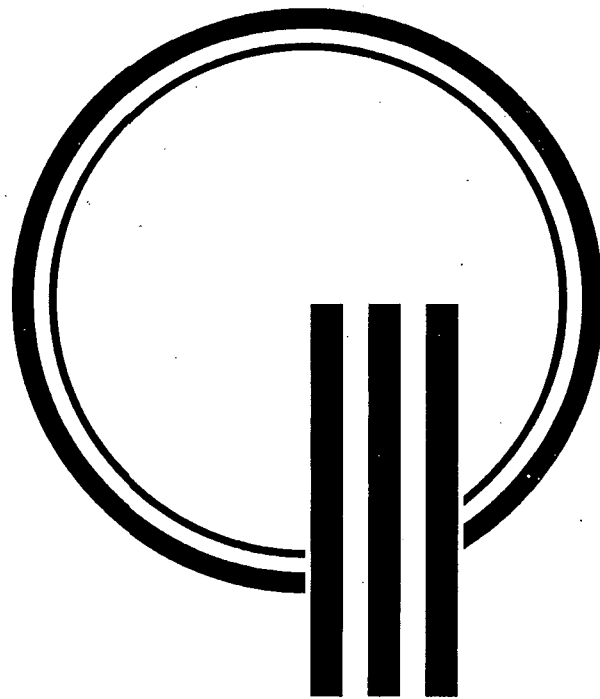


# **TWENTY-NINETH ANNUAL REPORT**

**2008-2009**



**QUANTUM DIGITAL VISION (INDIA) LTD.**

## QUANTUM DIGITAL VISION (INDIA) LIMITED

### BOARD OF DIRECTORS

Himalay Dassani – Managing Director  
Jai Kishen N Singh  
Gajendra Kumar Bhandari  
Rameshchandra Patel

### AUDITORS

**Shah & Taparia**  
Chartered Accountants  
12 Navjeevan Wadi, Dhobi Talao,  
Mumbai 400 002

### BANKERS

### REGISTERED OFFICE

143, Athipattu , Village Ponneri Taluk,  
Chengai MGR District,  
Chennai – 601 203

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# QUANTUM DIGITAL VISION (I) LIMITED

TWENTY-NINTH ANNUAL REPORT 2008-2009

## BOARD OF DIRECTORS

Mr. Himalaya Dassani, Managing Director  
Mr. G. K. Bhandari  
Mr. R. K. Patel  
Mr. Jai Kishen Singh

## AUDITORS

SHAH & TAPARIA  
Chartered Accountants  
12, Navjeevan Wadi, Dhobi Talao  
Mumbai - 400002.

## BANK

Indian Overseas Bank  
Mylapore Branch, Chennai  
Oriental Bank of Commerce, Mumbai

## REGISTERED OFFICE

143, Athipattu Village, Ponneri Taluk  
Chennai, MGR District,  
Tamil Nadu 601 203

## CORRESPONDENCE ADDRESS

1, Jharna Kutir, Tejpal Scheme Main Road,  
Vile Parle (East), Mumbai 400057.

## REGISTRAR AND TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT LTD  
17/B, Dena Bank Bldg.,  
2<sup>nd</sup> Floor, Horniman Circle,  
Fort, Mumbai-400001.

## NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of **QUANTUM DIGITAL VISION (INDIA) LIMITED** will be held on Monday, 10<sup>th</sup> August, 2009 at 143, Attipattu Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203 at 10.00 AM to transact the following business:

### **Ordinary Business**

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1. To receive, consider and adopt the Balance Sheet as at 31st March 2009, Profit & Loss Account for the year ended as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gajendra Kumar Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors of the Company and to fix their remuneration.

**BY ORDER OF THE BOARD**  
**For Quantum Digital Vision (India) Limited**

DATED: 29<sup>th</sup> June, 2009  
Place: Chennai

Sd/-  
(Himalay Dassani)  
Managing Director

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 3) Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 is not required to be attached.
- 4) The Register of Members and share transfer books shall remain closed from Monday, 3<sup>rd</sup> August, 2009 to Monday, 10<sup>th</sup> August, 2009 both days inclusive.
- 5) As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from Depository Participants (DPs) in respect of their holdings in electronic form and from the company's Registrar and Transfer agent or Secretarial department of the company in respect of their holding in physical form.
- 6) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.

- 7) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
- 8) Members who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers and Members holding shares in Dematerialised Form are requested to quote their Folio Numbers for easy identification of attendance at the Meeting.
- 9) Members desiring any relevant information on the Accounts at the Annual General Meeting are advised to write to the Company at least seven days in advance, so as to enable the company to keep the information ready.



## **Director's Report**

Your Directors present their Twenty Ninth Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31<sup>st</sup> March 2009.

### **Financial Results & Operations:**

The Company has posted a net profit/loss of 70.90 Lacs in the current financial year as against a net loss of Rs. 82.38 Lacs in the previous financial year.

### **Dividend**

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2009.

### **Public Deposits**

The company has neither invited nor accepted any public deposits during the period under review.

### **Directors**

Mr. Gajendra Kumar Bhandari, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Mr. Ravindrakumar Bhandari resigned as Director of the Company w.e.f. 28<sup>th</sup> December, 2008. The Company appreciates his efforts in serving the Company.

### **Directors' Responsibility Statement**

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2009, all the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the said period;
- (iii) Proper and sufficient care has been taken 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; and
- (iv) The annual accounts have been prepared on a 'going concern' basis.

### **Auditors**

M/s. Shah & Taparia, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a

certificate from them to the effect that their re-appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

### Compliance Certificate

Compliance Certificate to be obtained under Section 383A of the Companies Act, 1956 read with Companies (Issue of Compliance Certificate) Rules, 2001 has been obtained from M/s. P P Shah & Co., Practising Company Secretaries and the same has been attached to this Report.

### Corporate Governance

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report, stipulated under Clause 49 of the Listing Agreements are annexed to this Report.

### Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earning and Outgo.

In pursuance of the provisions of section 217(2)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo is given below:

#### A. Conservation of Energy

The requirement of power during the period was not large and the position does not warrant any special conservative measures.

#### B. Technology absorption, adaptation and innovation: The applicable Disclosures has been made as per Form B of **Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988** as follows:

#### Form B

Specific areas in which R & D carried out by the company	The Company does not have separate R&D Lab. However, with the existing testing lab the company's chemists and engineers have been continuously involved in upgradation of the quality of the product.
Benefits derived as a result of the above R & D.	
Future plan of action.	Efforts to continue further improvement in the existing products and bring in new range of products.
Expenditure on R & D:	Nil
Efforts, in brief, made towards technology absorption, adaptation and innovation.	The Company has installed imported machinery from Germany in its polymer bags division.

Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Not Applicable
Technology Imported	Not Applicable
Year of import.	Not Applicable
Has technology been fully absorbed?	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	Not Applicable

- C. Foreign Exchange Earning and Outgo  
Foreign Exchange **Earned: Nil**  
**Outgo: Nil**

### Particulars of Employees

The provision of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are not applicable to your company since none of the employee is employed on a remuneration of Rs.2,00,000/- P.M or Rs.24, 00,000/ P.A.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Forward Looking Statements:

*This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*

- a. Industry Structure and Development
- b. Business Prospects And Future Plans
- c. Opportunities and Threats
- d. Segment-Wise or Product-Wise Performance



- e. Outlook
- f. Risk and Concerns
- g. Internal Control Systems and their Adequacy
- h. Discussions on financial Performance with respect to Operational Performance
- i. Material Development in Human Resources / Industrial Relations Front, including Number of People Employed
- j. Material Financial and Commercial Transactions

### **Acknowledgements**

The Directors take pleasure in thanking the Company's business associates/ customers, vendors and bankers for their continued support. The Directors also acknowledge the appreciation of the sincere efforts, contribution and cooperation of the employees.

**For and on behalf of the Board of Directors**

Chennai  
Date: 29<sup>th</sup> June, 2009

Sd/-  
(Himalay Dassani)  
Managing Director

Sd/-  
(Jai Kishen N Singh)  
Director

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

#### A. CONSERVATION OF ENERGY:

- |   |  |
|---|--|
| (a) Energy conservation measure   | The requirement of power during the period is not large and the position does not warrant any special conservative measures. |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy                                  | Nil  |
| (c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent, impact on the cost of production of goods | Not applicable   |
| (d) Total energy consumption and energy consumption per unit of production.   | Not applicable   |

#### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Efforts made in technology as per Form B	Form B attached.
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#### C. FOREIGN EXCHANGE EARNINGS AND OUTGOING: Rs, NIL

**CORPORATE GOVERNANCE REPORT (under Clause 49 (VI) (i) of Listing Agreement)**

**I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy since its inception has always looked at good Corporate Governance as a way of life, observing the highest level of ethics in all its dealings and maintaining fair and transparent governance.

