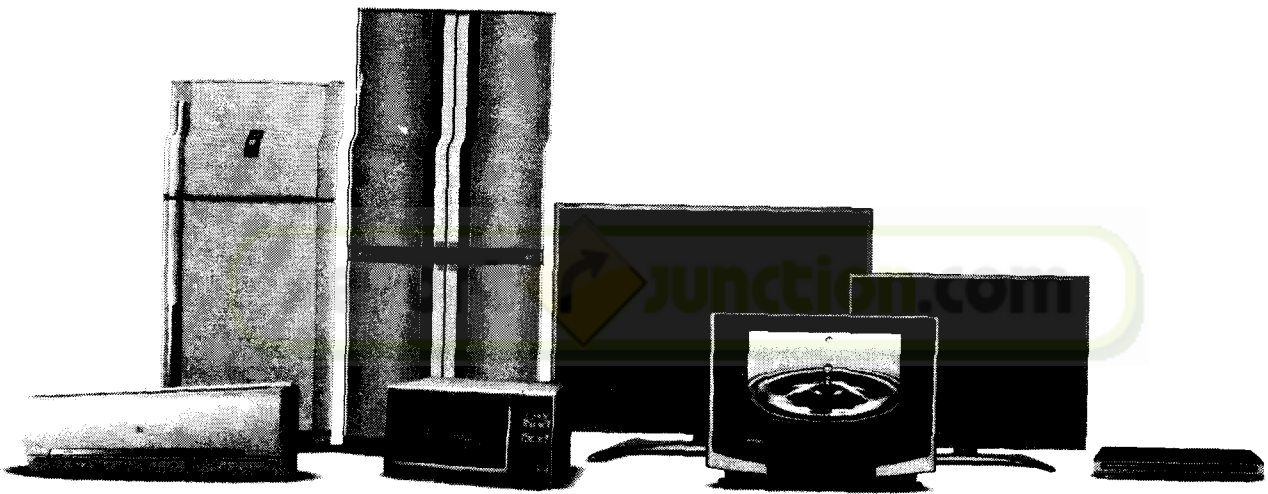


# **21st Annual Report 2005-2006**



# **SHARP**

## **SHARP INDIA LIMITED**

**BOARD OF DIRECTORS**

T. MORI  
[Chairman]

T. YAMAZAKI  
[Managing Director]

Y. MIZUNO  
[Executive Director]

M. TAKAHASHI

S. S. VAIDYA

F. MISUGE

M. EIRYU

**BANKERS**

STATE BANK OF INDIA

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.

Chartered Accountants

**REGISTERED OFFICE & FACTORY**

Gat No.686/4, Koregaon Bhima,

Tal. Sirur, Dist. Pune 412 216

**REGISTRARS & TRANSFER AGENTS**

MCS Limited,

116/118, Akshay Complex,

Off Dhole Patil Road,

Near Ganesh Mandir,

Pune 411 001

**CONTENTS**

Notice	2
Directors' Report	4
Management Discussion & Analysis	6
Corporate Governance	7
Auditors' Report	11
Financials	12

**NOTICE**

Notice is hereby given that the 21st 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 Sirur, District Pune 412 216 on Saturday, the 9th day of September 2006 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 2006 and the Profit and Loss Account for the year ended on 31st March 2006 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. F Misuge who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T. Mori who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

**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. Y. Mizuno, who was appointed as an additional director of the company by the board of directors and who holds office upto 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 not 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** pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII and subject to the approval of the Central Government, read with articles 173, 175 and 176 of the Articles of Association of the company, approval of the members is hereby accorded to the appointment of Mr. Yoshihisa Mizuno as Executive Director of the company, for a period of three years with effect from February 6, 2006 on the remuneration mentioned below :

1. Salary of Rs.50,000/- (Rupees Fifty 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 with him in India.
4. Rental for residential telephone as well as for official telephone calls, will be paid by the company.
5. The company will bear the cost of maintenance, road tax, insurance and driver for vehicle provided to him by the company.
6. Entitlement to free Air Passage once in year for the purpose of Annual Leave for himself (spouse and dependent children are also eligible if they are residing in India with him.)
7. The company will bear the actual expenses incurred for shifting his household goods from Japan to India and on his return from India to Japan on expiry of his term.

