

Quantum Digital Vision (India) Ltd.

33rd ANNUAL REPORT

2012-2013



QUANTUM DIGITAL VISION (INDIA) LIMITED

BOARD OF DIRECTORS Himalay Dassani – Managing Director
Rajkishan Singh
Gajendra Kumar Bhandari

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

BANKERS Oriental Bank Of Commerce
66 Guru Darshan, N. S. Road No. 1,
Vallabh Nagar Society, JVPD Scheme,
Vile Parle (West), Mumbai – 400 056.

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

**CORRESPONDENCE
ADDRESS** 5/A, 5th Floor, Pace House, 7,
Swastik Society, JVPD Scheme,
Vile Parle (West), Mumbai – 400 056

**REGISTRAR AND
TRANSFER AGENT** Sharex Dynamic (India) Private Limited,
Unit-1, Iuthra Industrial Premises,
Andheri-Kurla Road., Safed Pool,
Andheri (E), Mumbai 400 072
Tel: 2851 5606 / 2851 5644
Fax: 2851 2885
E Mail: sharexindia@vsnl.com
URL Website: www.sharexindia.com

NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the members of **QUANTUM DIGITAL VISION (INDIA) LIMITED.** will be held on Monday, 12th August, 2013 at 143, Attip Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203 at 10.00 a. m to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013, Profit & Loss Account for 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. Himalay Dassani, who retires by rotation and being eligible, of 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: 27th May, 2013
Place: Mumbai**

**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 required to be attached.
- 4) The Register of Members and share transfer books shall remain closed from Monday, 5th August 2013 to Monday, 12th August, 2013 both days inclusive.
- 5) As per the provisions of the Companies Act, 1956 facility for making nominations is available to 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 Participant (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.
 - 10) All the shareholders are requested to register their E-Mail id with the Sharex Dynamic (India) Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.
 - 11) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
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DIRECTOR'S REPORT

Your Directors present their Thirty Third Annual Report on the business and operations of your Company together with audited statement of accounts for the year ended 31st March 2013.

Financial Results & Operations:

	(Rs. in Lakhs)	
	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Income from Operations	0.00	0.00
Other Income	44.28	71.91
Total Income	44.28	71.91
Expenditure	84.14	86.97
Interest	-	-
Depreciation	43.96	45.56
Total Expenditure	128.28	132.53
Profit(+) Loss(-)	(83.89)	(60.62)
Provision for Taxation	0.00	0.00
Add / Less : Deferred Tax	4.90	7.40
Net profit after tax	(88.80)	(68.02)
Less : Transfer to General Reserve		-
Add : Prior Year Income Tax		-
Balance brought forward from last year	(898.94)	(830.93)
Balance carried forward to the Balance Sheet	(987.74)	(898.95)

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2013 in view of carried forward losses.

Public Deposits

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

Directors

Mr. Himalay Dassani, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Listing

The equity shares of the Company are listed at Bombay Stock Exchanges. The Company has paid annual listing fee for the year 2012-2013 to Bombay Stock Exchanges in time.

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, 2013, 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, 2013 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.

Comment On Audit Remarks

1. Confirmation of balance of Sundry Debtors, Sundry Creditors

The balances in respect of Sundry Debtors, Sundry Creditors and others loans & Advances are Subject to confirmation and adjustment necessary upon reconciliation thereof and hire Purchase loan form GSFC, supplier credit machinery import are also subject to conformation And also including interest provisions if any. The Company recognizing the gain or loss on Final settlement for the same.

2. Non provisions of interest on secured loan

Interest on secured loan form financial institution and interest on imported machinery from M/s Glint Global (Unsecured Loan) has not provided in the books of account for the year Under review as well as earlier year also amount unascertained. As a result of this the Accumulated loss been lower stated to that extent The Company is a sick company within The meaning of Clause (o) of Sub-section as (i) of section 3 of the SICA and registered with BIFR, The interest liability shall be provided as and when the scheme is finalized.

3. The provisions for leave salary, bonus and gratuity

The Company is not process to formulate the retirement benefit policy for the employees.

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., Practicing 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, 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 provisions are not applicable to the Company.

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.5,00,000/- p.m or Rs.60, 00,000/ p.a.

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
For Quantum Digital Vision (India) Limited

Mumbai
Date: 27/07/2013

Sd/-
(Himalay Dassani)
Managing Director

Sd/-
(Rajkishan Singh)
Director

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.