**II. BOARD OF DIRECTORS**

**i) Composition and Category of Directors:**

The strength of the Board was 6 Directors as on 31<sup>st</sup> March, 2009. The composition and category of Directors on the Board of the Company are:

Name	Executive / Non Executive	Promoter / Independent	Relationship With Other Directors
Mr. Hiamalay Dassani	Executive – Chairman & Managing Director	Promoter	Not Related
Mr. Jai Kishen N Singh	Non Executive	Independent	Not Related
Mr. Gajendra Kumar Bhandari	Non Executive	Independent	Not Related
Mr. Rameshchandra Patel	Non Executive	Independent	Not Related
Mr. Ravindrakumar Bhandari*	Non Executive	Independent	Not Related

\*Resigned w.e.f. 28<sup>th</sup> December, 2008.

**ii) Number of Board Meetings held and attendance of each Director at the Board Meeting:**

Date of Board Meetings	Hiamalay Dassani	Jai Kishen N Singh	Gajendra Kumar Bhandari	Rameshchandra Patel	Ravindrakumar Bhandari*
30 <sup>th</sup> April, 2008	Present	Present	Present	Present	Present
30 <sup>th</sup> July, 2008	Present	Present	Present	Present	Present
5 <sup>th</sup> October, 2008	Present	Present	Present	Present	Present
4 <sup>th</sup> January, 2009	Present	Present	Present	Present	Present
Total Attendance out of 4 Meetings.	4	4	4	4	3
Attendance at Last AGM	Present	Present	Present	Present	Present

\*Resigned w.e.f. 28<sup>th</sup> December, 2008.

iii) **Number of other Boards or other Committees in which the Directors hold memberships or Chairmanship:**

Name of Director	No. of Other Companies where Director	Number of Committee Memberships / Chairmanships	
		Chairmanship	Membership
Mr. Hiamalay Dassani	Nil	Nil	Nil
Mr. Jai Kishen N Singh	Nil	Nil	AC – QDVIL SIGC – QDVIL
Mr. Gajendra Kumar Bhandari	Nil	AC – QDVIL SIGC – QDVIL	Nil
Mr. Rameshchandra Patel	Nil	Nil	AC – QDVIL SIGC – QDVIL
Mr. Ravindrakumar Bhandari	Nil	Nil	AC – QDVIL

AC – QDVIL\* = Audit Committee – Quantum Digital Vision (India) Limited.  
 SIGC – QDVIL\*\* = Shareholders/Investors Grievance Committee – Quantum Digital Vision (India) Limited.

Note: Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating the Directorships and Committee Memberships.

Mr. Ravindrakumar Bhandari resigned as Director of the Company w.e.f. 28<sup>th</sup> December, 2008. In his place Mr. Jai Kishen N Singh occupied the membership of Audit Committee.

iv) **Code of Conduct:**

The Board has formulated a code of conduct for the Board members and Senior Management Personnel of the Company. All Board members and senior management have affirmed their compliance with the code. A declaration to this effect signed by the Chairperson of the Company is given elsewhere in the Annual Report.

**III. AUDIT COMMITTEE**

The Composition of the Audit Committee and their attendance at the Audit Committee Meetings are as follows:

Date of Audit Committee Meeting	Mr. Gajendra Kumar Bhandari	Mr. Rameshchandra Patel	Mr. Ravindrakumar Bhandari
	Chairman & Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director
30 <sup>th</sup> April, 2008	Present	Present	Present
30 <sup>th</sup> July, 2008	Present	Present	Present
5 <sup>th</sup> October, 2008	Present	Present	Present
4 <sup>th</sup> January, 2009	Present	Present	N.A.
Total (out of 4 meetings)	4	4	3

Mr. Ravindrakumar Bhandari resigned as Director of the Company w.e.f. 26<sup>th</sup> December, 2008. In his place Mr. Jai Kishen N Singh occupied the membership of Audit Committee.

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs in accordance with its terms of reference. In addition it exercise powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

#### IV. REMUNERATION COMMITTEE

The Company does not have a formal Remuneration Committee. However, the Board of Directors takes all decisions regarding the remuneration and sitting fees of Directors.

During the financial year, the Company is not paying any remuneration to any Directors.

#### NOTES:

1. The Company does not pay bonus, stock options, pension and performance linked incentives or fixed component incentives to the Directors.
2. The Company has not entered into any Service Contracts with any of the Directors.
3. The Company has not made any payments including sitting fees to the Non-Executive Directors.
4. Equity shares of Quantum Digital Vision (India) Limited held by the Non-Executive Directors are as follows:

Directors	No. of shares held	
	As on March 31, 2009	As on March 31, 2008
Mr. Jai Kishen N Singh	Nil	Nil
Mr. Gajendra Kumar Bhandari	Nil	Nil
Mr. Rameshchandra Patel	Nil	Nil
Mr. Ravindrakumar Bhandari*	Nil	Nil

\*Resigned w.e.f. 28<sup>th</sup> December, 2008.

#### V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Composition of the Shareholders/Investors Grievance Committee and their attendance at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date of Shareholders Grievance Committee Meeting	Mr. Gajendra Kumar Bhandari	Mr. Rameshchandra Patel	Mr. Jai Kishen N Singh
	Chairman & Non Executive Independent Director	Non Executive Independent Director	Non Executive Director
30 <sup>th</sup> April, 2008	Present	Present	Present

30 <sup>th</sup> July, 2008	Present	Present	Present
5 <sup>th</sup> October, 2008	Present	Present	Present
4 <sup>th</sup> January, 2009	Present	Present	Present
Total (out of 4 meetings)	4	4	4

The Committee has delegated the power to approve the share transfers to its Registrar & Share Transfer Agent i.e. M/s. Sharex Dynamic (India) Private Limited. The Committee monitors the redressal of investor's grievances and takes on record the physical share transfers, issue of duplicates share certificates, in lieu of share certificates lost/torn/misplaced etc, split/consolidation of share certificates, etc from time to time. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was as follows:

Complaint Status for the period 01/04/2008 to 31/03/2009 (Equity Shares)

Category	No. of Compl. Received	No. of Compl. Resolved	No. of Compl. Pending
NON RECEIPT.OF CREDIT	-	-	-
NON RECEIPT OF DIVIDEND WARRANT	-	-	-
NON RECEIPT OF INTEREST WARRANT	-	-	-
NON RECEIPT OF ANNUAL REPORTS	-	-	-
SEBI	-	-	-
STOCK EXCHANGE	-	-	-
Total :	--	--	--

As required by the Stock Exchanges, the Company has appointed Mr. Jaikishen N Singh, as the Compliance Officer to monitor the share transfer process and liaise with the regulatory authorities.

## VI. GENERAL BODY MEETINGS

Date time and venue for the last 3 Annual General Meetings and Extra Ordinary General Meeting are given below;

Year	Nature of Special Resolutions Passed	Date	Time	Venue
2007 – 2008 (28 <sup>th</sup> AGM)	Capital & Debt Restructuring of the Company	29 <sup>th</sup> September, 2008	10.00 AM	Registered Office
2006 – 2007 (27 <sup>th</sup> AGM)	Nil	28 <sup>th</sup> September, 2006	10.00 AM	Registered Office
2005 – 2006 (26 <sup>th</sup> AGM)	Nil	28 <sup>th</sup> September, 2007	9.00 A.M.	Registered Office

There were no special resolutions passed through postal ballot last year. At the ensuing Annual General Meeting, there are no resolutions proposed to be passed through postal ballot.

## **VII. DISCLOSURES**

- i. The Company has not entered into any materially significant related party transaction during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or SEBI or any other statutory authority, on any matter relating to the capital market over the last three years.
- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2008– 2009.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing requirements.

## **VIII. MEANS OF COMMUNICATION**

Quarterly Results: The company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by Board within the prescribed time frame and send immediately to the Stock Exchange on which the company's shares are listed. These results are published in the News Papers, i.e., News Today (English Language).

Annual Report: Annual Report containing inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto. The Managements Discussion and Analysis (MD&A) Report forms part of the Annual Report.

## **IX. Auditors Certificate on Corporate Governance**

The Auditors certificate on compliance of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

## **X. Declaration on compliance with code of conduct**

The Board has laid down a code of conduct for the Board members and senior management of the Company.

It is hereby affirmed that all the Directors and senior management have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the Directors and senior management.

**For Quantum Digital Vision (India) Limited**

**Sd/-  
Himalay Dassani  
Managing Director**

*[Faint, illegible text, possibly a signature or stamp]*



**Management Certificate on clause 49 (1D) of the Listing Agreement**

To,  
The Members,  
Quantum Digital Vision (India) Limited

This is to affirm that the Board of Directors of Quantum Digital Vision (India) Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchange and Board of Directors and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2009.

**Sd/-**  
**Himalay Dassani**  
**Managing Director**

**Place: Chennai**  
**Date: 29<sup>th</sup> June, 2009.**

## General Shareholder's Information

### Annual General Meeting

Day, Date and Time : **Monday, 10<sup>th</sup> August, 2009 – 10.00 AM.**  
Venue : **143, Attipattu Village, Ponneri Taluk,  
Chennai-MGR District, Chennai: 601 263**

### Financial Year

1<sup>st</sup> April – 31<sup>st</sup> March

### Book Closure

The Company's Register of Members and Share Transfer Books shall remain closed for the purpose of dividend from Monday, 3<sup>rd</sup> August, 2009 to Monday, 10<sup>th</sup> August, 2009 (both days inclusive).