**FURTHER RESOLVED THAT** subject to the approval of the Central Government under section 198 read with section 309(3) and other applicable provisions, of the Companies Act, 1956, the salary, perquisites, benefits and amenities, as approved by the Remuneration Committee and set out above be paid or granted to Mr. Y. Mizuno as minimum remuneration notwithstanding that in any financial year of the company during the term of Mr. Mizuno's

office as Executive Director of the company, if the company makes no profits or the profits are inadequate."

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

**RESOLVED THAT** pursuant to the provisions of section 31 of the Companies Act, 1956 clause no. 144 of the Articles of Association be altered by substituting the following clause 144 in the existing clause.

"144: The fee payable to the Chairman and to other Directors for attending a meeting of the Board of Directors or Committee thereof shall be such sum as may be prescribed by law from time to time."

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

Regd. Office:  
Gat No.686/4,  
Koregaon Bhima,  
Taluka Sirur,  
District Pune 412 216  
May 26, 2006

**H. S. Chindhade**  
**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 nos. 5 to 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, MCS Limited, 116/118, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, in respect of their physical share folios. Members are requested to intimate the Company for consolidation of multiple Folios, if any.
4. The Share Transfer Books and the Register of Members of the Company will remain closed from Monday, the 4th day of September 2006 to Saturday, the 9th day of September 2006 (both days inclusive).
5. Debenture redemption money and interest which remain unencashed / unclaimed over a period of 7 years will be transferred by the Company to Investor Education and Protection Fund (IEPF) constituted by the Central Government under section 205C of the Companies Act, 1956 and no claim shall lie either with IEPF or against the Company in respect of the said amounts.
6. Members are requested to bring along with them the copy of Annual Report as the same will not be distributed at the meeting.
7. 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 NOS. 5 & 6 :**

Sharp Corporation has recalled Mr. Yanagishita to utilize his services. Mr. Yanagishita resigned as Executive Director as well as the Director with effect from February 28, 2006. In place of Mr. Yanagishita, Sharp Corporation recommended the appointment of Mr. Y. Mizuno as the Executive Director of the company. The company has made an application to the Ministry of Company Affairs for obtaining approval to the appointment and remuneration payable to Mr. Mizuno as the Executive Director.

**SHARP INDIA LIMITED****SHARP**

The Board of Directors in its meeting held on January 28, 2006 appointed Mr. Y. Mizuno as the Director and Executive Director to hold office for a period of three years effective from February 6, 2006 to February 5, 2009. Mr. Mizuno's appointment is subject to the approval from the Central Government and that of the shareholders. The remuneration committee has also approved the remuneration payable to Mr. Mizuno and the same is placed before the shareholders for their approval. The company has also received a notice along with deposit of Rs. 500/- pursuant to section 257 of the Companies Act, 1956, proposing Mr. Mizuno's candidature as director.

The company has also executed an Agreement with Mr. Mizuno on March 31, 2006 and the same is available for inspection of members during working hours from 4th September 2006 to 9th September 2006 (both days inclusive). An abstract of terms of appointment and remuneration payable has already been circulated to the members pursuant to section 302 of the Companies Act, 1956.

Except Mr. Mizuno, none of the directors are interested in the resolutions.

The Board recommends the resolutions.

**ITEM NO. 7**

Article 144 of the Articles of Association limits the payment of sitting fees to the non-executive directors to Rs. 3000/- for attending Board meetings and to Rs. 2,500/- for attending committee meetings.

The limit prescribed by Companies Act, 1956 and the Rules made thereunder are being revised from time to time Accordingly the maximum sitting fee that can be paid by a company is Rs. 20,000/- per Board meeting or a Committee thereof. The Company wishes to compensate its non-executive directors adequately for the valuable time spent for the Company by enhancing the sitting fees paid within the permissible limits.

Hence, it is proposed to amend Article 144 of the Articles of Association of the Company to be in line with the limits specified from time to time. Any alteration in the articles of association requires the consent of the shareholders.

