24,277</u>	<u>24,648</u>

Note - 34 : IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED

	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	%	Amount in (Rs.'000)	%	Amount in (Rs.'000)
Raw Materials				
Imported	86.16	488,760	82.17	454,278
Indigenous	13.84	78,509	17.83	98,561
	<u>100.00</u>	<u>567,269</u>	<u>100.00</u>	<u>552,839</u>
Stores and spares				
Imported	-	-	-	-
Indigenous	100.00	16,594	100.00	17,745
	<u>100.00</u>	<u>16,594</u>	<u>100.00</u>	<u>17,745</u>

Note - 35 : EARNINGS IN FOREIGN CURRENCY (accrual basis)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Export at FOB value	22,410	45,232

Note - 36 : DEFERRED TAX

The break up of components of deferred tax is given below:

Particulars	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Deferred tax asset		
Unabsorbed depreciation	16,200	28,561
Provision for product warranty	-	375
Provision for doubtful debts	19,482	20,141
Provision for leave salary	1,831	1,718

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Others	1,325	1,767
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,431	5,630
Gross deferred tax asset (A)	<u>41,269</u>	<u>58,192</u>
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	<u>(4,989)</u>	<u>(14,670)</u>
Gross deferred tax liability (B)	<u>(4,989)</u>	<u>(14,670)</u>
Net deferred tax asset	<u>36,280</u>	<u>43,522</u>

In view of there being no virtual certainty for availability of sufficient future taxable income against which the deferred tax assets of Rs.36,280 (31 March 2012 Rs. 43,522) (net) as at the close of the year can be realised, the same have not been recognised In accordance with Accounting Standard 22 "Accounting for Taxes On Income" notified under the Rules, and has been restricted to the deferred tax liability which is an evidence of virtual certainty.

Note - 37 : PRODUCT WARRANTY

In pursuance of Accounting Standard-29, 'Provisions, contingent liabilities and contingent assets' notified under the Rules, the provisions required have been incorporated in the books of account in the following manner;

Particulars	<u>As at April</u>	<u>Additions</u>	<u>Amounts used</u>	<u>Unused amounts</u>	<u>As at March</u>
	<u>1, 2012</u>	<u>during the year</u>	<u>during the year</u>	<u>reversed during the year</u>	<u>31, 2013</u>
Current year	1,128	-	1,128	-	-
Previous year	7,562	1,635	507	7,562	1,128

The provision for product warranty represents the expected claims on account of field failure of parts and expected expenditure of servicing the products over the period of free warranty, which varies on the product type and model sold, the field failure rate of key parts and the current cost of components etc. The Company does not bear any warranty cost on the sales made during the year. Accordingly no provision for warranty cost has been made in the current year.

Note - 38 : PROVISION FOR DUES UNDER DISPUTE

The Company had imported refrigerators during the financial year ended March 31, 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 made full provision of the demand made by the custom authorities along with the interest. The outstanding provision amount of Rs.2,080 thousands as on March 31, 2013 represents balance demand and interest on the same.

Note - 39 : PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

S. R. BATLIBOI & CO. LLP
Firm Registration No. 301003E

Chartered Accountants
per Arvind Sethi

Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013

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

T. Isogai
Managing Director

M. Nakagawasai
Executive Director

M. Vaze
Company Secretary

Place : Pune
Date : May 30, 2013

SHARP INDIA LIMITED

Regd. Office : Gat No.686/4, Koregaon Bhima,
Taluka Shirur, District Pune 412 216.

Sub : Green Initiative.

Dear Members,

In view of the 'Green Initiative' introduced by the Ministry of Corporate Affairs (MCA) vide its Circular No. 17/2011 dated 21.04.2011, all members who are holding shares of the Company in PHYSICAL Mode are requested to register their Email ID with the Company, so as to enable the Company to send all notices, /annual reports/ intimations and other correspondence etc. through Emails i.e. in the electronic mode instead of receiving physical copies of the same. A SPECIMEN of request form for registering e-mail ID to be filled and submitted by the members to the Registrar & Transfer Agent of the company is annexed herewith. Kindly send your request forms to our Registrar & Transfer Agents whose address is : M/s. Link Intime India Private Limited, 202, 2nd floor, Akshay Complex, Off. Dhole Patil Road, Near Ganesh Mandir, Pune - 411001.

Members holding shares in DEMAT Mode, who have not registered their e-mail ID with the Depository Participant (DP) are also requested to register or update their email ID with the Depository Participant, so that all future shareholder's correspondence can be sent to the email ID registered with your DP.

Thank you

Sd/-

Mayuresh Vaze
Company Secretary
Sharp India Limited

SPECIMEN OF REQUEST FORM for Registering Email ID of the Members & who are holding shares in PHYSICAL Mode & who want to receive shareholder's correspondence through electronic Mode (Emails)

SHARP INDIA LIMITED

Regd. Office : Gat No.686/4, Koregaon Bhima,
Taluka Shirur, District Pune 412 216.

I _____ (name of the first / individual shareholder) holding _____ (No. of Shares) Equity Shares in **Physical mode** vide folio No. _____ in the Company, would like to register below mentioned e-mail ID for receiving all the communications/documents/ notices / correspondence from the Company in electronic mode (i.e. through Emails) instead of receiving physical copies of the same. Kindly register the same in your records.

Email ID : _____

Yours Truly : (Signature) : _____

Name : _____

Address : _____

Date : _____

PROXY

SHARP INDIA LIMITED

Regd. Office : Gat No.686/4, Koregaon Bhima,
Taluka Shirur, District Pune 412 216.

I/We _____ (Folio No./Client ID No. _____) of _____
_____ being a Member / Members of **SHARP INDIA LIMITED**, hereby
appoint _____ of _____
_____ or failing him _____ of _____
_____ as my/our Proxy to vote for me/us and on my/our
behalf, at the TWENTY- EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Monday, 16th day of September 2013 and at
any adjournment thereof.

Signed this _____ day of _____ 2013.

Please affix
30 Paise
Revenue
Stamp
here

Signature(s) of Member(s)
across the stamp

Note : The Proxy must be deposited with the Registered Office of the Company, not less than 48 hours before the time fixed for the Meeting.

BOOK POST

SHARP

If undelivered please return to :

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