### Listing on Stock Exchanges

<b>The Company's equity shares, are listed at The following Stock Exchanges Located at:</b>	<b>Addresses of the Stock Exchanges</b>
Bombay Stock Exchange, Mumbai (BSE) Code: 30281	Bombay Stock Exchange Limited. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Maharashtra
Chennai Stock Exchange (CSE)	No. 30, Second Line Beach, Chennai 600 001, Tamil Nadu
Kolkata Stock Exchange (KSE) Code: 027004	7, Lyons Range, Kolkatta
The ISIN No for the Company's Equity Shares in Demat Form	INE373C01019
Depository Connectivity	NSDL and CDSL

### Registrar & Share Transfer Agents:

Shareholders/Investors are requested to forward share transfer documents, dematerialisation request, correspondence regarding change of address, non-receipt of dividend or share certificates and other related correspondence directly to Sharex Dynamic (India) Private Limited at the following address:

Sharex Dynamic (India) Private Limited,  
E-2, Ansa Industrial Estate,  
Unit-1, Luthra Ind Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E), Mumbai: 400072  
Tel: 28515606 Fax: 22641349  
E mail: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)  
URL: [www.sharexindia.com](http://www.sharexindia.com)

## Share Transfer Process and Dematerialisation of Shares

37.37 % of the shares of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 62.63 % of shares are in physical mode. The Company has assigned the job of physical transfer of shares to its Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers from time to time.

### Distribution of Shareholdings as on 31 March 2009

SHARE (OR DEBENTURE) OF NOMINAL VALUE	-NUM OF HOLDERS	(%) OF HOLDERS	T O T A L A M O U N T	% OF AMT
UPTO TO 5000	1418	82.73	3738950.00	12.32
5001 TO 10000	189	11.03	1485000.00	4.89
10001 TO 20000	56	3.27	825050.00	2.72
20001 TO 30000	11	.64	286000.00	.94
30001 TO 40000	7	.41	267000.00	.88
40001 TO 50000	3	.18	146000.00	.48
50001 TO 100000	12	.70	1088000.00	3.58
100001 TO ABOVE	18	1.05	22514000.00	74.18
<b>* * T O T A L * *</b>	<b>1714</b>	<b>100.00</b>	<b>30350000.00</b>	<b>100.00</b>

### Shareholding Pattern as on 31<sup>st</sup> March, 2009

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
1.	Promoter (s) - Indian Promoters	1459400	48.086
	- Foreign Promoters	0	0.00
2.	Persons Acting In Concert	0	0.00
	<b>Sub - Total</b>	<b>1459400</b>	<b>48.086</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
3.	<b>Institutional Investors</b>		
A.	Mutual Funds & UTI	0	0.00
B.	Banks, Financial Inst, Insurance Company (Central/State Govt Inst/Non-Govt INST)	0	0.00
C.	FII (S)	0	0.00
	<b>Sub-total (A)</b>	<b>0</b>	<b>0.00</b>
4	<b>Others</b>		
A	Private Corporate Bodies	92800	3.058
B	Indian Public	1469200	48.408
C	NRI/OCBS	13600	0.448
	Clearing Members	0	0

	<b>Sub-total (B)</b>	<b>1575600</b>	<b>51.914</b>
	<b>GRAND TOTAL</b>	<b>3035000</b>	<b>100.00</b>

Any queries relating to the financial statements of the Company may be addressed to

**Address of the Registered Office:**

143, Athipattu , Village Ponneri Taluk,  
Chengai MGR District,  
Chennai – 601 203

For and on behalf of the Board of Directors

Chennai  
Date: 29<sup>th</sup> June, 2009

Sd/-  
Himalay Dassani  
Managing Director

**AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF QUANTUM DIGITAL VISION (INDIA) LIMITED**

We have examined the compliance of conditions of corporate governance by Quantum Digital Vision (India) Limited as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

**For Shah & Taparia.,  
Chartered Accountants**

Chennai  
Date: 29<sup>th</sup> June, 2009

**Ramesh Pipalawa  
Partner  
Membership No. \_\_\_\_\_**

**FORM**  
**[SEE RULE 3]**

Co. No. 18- 008235

Autho. Cap: Rs. 7 Crores

**COMPLIANCE CERTIFICATE**

To  
The Members,  
Quantum Digital Vision (India) Limited,

We have examined the registers, records, books and papers of Quantum Digital Vision (India) Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made thereunder except some forms.
3. The company is a public limited company, the restriction clauses as provided in section 3 (1) (iii) of the Companies Act, 1956, is not applicable. The Company has the prescribed minimum paid up capital.
4. The Board of Directors duly met 4 times on 30<sup>th</sup> April, 2008, 30<sup>th</sup> July, 2008, 5<sup>th</sup> October, 2008 and 4<sup>th</sup> January, 2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
5. The company has closed its Register of Members from 25<sup>th</sup> September, 2008 to 29<sup>th</sup> September 2008 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2008 was held on 29<sup>th</sup> September, 2008 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under review.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered any contracts falling within the purview of section 297 of the Act.

10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Shareholders/Investors Grievances Committee approves the issue of duplicate share certificates from time to time.
13. The Company has:
  - (i) not made any allotment of securities during the financial year. 37.37 % of the shares of the Company are dematerialized and 62.63 % of the shares of the Company are in physical form. The transfer/transmission of shares in dematerialised form is through depositories mechanism. The transfer/transmission of physical shares is duly executed by the Company's appointed Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. The Shareholders/Investors Grievances Committee takes on record all the physical share transfers/transmission from time to time. Further, all the share certificates lodged for transfers/transmission are duly delivered to the shareholders in accordance with the provisions of the Act.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) not required to transfer the amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund (applicable when rules notified).
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year. However there was resignation of Mr. Ravindrakumar Bhandari w.e.f. 28<sup>th</sup> December, 2008 as Director of the Company.
15. The company has not appointed any managing director / whole time director / manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other applicable authorities as may be prescribed in the Act during the year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of

Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The company has not issued any shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956 during the financial year.
24. The company has not made any borrowings during the financial year.
25. The company has not given guarantees or provided securities or loans or made investments to other bodies corporate and consequently no entries are made in the Register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year under certification as per provisions of section 417(1) of the Act.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **P. P. SHAH & CO.**

**(PRADIP C. SHAH)**

Practising Company Secretary

Place : Mumbai

Date : 29<sup>th</sup> June, 2009

Partner  
Membership: 1483  
Certificate of Practice: 436

**Annexure A**

**Registers as maintained by the Company**

1. Register of Members u/s. 150.
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretaries u/s. 303.
4. Register of Contracts with the Companies and firms in which directors are directly or indirectly interested u/s. 301.
5. Register of Director's Shareholding u/s. 307.
6. Minutes of the Annual General Meeting/Extra Ordinary General Meeting and Board Meeting under section 193.
7. Register of Charges.
8. Register of Investments.

Note: Since, 37.37% of the shares of the Company are in dematerialized format, the register of beneficial owners as per Section 11 of Depositories Act, 1996 is maintained by the concerned Depository.

**Annexure B**

**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2009.**

1. Form 23AC for Balance Sheet and Form 23ACA for Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008 was filed with the Registrar of Companies, Maharashtra u/s. 220 on 1<sup>st</sup> December, 2008.
2. Form 20B for Annual Return Filed under Schedule V to the Companies Act, 1956 in respect of AGM held on 29<sup>th</sup> September, 2008 filed with the Registrar of Companies, Maharashtra, on 1<sup>st</sup> December, 2008.
3. Form 32 with respect to resignation of Mr. Ravindra Bhandari w.e.f. 28<sup>th</sup> December, 2008 was filed with the Registrar of Companies, Maharashtra on 7<sup>th</sup> January, 2009.

For **P. P. SHAH & CO.**

Place : Mumbai  
Date : 29<sup>th</sup> June, 2009

**(PRADIP C. SHAH)**  
Practising Company Secretary  
Partner  
Membership: 1483  
Certificate of Practice: 436



## B: NON MANDATORY REQUIREMENTS

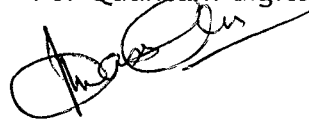
### Remuneration Committee:

Since formation of a Remuneration Committee is not mandatory requirement under clause 49 of the listing agreement, the company has not formed a remuneration committee

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT  
REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with clause 49, sub clause 1(d) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the directors and the senior management personnel of the company have affirmed compliance to their respective code of conduct, as applicable for the Financial Year ended 31<sup>st</sup> March 2008.

For Quantum digital Vision (India) Ltd



Himalay Dassani  
Managing Director

Place : Mumbai

Date : 01/09/2008

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**QUANTUM DIGITAL VISION (INDIA) LTD.**

We have examined the compliance of conditions of Corporate Governance by Quantum Digital Vision (India) .Ltd. for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanation given to us, the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above-mentioned listing Agreements, subject to the following:

The Company doesn't have any Internal Audit System during the year under review, hence Internal Auditor is not an invitee for the meeting of the Audit Committee.