Except Mr. T. Yamazaki, Managing Director and Mr. Y. Mizuno, Executive Director all other directors may be considered as interested in the resolution.

The Board recommends the resolution.

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

- Mr. Y. Mizuno has been appointed as the Executive Director for a period of three years effective from February 6, 2006. He will hold office till February 5, 2009. As long as Mr. Mizuno continues to hold the office of the Executive Director, he will not be liable to retire by rotation. Mr. Mizuno, aged 44 years, graduated from Waseda University and holds a degree of Bachelor in Education. He has more than 19 years of experience in the field of Finance and Administration and has held various positions in Sharp Group of Companies. Before joining Sharp India Limited, Mr. Mizuno was the Corporate Director of Sharp Manufacturing (Thailand) Company Limited, Thailand.
- Mr. T. Mori was appointed as an Additional Director of the Company with effect from February 24, 2005. He was also appointed as Chairman of the Company with effect from March 15, 2005. His appointment was regularized in the 20th Annual General Meeting of the Company held on June 30, 2005. Mr. T. Mori retires at this Annual General Meeting and being eligible has offered himself for reappointment. Mr. T. Mori, aged 53 years, is a University Graduate and holds a bachelor's degree in English and American Studies. He has more than 29 years of experience in the field of Sales and Marketing. He is presently the Managing Director of Sharp Business Systems (India) Limited. Before joining Sharp Business Systems (India) Limited he was the President of Sharp Thebnakorn Co. Ltd.
- Mr. F. Misuge, University Graduate, is the Joint General Manager of The Bank of Tokyo, Mitsubishi UFJ Limited, New Delhi. Mr. Misuge was inducted on the Board as an additional director on September 15, 2004. His appointment as a director was regularized by the shareholder in the previous Annual General Meeting held on June 30, 2005. Mr. Misuge, aged 44 years, has a wide experience in field of banking. Mr. Misuge is also a member of Audit Committee and Remuneration Committee of the Company.

The above directors do not hold any shares in the Company. Mr. F. Misuge and Mr. T. Mori, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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

Regd. Office:  
Gat No.686/4,  
Koregaon Bhima,  
Taluka Sirur,  
District Pune 412 216  
May 26, 2006

**H. S. Chindhade**  
Company Secretary

## SHARP INDIA LIMITED

SHARP

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting their Twenty-first Report together with the Audited Statement of Accounts for the year ended on March 31, 2006.

## 1. FINANCIAL RESULTS :

	Year ended March 31, 2006	Rs. In Million Previous Year ended March 31, 2005
<b>INCOME</b>		
Sales and services, (Gross)		
Domestic	1,034.739	1,013.210
Export	-	2.921
	<u>1,034.739</u>	<u>1,013.131</u>
Less : Excise Duty	(90.334)	(143.316)
Sales and Service income (Net)	944.405	872.815
Other Income	6.075	10.748
	<u>950.480</u>	<u>883.563</u>
<b>EXPENDITURE</b>		
Manufacturing and other expenses	981.936	927.651
Depreciation	26.233	44.958
Interest expense	16.151	18.972
	<u>1,024.320</u>	<u>991.581</u>
<b>PROFIT BEFORE TAX</b>	<u>(73.840)</u>	<u>(108.018)</u>
<b>PROVISION FOR TAX</b>		
Current tax	(0.012)	(0.035)
Deferred tax		8.839
Fringe Benefit Tax	(2.419)	-
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<u>(76.271)</u>	<u>(99.214)</u>
<b>PROFIT AND LOSS ACCOUNT,</b> beginning of the year	(125.519)	(26.305)
<b>PROFIT AND LOSS ACCOUNT,</b> end of the year	<u>(201.790)</u>	<u>(125.519)</u>

## 2. OPERATIONS :

Gross sales and service income during the year under review increased marginally by 2 % over the previous year due to combined impact of increase in sales of LCD televisions, refrigerators, Air conditioners and reduction in CTV prices.