BOARD OF DIRECTORS

i) Composition and Category of Directors:

The strength of the Board was 3 Directors as on 31st March, 2013. The composition and category of Directors on the Board of the Company are:

Name	Executive / Non Executive	Promoter / Independent	Relationship With Other Directors
Mr. Himalay Dassani	Executive – Chairman & Managing Director	Promoter	Not Related to any Director
Mr. Rajkishen Singh	Non Executive	Independent	Not Related to any Director
Mr. Gajendra Kumar Bhandari	Non Executive	Independent	Not Related to any Director

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

Date of Board Meetings	Himalay Dassani	Rajkishen Singh	Gajendra Kumar Bhandari
10 th May, 2012	Present	Present	Present
18 th May, 2012	Present	Present	Present
9 th August, 2012	Present	Present	Present
25 th October, 2012	Present	Present	Present
4 th February, 2013	Present	Present	Present
Total Attendance out of 5 Meetings.	5	5	5
Attendance at Last AGM	Present	Absent	Absent

- iii) a. Number of other Companies where Directors (of QDVIL) hold memberships on the Board of Directors:
 b. Number and Name of Committees in which the Directors (of QDVIL) hold Memberships or Chairmanships:

Name of Director	No. of Other Co.s where Dir	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Himalay Dassani	3	Nil	0	Nil	0
Mr. Rajkishen Singh	2	Nil	0	AC – QDVIL* SIGC – QDVIL**	1 1
Mr. Gajendra Kumar Bhandari	1	AC – QDVIL* SIGC – QDVIL**	1 1	Nil	0

*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 Committee Memberships and Chairmanships.

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 Meeting	Mr. Gajendra Kumar Bhandari*	Mr. Rajkishen Singh#
10 th May, 2012	Present	Present
18 th May, 2012	Present	Present
9 th August, 2012	Present	Present
25 th October, 2012	Present	Present
4 th February, 2013	Present	Present
Total (out of 5 meetings)	5	5

* Chairman & Non Executive Independent Director.

Member & Non Executive Independent Director

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.

REMUNERATION COMMITTEE

The Company has not constituted a separate committee that determines the terms of reference and remuneration package for its managerial personnel.

The Sitting fees paid to the Director are as follows:

No.	Name of Director	Sitting Fees
1.	Mr. Rajkishen Singh	NIL
2.	Mr. Gajendra Kumar Bhandari	NIL

MISCELLANEOUS :

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

Directors	<i>No. of shares held</i>	
	As on March 31, 2013	As on March 31, 2012
Mr. Rajkishen Singh	Nil	Nil
Mr. Gajendra Kumar Bhandari	Nil	Nil

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. Rajkishen Singh#
10 th May, 2012	Present	Present
18 th May, 2012	Present	Present
9 th August, 2012	Present	Present
25 th October, 2012	Present	Present
4 th February, 2013	Present	Present
Total (out of 5 meetings)	5	5

* Chairman & Non Executive Independent Director

Member & Non Executive Independent Director

B. COMPLIANCE OFFICER :

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

E – Mail address of Compliance Officer is: rajkishan@dassanigroup.com

- C. 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 01/04/2012 to 31/03/2013 (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 :	-	-	-

VII. GENERAL BODY MEETINGS

Date time and venue of the last 3 Annual General Meetings held during the last 3 financial years are given below:

Financial Year ended	Nature of Special Resolutions Passed	Date	Time	Venue
31.03.2011 (30 th AGM)	Nil	30.09.2010	10.00 A.M.	Registered Office
31.03.2012 (31 st AGM)	Nil	30.09.2011	10.00 A.M.	Registered Office
31.03.2013 (32 nd AGM)	Nil	15.09.2012	10.00 A.M.	Registered Office

Notes :

- 1) There were no special resolutions passed through postal ballot last year.
- 2) No special resolutions are proposed to be passed through postal ballot.

III. 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 2012– 2013.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing requirements.

IX. MEANS OF COMMUNICATION

- i. **Quarterly Results:** The company's quarterly results of the company (in the format prescribed by the Stock Exchanges) are reviewed by Audit Committee and then, approved and taken on record by the Board within the prescribed time frame and immediately send to the Stock Exchange where the shares of the company are listed.
- ii. The quarterly results for the financial year 2012 – 13 were published in the News Papers.
- iii. **Annual Report:** Annual Report containing inter alias Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto.
- iv. All the shareholders are requested to register their E-Mail id with the Sharex Dynamic (India) Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2012 CL-V.

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.

For Quantum Digital Vision (India) Limited

Mumbai
Date: 27th May, 2013

sd
(Himalay Dassani)
Managing Director

sd
(Rajkishen Singh)
Director

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 31st March, 2013.

sd

Himalay Dassani
Managing Director

Place: Mumbai
Date: 27th May, 2013.