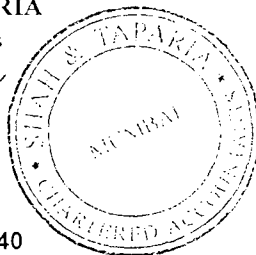
We state that in respect of investor grievances-received during the year ended 31<sup>st</sup> March, 2009, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Share Transfer and Shareholders Investor Grievances Committee.

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

For and on behalf of

For **SHAH & TAPARIA**  
Chartered Accountants

*Ramesh Pipalawa*  
**RAMESH PIPALAWA**  
Partner  
Membership No.103840

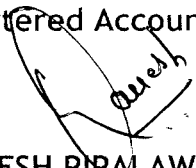


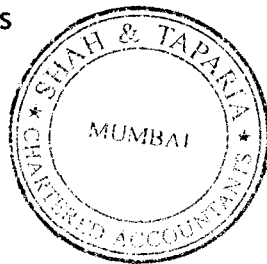
Place : Mumbai  
Date : 29/06/2009

## AUDITORS CERTIFICATE

We have examined the attached cash flow statement of Quantum digital vision (India) Ltd for the year ended 31<sup>st</sup> March 2009. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Audit Report of even date to the members of the Company.

For **SHAH & TAPARIA**  
Chartered Accountants

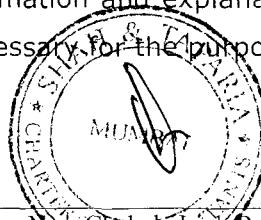
  
**RAMESH PIRALAWA**  
Partner



Place : Mumbai  
Date : 29/06/2009

**AUDITORS REPORT TO THE MEMBERS OF M/S. QUANTUM DIGITAL VISION (I) LIMITED**

1. We have audited the attached Balance Sheet of **M/s. QUANTUM DIGITAL VISION (I) LIMITED** as at 31st March, 2009, Profit & Loss account & Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management.
2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit.



**SHAH & TAPARIA**  
**CHARTERED ACCOUNTANTS**

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- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion the Balance Sheet, Profit & Loss Account and cash flow statement dealt with this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of information and explanation given to us and representation received from the directors of the company, We report that none of the directors is disqualified from being appointed as Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit/credit balances are subject to confirmation and adjustments necessary upon reconciliation (refer Note No 5 of Schedule L). The effect of the adjustments arising from reconciliation and settlement of old outstanding dues and possible loss that may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to express an opinion about the impact thereof on the accounts and the loss for the year.
- g) Non provision of interest on Secured Loan and Suppliers Credit against Imported machineriés, since as the interest is not ascertained, (refer Note No 6 of Schedule L) We are unable to express an opinion about the impact thereof on the accounts and the loss for the year.
- h) Provision for liability towards leave salary and bonus and gratuity to employees is accounted for on cash basis, which is not in conformity with- Accounting Standard 15 on Accounting of Retirement benefits to Employees.
- i) Subject to our comments in para.4.(f),(g) & (h) in our opinion and to the best of our information and according to the explanation given to us, the accounts read

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with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

i) In the case of the Balance Sheet of the State of affairs of the Company as at 31<sup>st</sup> March' 2009.

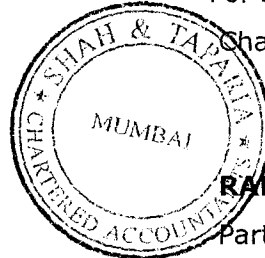
And

ii) In the case of Profit & Loss Account of the Loss for the year ended on that date.

iii) In the case of the cash flow statement of the cash flows for the year ended on that date.

PLACE : MUMBAI.

DATE : 29/06/2009



For **SHAH & TAPARIA**  
Chartered Accountants

**RAMESH RIPALAWA**  
Partner.

**M.No:103840**

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 of our report of even date)

(i) In respect of fixed assets:

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

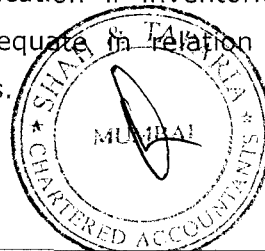
(b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off a major part of the fixed assets. According to the information and explanations given to us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the company.

(ii) In respect of its Inventories:

(a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verifications is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification if inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

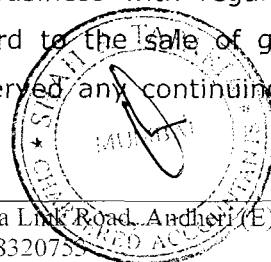




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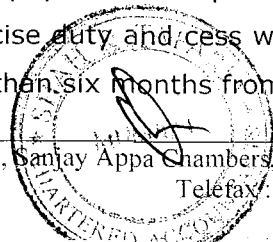
- (C) The Company is maintaining proper records of inventory. As explained to us, there was no material discrepancy noticed on physical verification of inventories as compared to the book records.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- (a) The company had taken loan from a company and 4 other parties covered in the register maintained under section 301 of the Companies Act, 1956. the maximum amount involved during the year was Rs.22,35,646/- and the year end balance of loans taken from such parties was Rs.19,69,262/-.
- (b) According to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is not regular in repaying the principal amounts as stipulated and in the payment of interest. The parties have not repaid the principal amounts as stipulated and have not been regular in the payment of interest if any.
- (d) There is an overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.



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- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contract or arrangement that needed to be entered into the register maintained under section 301 have not been entered and the same needs to be entered .
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rs 5,00,000/- in respect of any party during the year have been made at prices which are reasonable with regard to the prevailing market price at the relevant time.
- (vi) According to the information and explanations given to us, the company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the company does not have an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government.
- (ix) In respect of statutory dues:
- (a) According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed statutory dues including, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. However, in certain cases, *the company has not deposited undisputed dues of Tax deducted at source in time*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax , wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.



**SHAH & TAPARIA**  
**CHARTERED ACCOUNTANTS**

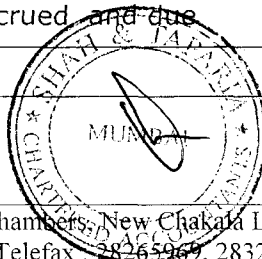
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(c) According to the information and explanation given to us, details of dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited as on 31<sup>st</sup> March 2009 on account of any dispute are given below:

Particulars	Amount (Rs)
Excise demand under adjudication	8,57,436
Sales Tax of Silvassa under appeal	1,03,481
Sales Tax under appeal	4,73,536
Income tax under appeal	25,37,354

- (x) The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution or bank. The company has not provided for interest accrued on these loans in its books.

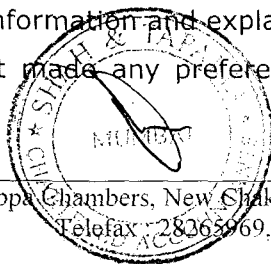
	FROM BANKS	Amount (Rs)
i)	Cash Credit	5187422
ii)	Bills Purchases	1042174
	FROM FINANCIAL INSTITUTIONS	
i)	Hire Purchase Loan from Gujarat State Financial Corporation	4041631
ii)	Gujarat State Financial Corp.	14064805
iii)	Term Loan from GSFC	15254946
	Add: Interest accrued and due	13277062
	Total	52868040



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- (xii) Based on our examination of the records and the information and explanation given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanation given to us, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information and explanation given to us, the Company is not dealing 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.
- (xv) According to the information and explanation given to us, the terms and conditions on which the company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of company.
- (xvi) According to the information and explanation given to us, the company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company. We are of the opinion that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and



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companies covered in the Register maintained under section 301 of the Companies Act, 1956.

- (xix) The Company did not have any outstanding debentures during the year. Accordingly, no securities have been created.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

PLACE : MUMBAI.

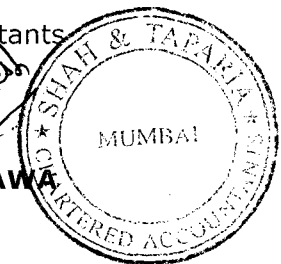
DATE : 29/06/09

For **SHAH & TAPARIA**  
Chartered Accountants

**RAMESH PIPALAWA**

Partner

**M.No:103840**



## Form B

### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- |  |   |
|--|---|
| 1. Specific areas in which R&D is carried out by the Company | The Company does not have separate R&D lab However, with the existing testing lab the company's chemists and engineers have been continuously involved in up gradation of the quality of the product. |
| 2. Future plan of action                                     | Efforts to continue further improvement in the existing products and bring in new range of products.  |
| 3. Expenditure on R&D  | Nil   |

#### Technology absorption, adaptation and innovation

- |  |  |
|--|--|
| I. Efforts in brief made towards technology absorption adoption and innovation | The Company has installed imported machinery from Germany in its polymer bags division . |
| I. Benefits derived from above efforts   | Not Applicable   |
| j. In case of imported technology the following information may be furnished   | Not Applicable   |
| A. Technology imported   | Not Applicable   |
| B. Year of import  | Not Applicable   |
| C. Has technology been Fully absorbed  | Not Applicable   |
| 0. If not fully absorbed. Reasons for the same                                 | Not Applicable   |

**ATTENDANCE SLIP**

**QUANTUM DIGITAL VISION (INDIA) LIMITED**  
Registered Office: 143, Attipattu Village, Ponneri Taluk, Chengai MGR District,  
Chennai – 601 203

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Please complete this attendance slip and hand it over at the entrance of the hall

I, hereby record my attendance at the Twenty Ninth Annual General Meeting to be held on Monday, 10<sup>th</sup> August, 2009 at 143, Attipattu Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203 at 10.00 A.M.