Cost reduction measures implemented by your company in the areas of operating expenses, interest, manpower, etc. in the last two years have resulted in reduction in these expenses. As a part of continuous improvement your company has further implemented Voluntary Retirement Scheme (VRS) for the bargainable employees and restructured its Branch operations.

Due to the various measures mentioned above and support from Sharp Corporation, Japan, your company was able restrict its loss at Rs. 76.271 million after deduction of tax during the year under review.

## 3. CERTIFICATES AND MARKS :

Your Company continues to hold the Certificates for Environmental Management System as per ISO 14001: 1996 norms and Quality Management System as per ISO 9001: 2000 issued by Standardization, Testing and Quality Certification (STQC) Directorate, Department of Information and Technology, Government of India.

## 4. INDUSTRIAL RELATIONS :

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

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

Information required under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988, and forming part of the Report, is given in Annexure to the Directors' Report.

## 6. PARTICULARS OF EMPLOYEES :

During the year under review, no employee employed through out the year or part of the year was in receipt of remuneration of Rs.24,00,000/- per year or Rs.2,00,000/- per month or in excess thereof respectively.

## 7. DIRECTORS :

Mr. F. Misuge and Mr. T. Mori, Directors, retire by rotation at the ensuing annual general meeting and being eligible, have offered themselves for re-appointment. Mr. Y. Mizuno has been appointed as the Executive Director with effect from February 6, 2006 and the resolution for approval of his appointment is placed before this meeting.

Mr. N. Yanagishita and Mr. K. Kawabe, Directors resigned from the Board with effect from February 28, 2006 and April 1, 2006 respectively. The board places on record its appreciation for the guidance rendered by Mr. Kawabe. The Board also places on record its sincere appreciation for the valuable services rendered by Mr. N. Yanagishita.

## 8. CORPORATE GOVERNANCE :

A separate report on Corporate Governance attached and forms part of the Annual Report. A Certificate from Company Secretary in whole time practice indicating compliance of Corporate Governance is also incorporated in the Annual Report.

## 9. 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:

- that in the preparation of the accounts for the financial year ended March 31, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the Directors have prepared the accounts for the financial year ended March 31, 2006 on a 'going concern' basis.



**10. AUDITORS :**

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

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

**11. ACKNOWLEDGEMENTS :**

Your Directors take this opportunity to express their gratitude for the valued and timely support and guidance received from Sharp Corporation, Japan and also wish to place on record

Pune  
May 26, 2006

**T. Yamazaki**  
Managing Director

**Y. Mizuno**  
Executive Director

**ANNEXURE**

**INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2006.**

**A ) CONSERVATION OF ENERGY :**

The nature of the company's operations are not energy – intensive. Your company designs products that are energy efficient and consume less energy.

**B) TECHNOLOGY ABSORPTION:**

- a) Research and Development (R & D): R&D activities were successfully carried out to launch various new 21" PF Models with advance features and technology. A 21" CTV model with sound output 1200W PMPO, MEGA-BASS features has also been introduced.
1. Benefits derived as a result of the above R&D :
  - a) Continuous interaction with Marketing, Servicing & Quality assurance departments and customers, helps to improve quality, reliability and better features of the product.
  - b) Cost reduction by virtue of higher degree of indigenization and productivity.
2. Future plan of action: Includes development of new low cost CTV models with more features in 14" to 21" sizes to meet market demands and continue Indigenization of CTV models to bring down the cost further.
3. Expenditure on R & D :

a) Capital	Rs. Nil
b) Recurring	Rs.3,088,108
c) Total	Rs.3,088,108
d) Total R&D Expenditure as a percentage of total sales turnover	0.30%

Technology absorption, adoption and innovation: The Company has fully absorbed the technology provided by Sharp Corporation, Japan and continues to utilize the same.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange used and earned:

USED : Rs.468,524,644 (includes CIF value of Imports, Royalty,  
Travelling and Bills Negotiation charges)