<b>DP ID :</b>		<b>CLIENT ID :</b>	
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)		FOLIO NO.	

SIGNATURE OF THE SHARE HOLDER OR PROXY: \_\_\_\_\_

**PROXY**  
**QUANTUM DIGITAL VISION (INDIA) LIMITED**  
Registered Office: 143, Attipattu Village, Ponneri Taluk, Chengai MGR District,  
Chennai – 601 203

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<b>DP ID :</b>		<b>CLIENT ID :</b>	
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I/We.....of.....  
.....being a Member/Members of **QUANTUM DIGITAL VISION (INDIA) LIMITED** hereby appoint.....of.....  
.....(or failing him).....of.....  
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on Monday, 10<sup>th</sup> August, 2009 at 143, Attipattu Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203 at 10.00 A.M. and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

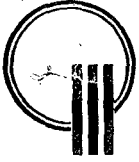
SIGNATURE OF THE SHAREHOLDER OR PROXY:

Affix a Re. 1.00 revenue stamp
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**NOTE:** The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

Folio No. \_\_\_\_\_

Name of the Shareholder(s) : \_\_\_\_\_



# Quantum Digital Vision (India) Ltd.

FACTORY : 170/2P, SILLI VILLAGE, DADRA & NAGAR HAVELI, SILVASSA (U.T.) - 396230  
ADMN. OFFICE: 1, JHARNA KUTIR, TEJPAL SCHEME MAIN ROAD, VILE PARLE (E), MUMBAI - 400 057.  
Tel.: 022-26844665, Telefax : 022-26826143 Website : [www.qil.in](http://www.qil.in)

Date: 1<sup>st</sup> July, 2009.

To,  
M/s. Shah & Taparia.,  
Chartered Accountants  
Mumbai.

Dear Sir,

**Sub : Appointment as Statutory Auditors – Letter u/s. 224(1B) of the Companies Act, 1956**

With reference to above, we request you to issue us the letter u/s. 224 (1B) of the Companies Act, 1956, regarding consent for re-appointment as Auditor of the Company to be appointed at the Twenty Ninth Annual General Meeting to be held on Monday, 10<sup>th</sup> August, 2009 and to hold office till the conclusion of next Annual General Meeting.

You are requested to do the needful in the matter and oblige.

Thanking you,

Yours faithfully,

For Quantum Digital Vision (India) Limited,

**Himalay Dassani  
MANAGING DIRECTOR**



**QUANTUM DIGITAL VISION (I) LTD.**

**BALANCE SHEET AS AT 31ST MARCH 2009**

PARTICULARS	SCH.	31ST MARCH 2009 (Rupees)	31ST MARCH 2008 (Rupees)
<b>SOURCES OF FUNDS</b>			
Share Capital	A	30,350,000	30,350,000
Reserve & Surplus	B	36,401,750	36,401,750
<b>Loan Funds</b>			
Secured Loan	C	52,868,040	52,868,040
Unsecured Loans	D	84,891,961	84,591,786
Deferred Tax Liability			
		<b>204,511,751</b>	<b>204,211,576</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	150,726,968	150,726,968
Less: Depreciation		37,019,425	30,258,849
Net Block		113,707,543	120,468,119
<b>Current Assets, Loans &amp; Advances</b>			
Stock In Trade	G	83,285	83,285
Sundry Debtors	H	2,000,000	528,260
Cash and Bank Balances	I	83,027	570,540
Loans and Advances	J	3,145,230	3,209,372
		5,311,542	4,391,456
Less: Current Liabilities and Provisions	K	5,070,120	4,118,482
Net Current Assets		241,422	272,974
<b>Miscellaneous Expenditure (To the extent not written off)</b>			
Profit and Loss Account		90,562,786	83,470,483
		<b>204,511,751</b>	<b>204,211,576</b>

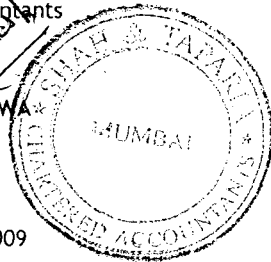
Significant Accounting Policies & Notes to Accounts

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FOR SHAH & TAPARIA  
Chartered Accountants

RAMESH PIPALAWA  
Partner

Place : Mumbai.  
Date : 24/06/2009



For QUANTUM DIGITAL VISION (I) LTD

*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR

**QUANTUM DIGITAL VISION (I) LTD**

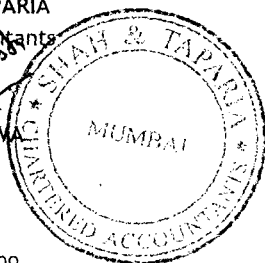
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

PARTICULARS	SCH.	31st MARCH 2009 (Rupees)	31st MARCH 2008 (Rupees)
<b>INCOME</b>			
Sales & Services		3,500,000	
Other Income	1	18,213	1,426,023
Increase/(Decrease) In Stock	2	-	(870,984)
		3,518,213	555,039
<b>EXPENDITURE</b>			
Purchases		3,100,000	
Administrative Expenses	3	747,770	2,032,695
Depreciation		6,760,577	6,760,577
		10,608,347	8,793,272
Net Profit/(Loss) before Taxation		(7,090,134)	(8,238,233)
Less/(Add): Provision for Taxation			
a) Current		-	-
b) Deferred		-	-
c) Fringe Benefit Tax		2,170	11,228
Less: Income Tax/FBT for Earlier Years			4,680
Add: Profit/(Loss) Brought Forward		(83,470,483)	(75,216,342)
Profit After Taxation		(90,562,786)	(83,470,483)
(Balance transferred to Reserve & Surplus)			

Significant Accounting Policies &  
Notes to Accounts

FOR SHAH & TAPARIA  
Chartered Accountants

RAMESH RIPALAWA  
Partner



For QUANTUM DIGITAL VISION (I) LTD

DIRECTOR

DIRECTOR

Place : Mumbai.  
Date : 24/06/2009

QUANTUM DIGITAL VISION (I) LTD  
SCHEDULES FORMING PART OF PROFIT & LOSS A/C. FOR THE PERIOD  
ENDED 31ST MARCH 2009

SCHEDULE '1' : OTHER INCOME

Interest on FDR	18,213	
Sundry Balances W/Off	-	1,426,023
	<u>18,213</u>	<u>1,426,023</u>

SCHEDULE '2' : INCREASE / (DECREASE) IN STOCK

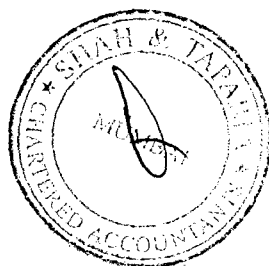
Closing Stock	83,285	83,285
Less: Opening Stock	83,285	954,269
	-	<u>(870,984)</u>

SCHEDULE '3' : ADMINISTRATIVE EXPENSES

Audit Fees	44,120	44,944
Bank and Other Finance Chgs.	1,495	27,419
Books & Periodicals	2,715	2,600
Computer Expenses	3,600	14,871
Conveyance	7,150	28,615
D P Charges	13,484	-
Electricity	-	14,170
General Exp.	10,212	14,371
Legal & Prof. Exp.	187,608	360,165
Listing Expenses	10,100	76,120
Postage & Telegrams	371	23,131
Printing & Stationery	6,335	40,981
Rates & Taxes	28,520	34,250
Repairs & Maintenance	22,856	384,128
RTA Charges	50,187	62,762
Salaries Wages & Benefits	332,179	701,492
Staff Welfare	11,452	33,868
Telephone & Mobile	10,594	58,454
Travelling Exp	4,792	110,354
	<u>747,770</u>	<u>2,032,695</u>

Misc Expenses

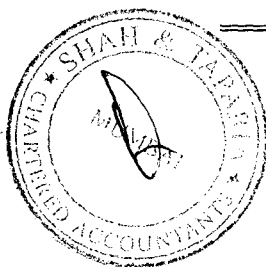
Factory Expebnses	1,820	1,084
Electricity Factory	2,725	-
General Expenses	130	1,110
Lock in Shares	2,206	-
Office & Factory Exp	2,100	3,353
processing charges	-	3,089
Profession Tax	-	1,240
Interest on FBT	1,231	-
Demate Charges	-	4,495
	<u>10,212</u>	<u>14,371</u>



QUANTUM DIGITAL VISION (I) LTD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

	As At 31ST MARCH 2009 Rupees	As At 31ST MARCH 2008 Rupees
<b><u>SCHEDULE 'A' : SHARE CAPITAL</u></b>		
Authorised Share Capital 7,000,000 Equity Shares of Rs.10/- each fully paid up	70,000,000	70,000,000
<u>Issued, Subscribed &amp; Paid Up</u> 3,035,000 Equity Shares of Rs.10/- each fully paid up (Includes 1,540,000 shares issued as bonus share by capitalisation of reserve)	30,350,000	30,350,000
	<u>30,350,000</u>	<u>30,350,000</u>
<b><u>SCHEDULE 'B' : RESERVE &amp; SURPLUS</u></b>		
Share Premium ( Premium Of Rs. 15/- each on 1335000 Equity Share)	20,025,000	20,025,000
Share Capital Reserve	12,063,750	12,063,750
General Reserve	4,313,000	4,313,000
	<u>36,401,750</u>	<u>36,401,750</u>
<b><u>SCHEDULE 'C' : SECURED LOANS</u></b>		
<u>FROM BANKS</u>		
i) Cash Credit (Secured by hypothecation of stock-in-trade, raw materials etc and first charge on fixed assets of the company in Leaf Spring Division at Chennai and Personal guaranteed by Himalay Dassani)		
	5,187,422	5,187,422
ii) Bills Purchase (Secured by first charge on fixed assets of the Company in Leaf Spring Division at Chennai Personal guaranteed by Himalay Dassani)		
	1,042,174	1,042,174
<u>FROM FINANCIAL INSTITUTIONS</u>		
i) Hire Purchase Loan from Gujarat State Financial Corporation (Secured by the personal guarantee of directors of the Company)		
	4,041,631	4,041,631
ii) Gujarat State Financial Corporation (Secured by Charge of Machineries)		
	14,064,805	14,064,805
iii) Term Loan from GSFC (Secured by hypothecation of assets of Polymer Division & also guaranteed by two Directors in their personal capacity)		
	15,254,946	15,254,946
Add: Interest accrued and due	13,277,062	13,277,062
	<u>52,868,040</u>	<u>52,868,040</u>

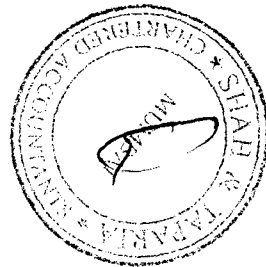


QUANTUM DIGITAL VISION (I) LTD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE 'D': FIXED ASSETS

Particulars	Rate	GROSS BLOCK			Gross Total 31/03/2009	DEPRECIATION			NET BLOCK		
		As On 04/01/2008	ADDITION	DEDUCTION		As On 04/01/2008	For The Year	Adjustments	AS On 31/3/2009	As On 31/3/2009	As On 31/3/2008
Land	0.00%	5,032,997	-	-	5,032,997	-	-	-	-	5,032,997	5,032,997
Building	3.34%	13,874,028	-	-	13,874,028	5,454,371	463,393	-	5,917,763	7,956,265	8,419,657
Plant & Machinery (Imported)	4.75%	90,448,929	-	-	90,448,929	9,546,781	4,296,324	-	13,843,105	76,605,824	80,902,148
Plant & Machinery (Indigenous)	4.75%	34,713,696	-	-	34,713,696	13,141,183	1,648,901	-	14,790,083	19,923,613	21,572,513
Office Equipment	4.75%	927,802	-	-	927,802	634,921	44,071	-	678,991	248,811	292,881
Furniture & Fixture	6.33%	299,814	-	-	299,814	210,863	18,978	-	229,841	69,973	88,951
Vehicles	9.50%	460,641	-	-	460,641	394,250	43,761	-	438,011	22,630	66,391
Electrical Equipments & Supply Distri	4.75%	4,201,666	-	-	4,201,666	740,600	199,579	-	940,179	3,261,487	3,461,066
Mis Tools & Equipments	4.75%	658,915	-	-	658,915	121,608	31,298	-	152,907	506,008	537,307
Computer	16.21%	108,480	-	-	108,480	14,272	14,272	-	28,544	79,936	94,208
<b>TOTAL</b>		<b>150,726,968</b>	-	-	<b>150,726,968</b>	<b>30,258,849</b>	<b>6,760,577</b>	-	<b>37,019,425</b>	<b>113,707,543</b>	<b>120,468,119</b>
Previous Year		150,618,488	108,480	-	150,726,968	23,498,272	6,760,577	-	30,258,849	120,468,119	127,120,216



**SCHEDULE 'D' : UNSECURED LOANS**

Suppliers Credit - Machinery Imports	64,241,316	64,241,316
Add: Interest accrued and due	13,474,868	13,474,868
Shareholders	4,585,821	4,485,646
Intercompany Deposit	2,589,956	2,389,956
	<u>84,891,961</u>	<u>84,591,786</u>

**SCHEDULE 'F' : INVENTORIES**

*(As verified and certified by the Management)*

Loose Tools (at cost)	20,627	20,627
Raw Materials	-	-
Finished Goods	62,657	62,657
Packing Materials	-	-
	<u>83,285</u>	<u>83,285</u>

**SCHEDULE 'G' : SUNDRY DEBTORS**

*(Unsecured, considered good)*

More than Six Months	-	528,260
Other Debts	2,000,000	-
	<u>2,000,000</u>	<u>528,260</u>

**SCHEDULE 'H' : CASH & BANK BALANCE**

Cash On hand	35,933	64,901
Bank Accounts	47,094	5,638
F D R with Vijaya Bank (Pledge against Bank Guarantee with Excise Dept.)	-	500,000
	<u>83,027</u>	<u>570,540</u>

**SCHEDULE 'I' : DEPOSITS, LOANS & ADVANCES**

*(Unsecured - considered goods unless otherwise stated)*

Deposits	1,518,161	1,518,161
Advance receivable in cash or kind or for value to be received	490,211	554,353
Income Tax	1,136,858	1,136,858
	<u>3,145,230</u>	<u>3,209,372</u>



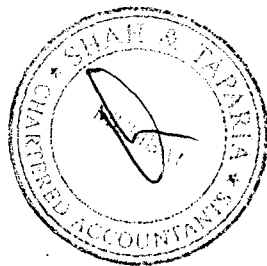
SCHEDULE 'J': CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Sundry Creditors for Goods	4,439,292	3,326,172
Sundry Creditors for Expenses	214,052	366,477

Provisions

Provision for Tax	414,606	414,606
Fringe Benefit Tax	2,170	11,228
	<u>5,070,120</u>	<u>4,118,482</u>



**QUANTUM DIGITAL VISION (I) LTD**

**GROUPINGS FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2008**

Secured Loans

Others

Abhimanyu Dassani	62,500	62,500
Avantika Dassani	62,500	62,500
Bhagyashree Dassani	1,724,262	1,820,646
Budhmal Nahataa	200,000	200,000
Dileep Trading Corporation	1,800,000	1,800,000
Himalya Dassani	676,559	480,000
Shakuntala Dasani	60,000	60,000
	<u>4,585,821</u>	<u>4,485,646</u>

Inter Corporate Deposit

Cyma Dassani Mrktg. P. Ltd.	152,430	152,430
D T Ceramic Pvt Ltd	200,000	-
Dileep Lifestyle Pvt. Ltd.	500,000	500,000
Fair Pak Inv. P Ltd	1,677,526	1,677,526
Genesis Etech Ltd.	60,000	60,000
	<u>2,589,956</u>	<u>2,389,956</u>

Suppliers Credit - Machinery Imports

Reifenhauser GMBH	31,065,375	31,065,375
Renova Machine GMBH	33,175,941	33,175,941
	<u>64,241,316</u>	<u>64,241,316</u>

Advance Recoverable in Cash or kind or value to be received

Int. Acc. On Sec. Dep.Gsfc	348,418	348,418
Interest Accrued On Tdr	131,793	131,793
Gurunath E. Moharir	-	74,142
Scope Corporate Consultants	10,000	-
	<u>490,211</u>	<u>554,353</u>

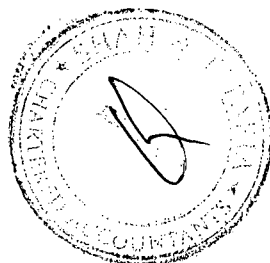
**SUNDRY DEBTORS**

Sundry Tile Debtors

Shrishti Entertainments(Drs)	-	528,260
Priyanka Films	2,000,000	-
	<u>2,000,000</u>	<u>528,260</u>

DEPOSITS

Central Excise Pla (Lspr)	5,000	5,000
Gsfc Securty Depo.Poly	1,471,600	1,471,600
Sales Tax Depositpoly	5,000	5,000
Sales Tax Paid Under Appeal(Lspr)	36,561	36,561
	<u>1,518,161</u>	<u>1,518,161</u>





INCOME TAX

ADVANCE TAX	382,432	382,432
Income Tax A.Y. 9697	339,702	339,702
SELF ASS. I.T.Acc. Yr.9596	83,805	83,805
TDS	13,325	13,325
TDS Recd 20002001	10,278	10,278
TDS Recd. 20012002	24,534	24,534
TDS RECD. 9900	73,182	73,182
TDS RECEIVABLE	136,028	136,028
TDS Received (Poly) 9798	12,237	12,237
TDS Received (Poly) 9899	61,335	61,335
SELF ASS. I.T.Yr.2008-09		