EARNED : Rs.Nil

For and on behalf of the Board of Directors

Pune  
Dated : May 26, 2006

**T. Yamazaki**  
Managing Director

**Y. Mizuno**  
Executive Director

**MANAGEMENT DISCUSSION & ANALYSIS****1. INDUSTRY STRUCTURE AND DEVELOPMENTS :**

The consumer electronics-durable industry shows an upswing trend which is likely to continue for the next few years. The availability of innovative high end life style technology products and increasing demand for latest technology savvy advanced branded gadgets are the major growth drivers in this industry. Brand consciousness has increased than ever before. With the green signal of the FDI in India in whole sale trading activity the major players world over are viewing India as one of the most potential markets for expansion. The industry also has witnessed a paradigm shift in a big way in consumer buying pattern. Manufacturing companies while ensuring product's innovativeness, have to ensure use of cost effective means of manufacture to retain sustainability and profitability. The use of breakthrough technologies such as LCD in televisions, mobile phones and computers will be a major demand driver in the coming years for Indian as well as global markets.

Mega Shops, Retail Chains and Brand Shops and exclusive show rooms will evolve to be the key marketing factors for most of the major players in India in the coming years. The Indian industry has evoked a mixed response from global manufacturers, as focus on manufacture continues with a strong impetus and strategic emphasis on trading activities.

**2. OPPORTUNITIES AND THREATS :**

From the marketing point of view, purchasing power continues to increase steeply and steadily in metro and mini metro urban India with increased employment opportunities in IT companies, BPOs, etc. The overall growth in key industrial and infrastructural sectors and projected focus on infrastructure and agricultural and post harvest processing would strengthen the purchase power and consumer buying in urban and rural India in the coming years.

Despite the positive aspects and emerging opportunities Consumer Electronics and Consumer Durable industry and trade remain vulnerable from over trading, product obsolescence, endless erosion of prices, shifting consumer preferences and ever increasing marketing and distribution costs. Untiring Research and innovation will be a challenge to the industry. Strategic innovation and focus in products, Marketing and cost effective scales of operations will prove to be key differential

Between success and failure, global leadership in technology and market share has to be intelligently and effectively leveraged in the Indian market to ensure success.

As is the case everywhere, it will be difficult for marginal players to withstand in the emerging trends in India. Your company is well conscious of this.

**3. OUTLOOK :**

Your company envisages a moderate market response during the fiscal 2006-2007. The company will focus on marketing and advertising. The focus will be on the latest LCD technology and will capitalize its global position being the subsidiary of world's largest makers of flat paneled LCD TVs. At the same time

adequate emphasis will be given on advertising, sales promotion aspects and penetration in Indian markets to re-establish its position. Premium products like large-sized flat TVs, LCD TVs, huge capacity Plasma Cluster Refrigerators and Plasma Cluster Air Conditioners will form the growth drivers besides conventional CRT Televisions, keeping in view the market trends and consumer behaviour.

**4. RISKS & CONCERNS :**

Achieving planned and sustained growth is major risk and area of concern. Generating the desired shift in buying pattern is a challenging task as well. Low volume manufacturing is also a major concern for your company. Product obsolescence due to technological innovations and diminishing returns for mass category products such as CTV is major industry concern. Your management is aware of these risks and has been taking steps to minimize the risks and concerns.

**5. FINANCIAL AND OPERATIONAL PERFORMANCE :**

The financial highlights for the fiscal 2005-06 are dealt with in the Directors' Report. The operational side of the company has shown a slight improvement with proper cost monitoring and planned production schedules. In the financial year ended March 31, 2006 your company has made a modest entry in the LCD TV market in India by selling 666 units and plans to increase this figure further by increasing this number. Similarly your company plans to double the sale of colour television sets in 2007.

**6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Company has internal control systems and procedures commensurate with its size and nature of business. The internal control systems are supported by internal audit carried out by professional audit firms at head office as well as branches. These firms carry out extensive audit throughout the year covering almost all the areas of operation. The adequacy and effectiveness of the internal control, as well as compliance with the laid down systems and policies are comprehensively monitored by the internal auditors. The Management reviews the findings of internal auditors on regular basis.

**7. HUMAN RESOURCES :**

Your Company believes in employee's involvement in achieving the organizational objectives and focused its efforts to upgrade the skills of its workforce to take up the challenges in present cutthroat competition. Your company respects high standards of creativity, integrity and sincerity with its motto "Share your wisdom to take us upward."