	1,136,858	1,136,858
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BANK BALANCES

Oriental Bank of Commerce	39,334	951
Vijaya Bank A/C 500200301000235	7,760	4,687

	47,094	5,638
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SUNDRY CREDITORS

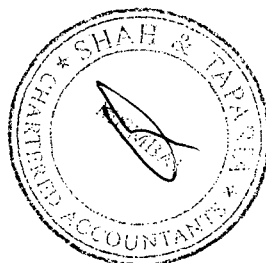
A. S. Varadarajan & Co.	-	44,850
Airkom Agencies (I) Pvt Ltd	-	3,500
Arun Kumar Pandey	-	11,820
Marmagoa Steels	126,867	126,867
Morwal Bros	602,366	602,366
Nursingh Sahay	150,000	150,000
Perfect Colourants	81,000	81,000
Pradnya Enterprises	-	30,000
Sharex Dynamic (India) P. Ltd.	35,908	30,740
Shristi Entertainment Pvt Ltd	1,198,122	-
Sunflag Iton And Steel Company	1,736,687	1,736,687
Thirumalai Che.(Crs.)	508,342	508,342

	4,439,292	3,326,172
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SUNDRY CREDITORS FOR EXPENSES

Arvind Kumar	-	800
Bright Systems	-	600
Dharpal Singh	-	13,000
Dharpal Singh Gilla	-	78,188
Dilip A Patel	-	6,790
Electricity Payablefactory	114,836	114,836
Flight Time Expres Couriers Services	-	3,281
Jaywant Patil	-	5,871
Jignesh Book Depot	-	3,719
Kailash Chandra Singhal	11,170	-
P.P. Shah & Co	13,236	-
Ramanbhai R. Tumda	-	1,580
Santosh Shrivastav	-	36,660
Security Salary Payable	-	6,000
Shah & Taparia	39,576	56,180
Shahnaz Shaikh	-	5,835
Tds On Consultancy Payable	25,171	21,328
Telephone & Fax Payable	-	1,746
Tngst (Lsprn)	10,063	10,063

	214,052	366,477
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## **QUANTUM DIGITAL VISION (I) LIMITED**

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009.

### SCHEDULE 'L'

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

##### A. Significant Accounting Policies:

1. Basis of Preparation :

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2. Fixed Assets :

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all incidental expenses incurred to bring the assets to its present location and condition, other pre operative expenses.

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. A qualifying asset is one which takes substantial period of time to get ready for intended use. All other borrowing cost are charged to revenue

3. Depreciation :

Depreciation is provided on a straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

4. Investments :

Long term investment are carried at cost less provision for permanent diminution in value of such investments. Current investments carried at lower of cost and fair value.

5. Foreign Exchange Transactions :

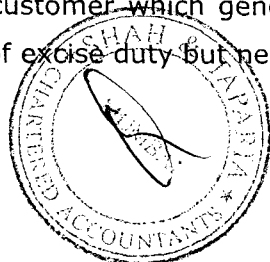
Foreign currency transactions are initially recognized at the spot rate on the date of transaction.

Monetary assets and liabilities relating to foreign currency transaction remaining unsettled at the end of the year are translated at year-end rates.

The difference in translation and realized gains and losses on foreign exchange transaction are recognized in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to carrying cost of such assets.

6. Revenue Recognition :

Revenue from sales are recognised when significant risk and rewards of ownership are transferred to the customer which generally coincide with dispatch of goods. The sales are inclusive of excise duty but net of sales tax and returns.



**7. Inventories (As valued & Certified by the management):**

Finished goods & Work in progress are valued at cost or net realisable value whichever is lower and includes excise duty. Cost for this purpose includes direct material, direct labour, excise duty and appropriate portion of overheads for bringing the inventory to its present location and condition.

Raw Material, Stores & Spares, Packing Materials are valued at cost (computed on FIFO basis) or net realisable value whichever is lower. Cost includes purchase price, freight inward and incidental expenses.

**8. Taxation :**

Current Income Tax and Fringe Benefit Tax expenses are determined in accordance with the provisions of the Income Tax Act'1961.

Deferred tax expenses or benefit is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**9. Retirement Benefit :**

The company is in process to formulate the retirement benefit policy for the employees.

**10. Segment Reporting:**

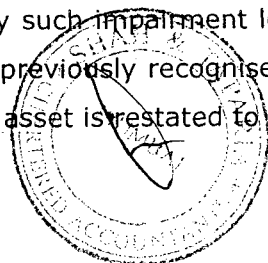
The Company operates under multi segment viz. " manufacturing of plastic products and software relating to multimedia and entertainment industries, since the company didn't recognize any revenue from any segment during the year hence the disclosure requirement of AS-17 'Segment Reporting' issued by the Institute of Chartered Accountants of India is not Applicable.

**11. Earning Per Share:**

The company reports basic and diluted earning per share in accordance with AS-20 "Earning Per Share". Basic earning per share have been computed by dividing net profit after tax by weighted average number of shares outstanding for the year. Diluted earning per share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

**12. Impairment of Assets:**

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. Any such impairment loss is recognised by charging it to the profit & loss account. A previously recognised impairment loss is reversed when it no longer exists and the asset is restated to that effect.



### 13. Provisions & Contingent Liabilities:

A provision arising out of present obligation is recognised when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Whenever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability under "Notes to Accounts"

#### B. Notes To Accounts:

1. The Company is a Sick Industrial company within the meaning of clause (o) of sub-section (i) of section 3 of the Sick Industrial Companies (Special Provisions) Act 1985.
2. Contingent Liabilities:

Sl	Particulars	As on 31/03/2009 (Rs)	As on 31/03/2008 (Rs)
i)	Excise duty under adjudication	854736	854736
ii)	Sales Tax under Appeal	473536	473536
iii)	Sales Tax under Appeal (Silvassa)	103481	103481
iv)	Income Tax under Appeal	2537354	2537354
v)	Bank Guarantee for Electricity	1000000	1000000
vi)	Liability on account of non-fulfillment of export obligations / EPCG Scheme	Amount not ascertained (refer Note below)*	Amount not ascertained

\* Liability on account of non fulfillment of export obligations / EPCG scheme - it is not possible to quantify the above liability at present, the normal procedure is that custom duty is charged on depreciated value on machines at the end of the extended period if further extensions is either not sought or not granted.

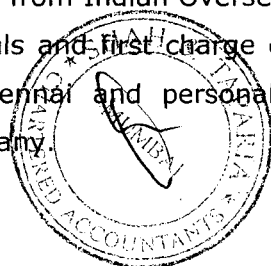
The above have not been provided for in the accounts as in the opinion of the company the demands are not sustainable to the company.

3. Estimated amount of contracts remaining to be executed on Capital Account not provides for Rs.Nil (P.Y. Rs. Nil)

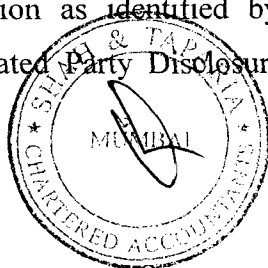
#### 4. Secured Loans

Nature of security for secured loan

- a). Cash Credit Facility from Indian Overseas Bank is secured by hypothecation of old stock, raw materials and first charge on fixed assets of the company in leaf spring division at Chennai and personal guarantee of Mr. Himalay Dassani, Chairman of the Company.



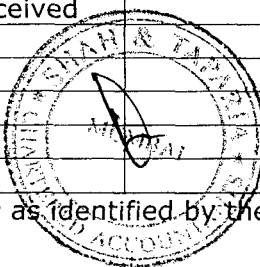
- b) Bills purchased facilities from Indian Overseas Bank is secured by first charge on fixed assets of the company in leaf spring division at Chennai and personal guarantee of Mr. Himalay Dassani, Chairman of the Company.
- c). Hire purchase, loan facilities and term loan facilities from Gujarat State Financial Corporation are secured by hypothecation of assets of polymer division and charge of machineries of polymer division and personal guarantee of directors of the Company.
5. The balances in respect of Sundry Debtors, Sundry Creditors and other Loans & Advances are subject to confirmation and adjustment necessary upon reconciliation thereof and hire purchase loan from GSFC, Supplier credit machinery import are also subject to confirmation and also including interest provisions if any.
6. Interest on secured loan from banks, financial institutions and interest on imported machinery from M/s. Reigenhauser GmbH & Co. and Renova Plastik Maschinen GmbH (Unsecured Loans) has not provided in the books of accounts for the year under review as well as earlier years also amount unascertained. As a result of these the accumulated loss has been lower stated to that extend.
7. Directors Remuneration Rs.NIL/- (PY. NIL)
8. Payment to Auditors includes the followings.
- |                | 2008-2009<br>(Rupees) | 2007-2008<br>(Rupees) |
|----------------|-----------------------|-----------------------|
| For Audit Fees | 40,000                | 40,000                |
| For Others     | ---                   | ---                   |
9. The Company is in the process of identifying S.S.I.units from its creditors .The relevant information in this regard shall be given when it is compiled. So far, there has been no claim on the company in respect of any interest by supplier including SSI Units.
10. The cash flow Statement As per AS 3 is as per Annexure 'A'
11. Related Party information as identified by the management as per Accounting Standard – 18 on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India.