Your Company is conscious and committed in providing equal opportunities to the employees to excel in their work and advance themselves in their career depending on their abilities. Your company also believes in rewarding its employees on the basis of performance and efficiency. During the year under review the company had designed a Voluntary Retirement Scheme as a part of its internal restructuring. 37 bargainable employees opted for the scheme. The company's human capital stands strong at 315 employees. Labour relations have been harmonious during the year.

**CORPORATE GOVERNANCE**

Sharp India Limited (SIL) believes in good governance, fair, efficient and transparent business operations and fairness to all the stakeholders in the Company, with proper disclosure of relevant financial and non-financial information.

Your company has implemented the revised code on Corporate Governance - clause 49 of the Listing Agreement. The necessary information as envisaged in the revised code of Corporate Governance have been incorporated in the annual report at appropriate places to ensure adequate disclosures. This section of the Annual Report, information given under 'Management Discussion and Analysis' and the 'Shareholder Information' together constitute the report on Corporate Governance for the financial year 2005 – 2006.

- COMPOSITION OF THE BOARD :**

The Board comprises of seven members and has a Non-Executive Chairman, two Executive Directors, and four Non-Executive Directors out of which three are Independent. The details are given in **Table 1**.

- ATTENDANCE RECORD FOR BOARD MEETINGS AND OTHER DIRECTORSHIPS:**

The Board meetings are generally held at the registered office at Koregaon Bhima, Taluka Sirur, District Pune in the factory premises. During the financial year, 5 (five) Board Meetings were held on May 6, 2005, May 31, 2005, July 23, 2005, October 28, 2005 and January 28, 2006 respectively. **Table 1** gives the composition of the Board, the category of the Directors, their attendance record and the number of other directorships.

**Table 1 : Details about SIL's Board of Directors**

Name of Director	Category	Number of Board Meetings held	Number of Board Meetings Attended	Whether Attended last AGM	Number of Directorships of other public limited companies	Number of Member-ships in Board Committees (Refer Note below)
a) T. Mori	Non Executive	5	Nil	No	1	1
b) T. Yamazaki*	Executive	5	5	Yes	1	3
c) N. Yanagishita*	Executive	5	4	Yes	1	2
d) Y. Mizuno**	Executive	5	NA	NA	1	2
e) S. S. Vaidya	Non-Executive, Independent	5	5	Yes	7	8
f) K. Kawabe	Non-Executive	5	Nil	No	-	-
g) Mr. M.Takahashi	Non-Executive	5	Nil	No	-	-
h) Mr. M. Eiryu	Non-Executive, Independent	5	4	No	-	2
i) Mr. F. Misuge	Non-Executive, Independent	5	Nil	No	-	2

**Notes:**

- Mr. T. Mori, Chairman, is also the Managing Director and member of Audit Committee of Sharp Business Systems (India) Limited.
  - Mr. T. Yamazaki is the Managing Director and will hold office till March 31, 2007. He is also a director on the board of Sharp Business Systems (India) Limited and member of Audit Committee and Remuneration Committee of that company.
  - Mr. N. Yanagishita resigned as Executive Director and Director with effect from February 28, 2006.
  - Mr. Y. Mizuno has been appointed as an Additional Director and also the Executive Director with effect from February 6, 2006. He is also a director on the board of Sharp Business Systems (India) Limited and member of Audit Committee and Remuneration Committee of that company.
  - Mr. Vaidya is also the Chairman of Audit Committee and Shareholders'/ Investors' Grievance and Transfer Committee and member of Remuneration Committee of the Company.
  - Mr. K. Kawabe resigned from the Directorship with effect from April 1, 2006.
  - Mr. Eiryu has been appointed as the Chairman of Remuneration Committee of the Company with effect from December 30, 2005.
- \* The pecuniary interest of these two directors is to the extent of remuneration approved by the members.
- \*\* Pecuniary interest to the extent of his remuneration which is placed before the ensuing annual general meeting for the shareholders' approval.