<u>Relationships</u>	
a) Joint Venture	Nil
b) Key Management Personnel	- Mr. Himalay Dassani - Mr G. K. Bhandari - Mr. Jaykishan N. Singh - Mr. R. Patel - Mr. R. Bhandari (Resigned on 28 <sup>th</sup> Dec 2008)
c) Enterprise over which key management Personnel exercise significant influence or Control	- Genesis E Tech Limited - Dreamworks Pictures Limited (Formally known as Shristi Entertainment Pvt. Ltd.)
d) Relatives of Key Management Personnel	- Mrs. Bhagyashree Dassani - Master Abhimanyu Dassani - Miss. Avantika Dassani - Smt. Shakuntala Dassani

Particulars	Referred in a) above	Referred in b) above	Referred in c) above	Referred in d) above
<u>Opening Balances</u>				
-Equity Share Capital				
-Share Application money				
-Loans, Advances and Deposits given				
-Loans, Advances and Deposits received		480000	60000	2005646
-Debtors			528260	
-Creditors				
<u>Transactions during the year</u>				
-Loans, Advances and Deposits given				
-Loans, Advances and Deposits received back				
-Loans, Advances and Deposits received		216559		528616
-Loans, Advances and Deposits repaid		20000		625000
-Sale of Goods & Services				
-Sale of Fixed Assets				
-Purchases of Goods & Services			3100000	
-Purchase of Fixed Assets				
-Share Application Money Received				
-Share Application Money Repaid				
-Share Premium				
-Equity Share Capital Issued				
<u>Closing Balance</u>				
-Loans, Advances and Deposits given				
-Loans, Advances and Deposits received		676559	60000	1909262
-Debtors			Nil	
-Creditors			1198122	
-Equity Shares				
-Share Application Money				

Note: Related party relationships is as identified by the Company and relied upon by the Auditors.

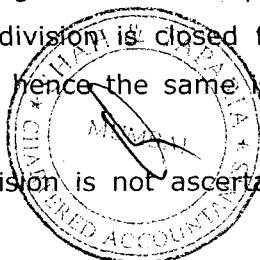


12. Earning Per Share (EPS) : For calculating EPS Net Profit/(Loss) after Tax as shown in P & L A/c. is taken as numerator and weighted average number of equity shares taken as denominator are 30,35,000 share of Rs.10/- each.
13. Deferred Tax Assets and Liabilities : The Company has unabsorbed depreciation and carried forward losses available for set off under the Income Tax Act, 1961. however, in view of inability to assess future taxable income the extent of net deferred tax assets which may be adjusted in the subsequent years is not ascertainable at this stage and accordingly the same has not been recognised in these accounts on prudent basis.
14. No disclosure is required under AS-24 on "Discontinuing Operations" issued by the Institute of Chartered Accountants of India as the company has suspended its manufacturing activity/product line since earlier years.
15. The company is in the process of conducting an exercise for identification of impaired assets, if any, as required AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India.
16. Disclosure of Derivative Instruments :  
During the year the company has not entered into any forward exchange contracts as such there are not outstanding derivative contract as at 31st March, 2009 to be disclosed as per the ICAI announcement.
17. Loans and Advances (Schedule I)  
Advances to suppliers include Rs.NIL (Rs. NIL ) given to concerns in which Directors are interested as directors/members/partners.
18. The Company has not appointed a whole time Company Secretary under Section 383A of the Companies Act,1956, however the company is trying to fill up the vacancy by finding out a suitable candidate.
19. Indian Overseas Bank has filed a suit in D.R.T. and the same has been disputed.
20. One of the foreign machinery supplier, ie, Renova Plastik Maschinen GmbH (Unsecured Loans) has also filed a suit against the company. The same has been disputed as the machinery did not comply with the order specifications as to origin and quality.

21. Licensed and installed capacities and production ( In M.T. )

Class of Products	Licensed Capacity	Installed capacity	Production
Polymer bags	N. A. (N. A )	2500 (2500)	Nil (Nil)

- (a) As certified by the Management and accepted by the Auditors.
- b) since the leaf spring division is closed from 1986 and no activity was carried out thereafter, hence the same is not considered in quantitative information.
- c) Capacity of media division is not ascertainable as it is order / demand driven



22. Opening Stocks, Turnover and Closing Stock :

Class of Products	Opening Stock		Production		Turnover		Closing Stock	
	Kg	Rupees	Kg	Rupees	Kg	Rupees	Kg	Rupees
HDPE Super Bags/Waste Manufacturing	5157 (5157)	15157 (15157)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil	5157 (5157)	15157 (15157)
Media Stock	N.A. (N.A.)	47500 (47500)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	N.A. (N.A.)	47500 (47500)

23. Raw materials consumed:

	Kg	Rupees
HDPE Super Bags/Master Batch	Nil (Nil)	Nil (Nil)

Break up of Raw Material consumed

Imported Raw Material	Nil (Nil)
Indigenous Raw Material	Nil (Nil)

24. Additional information pursuant to the provisions of paragraph 3, 4 & 4D of Part II of Schedule VI to the Companies Act, 1956 is as under:

- A Value of imports calculated on CIF basis Rs. Nil (PY.Rs. Nil)
- B. Expenditure in foreign currency – Rs Nil (P.Y. Rs. Nil )
- C. Earning in foreign currency –Rs Nil (P.Y. Rs: Nil)

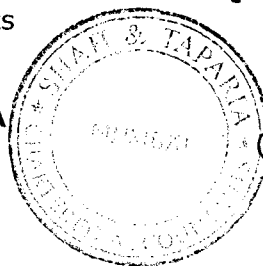
25. Figures for the previous year have been re-arranged and re-grouped, wherever necessary to make them comparable to the classification of current year.

For **SHAH & TAPARIA**  
Chartered Accountants

**RAMESH PIPALAWA**  
PARTNER  
M. No.: 103840

Place : Mumbai.  
Date : 29/06/2009

For **QUANTUM DIGITAL VISION (I) LIMITED**



Director

*[Signature]*

Director



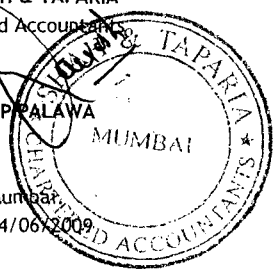
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<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009</b>				
	Year ended 31st March, 2009 Rs.		Year ended 31st March, 2008 Rs.	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit for the year		(7,090,134)		(8,238,233)
Adjustments for :				
Depreciation/ Amortisation	6,760,577		6,760,577	
Preliminary Expenses w/off	-		-	
Income From Investments	-		-	
Prior Period Expenses	-		-	
Profit on sale of Fixed Assets	-		-	
Loss on sale of long term Investments	-		-	
Taxes, Excise duty no longer recoverable written off	-		-	
Dividend & Interest Received	(18,213)		-	
Provisions for Fringe Benefit Tax	(2,170)		(11,228)	
Earlier Year Payment of Income Tax	-		(4,680)	
Interest paid on Term Loan	-	6,740,194	-	6,744,669
<b>Operating Profit before Working Capital change</b>		(349,940)		(1,493,564)
Adjustments for :				
Trade and other Receivable	(1,407,598)		368,598	
Inventories	-		870,984	
Trade Payable	951,637	(455,961)	(3,062,946)	(1,823,364)
<b>NET CASH FROM OPERATING ACTIVITIES Total (A)</b>		(805,901)		(3,316,928)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-		(108,480)	
Capital Work in Progress	-		-	
Pre-operative Expenses	-		-	
Sale of Fixed Assets	-		-	
Income from Investments	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		5,075	
Dividend Received	-		-	
Interest Received	18,213		-	
<b>NET CASH USED IN INVESTING ACTIVITIES Total (B)</b>		18,213		(103,405)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Unclaimed Dividend Paid				
<b>NET CASH USED IN FINANCING ACTIVITIES Total (C)</b>				
Issue of Equity Capital	-		-	
Share Application Money	-		-	
Share Premium	-		-	
Proceeds from Borrowings	300,175		3,646,189	
Interest paid	-		-	
Preliminary Exp.	-	300,175	-	3,646,189
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C)</b>		(487,513)		225,856
Cash and Cash Equivalents -- Opening Balance		570,540		344,684
Cash and Cash Equivalents -- Closing Balance		83,027		570,540
Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.				

As per our attached report of even date  
FOR SHAH & TAPARIA  
Chartered Accountants

For and on behalf of the Board  
For QUANTUM DIGITAL VISION (I) LTD

RAMESH PRALAWA  
Partner



*[Signature]*  
Director

*[Signature]*  
Director

Place : Mumbai  
Date : 24/06/2009

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R = R

R = R

# TWENTY-NINETH ANNUAL REPORT 2008-2009

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