GENERAL SHAREHOLDER'S INFORMATION

AGM, DATE, TIME & VENUE :	Date: 12 th August, 2013 Time: 10.00 A.M. Venue: 143, Attipattu Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203
Financial Year:	1 st April to 31 st March
Book Closure Date:	5 th August, 2013 to 12 th August, 2013
Dividend Payment Date:	NA
Listing on Stock Exchanges:	-The Bombay Stock Exchange Limited -Chennai Stock Exchange -Kolkata Stock Exchange
Stock Code & Demat Scrip Code (ISIN)	- Bombay Stock Exchange: Stock Code: 530281 Demat Scrip Code: INE373C01019 - Kolkata Stock Exchange : Stock Code: 0027004
Registrar & Transfer Agents	Sharex Dynamic (India) Private Limited, Unit-1, Luthra Ind. Premises, 1st Flr, 44-E, M Vasanti Marg, Andheri-Kurla Rd., Safed Pool, Andheri(E), Mumbai 400072 Tel: 28515606 Fax: 22641349 E mail: sharexindia@vsnl.com URL: www.sharexindia.com
Registered Office & Correspondence Address	M/s. Quantum Digital Vision (India) Limited. Mr. Rajkishan Singh Compliance Officer Address for Correspondence 5/A, 5 th Floor, Pace House, 7, Swastik Society, JVPD Scheme, Vile Parle (West), Mumbai – 400 056

Shareholders / investors are requested to forward share transfer documents, dematerialization request, correspondence regarding change of address, non – receipt of dividend or share certificates and other related queries to the company's registrar i.e. Sharex Dynamic (India) Private Limited at the address mentioned above.

Share Transfer Process and Dematerialisation of Shares

72.67 % of the shares of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 27.33 % 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.

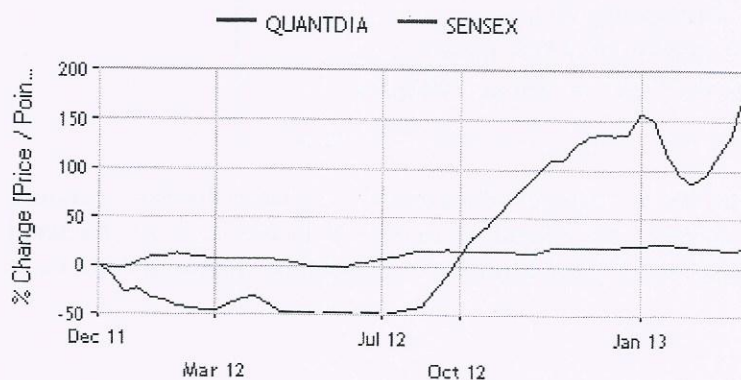
Distribution of Shareholding as on 31st March, 2013:

Range (In Rs.)	No. of Shareholders	% to total Shareholders	Total Shareholding (In Rs.)	% to Capital
1 - 5000	1511	82.93	3667050	12.08
5001 - 10000	188	10.32	1486280	4.90
10001 - 20000	66	3.62	961360	3.17
20001 - 30000	10	0.55	250090	0.82
30001 - 40000	10	0.55	359830	1.19
40001 - 50000	4	0.22	185060	0.61
50001 - 100000	12	0.66	968840	3.19
100001 & Above	21	1.15	22471490	74.04
Total	1822	100.00	30350000	100.00

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be an impact on the equity of the company.

Performance of equity scrip (Closing Price) of the company in comparison to BSE Sensex (Closing Price) (Data obtained from BSE site www.bseindia.com)



***Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2013:** (Data downloaded from BSE site www.bseindia.com)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr-12	3.8	4.11	3.15	3.15	1713	21	6080	0.96	-0.65
May-12	3.15	3.16	3.01	3.16	2036	16	6415	0.15	0.01
Jun-12	3.01	3.16	3.01	3.16	23	2	72	0.15	0.15
Jul-12	3.16	3.16	3.01	3.01	405	4	1221	0.15	-0.15
Aug-12	3.16	4.41	3.15	4.41	2872	17	10606	1.26	1.25
Sep-12	4.63	8.81	4.63	8.81	50808	173	399877	4.18	4.18
Oct-12	8.98	12.39	8.98	12.39	43652	114	468936	3.41	3.41
Nov-12	12.63	14.31	12.38	13.9	21630	121	287918	1.93	1.27
Dec-12	13.9	15.98	12.19	12.19	35427	91	493818	3.79	-1.71
Jan-13	12.79	13.92	10.5	13.92	8125	38	93605	3.42	1.13
Feb-13	14.61	18.36	13.76	14.96	306362	655	4932595	4.6	0.35
Mar-13	3.8	4.11	3.15	3.15	1713	21	6080	0.96	-0.65

* Spread H-L : High-Low C-O : Close-Open

Shareholding Pattern as on 31st March, 2013:

	Category	No of Shares Held	% Of Share Holding
A.	Promoter (S) Holding		
	Promoter (s)		
	- Indian Promoters	14,59,400	48.09
	- Foreign Promoters	0	0
	Sub - Total (A)	14,59,400	48.09
B.	Non-Promoters Holding		
	Institutional Investors		
i.	Mutual Funds & UTI	0.0	0.0
ii.	Banks, Financial Inst, Insurance Company, Central / State Govt Inst / Non-Govt Inst	0.0	0.0
	FII's	0.0	0.0
	Others		
i.	Private Corporate Bodies	77438	2.55
ii.	Indian Public	1482768	48.86
iii.	NRI/OCBS	15381	0.50
iv.	Clearing Members	13	0.0
	Sub - Total (B)	15,75,600	51.91
	GRAND TOTAL	30,35,000	100

For and on behalf of the Board of Directors

sd

Himalay Dassani
Managing Director

Place: Mumbai
Date: 27th May, 2013

AUDITOR'S CERTIFICATE 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 for the financial year ended 31st March, 2013 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 & Tapatia.,
Chartered Accountants

Mumbai
Date: 27th May, 2013

Ramesh Pipalawa
Partner
Membership No. 103840

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 31st March, 2013. 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.
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 5 times on 10th May, 2012, 18th May, 2012, 9th August, 2012, 25th October, 2012 and 4th February, 2013 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, Monday, 10th September, 2012 to Saturday, 15th September, 2012 and necessary Compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2012 was held on 15th September, 2012 after publishing notice of Annual General Meeting in the newspapers by 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. 72.67 % of the shares of the Company are dematerialized and 27.33 % 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.
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

Partner

Membership: 1483

Certificate of Practice: 436

Place: Mumbai

Date: 27th May, 2013

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.

Note: Since, 72.40% 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 31st March, 2013.

1. We have been informed the company is in the process of filing Form 23AC - Xbrl for Balance Sheet and Form 23ACA - Xbrl for Profit & Loss Account for the year ended 31st March, 2012 was filed with the Registrar of Companies, Tamilnadu u/s. 220.
2. Form 20B for Annual Return Filed under Schedule V to the Companies Act, 1956 in respect of AGM held on 15th September, 2012 filed with the Registrar of Companies, Tamilnadu, on 15th September, 2012.
3. Form 66 for Filing of Compliance Certificate under section 383A of Compliance Rules, 2001 was filed with the Registrar of Companies, Tamilnadu on 15th September, 2012.

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

(PRADIP C. SHAH)

Practising Company Secretary

Partner.

Membership: 1483

Certificate of Practice: 436

Place: Mumbai

Date: 27th May, 2013

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

ATTENDANCE SLIP

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

I, hereby record my attendance at the Thirty Third Annual General Meeting to be held on Monday, 12th August, 2013 at 143, Attipattu Village, Ponneri Taluk, Chennai-MGR District, Chennai: 601 203 at 10.00 a.m

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

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____

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

PROXY

DP ID :		CLIENT ID :	
----------------	--	--------------------	--

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 Thirty Third
 Annual General Meeting of the Company to be held on Monday, 12th August, 2013 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 _____ 2013.

SIGNATURE OF THE SHAREHOLDER OR PROXY:

Affix a Re. 1.00 revenue stamp

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): _____

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE
GOVERNANCE**

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, 2013, 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 Management. Our examination was limited to the 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 explanation given to us, we certify that 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 31st March, 2013, 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 PIRALAWA
Partner
Membership No.103840



Place : Mumbai
Date : 27/05/2013

Independent Auditor's Report

To the Members of
QUANTUM DIGITAL VISION (INDIA) LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **QUANTUM DIGITAL VISION (INDIA) LIMITED** ("the Company"), which comprises of the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and the summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

- a) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit/credit balances are subject to confirmations and adjustments necessary upon reconciliation (refer Note No 3 of Notes to Accounts). The effect of the adjustments arising from reconciliation and settlement of the 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.
- b) Non provision of interest on Secured Loan and Suppliers Credit against Imported Machineries, since as the interest is not ascertained, (refer Note No 4 of the Notes to Accounts). We are unable to express an opinion about the impact thereof on the accounts and the loss for the year.
- c) 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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



SHAH & TAPARIA

CHARTERED ACCOUNTANTS

12, Navjeevan Wadi, Dhobi Talao, Mumbai – 400002

Telefax: 40220 301 - 4 .

EMAIL : info@shahtaparia.com

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Mumbai
Date: 27/05/2013



For **SHAH & TAPARIA**
Chartered Accountants

FRN: 109463W

Ramesh Pipalwa
Ramesh Pipalwa
(Partner)

Membership No. : 103480

Branch: 502, Centre Point, Near Kohinoor Continental, A.K. Road, Andheri (East), Mumbai-400059.

Telefax: 2826 5969 / 2832 0753

Annexure to Independent Auditor's Report

Referred to in paragraph 1 under the heading "Report on Other Legal and regulatory Requirements" 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.
- (ii) In respect of its Inventories:
- (a) As explained to us, inventories have been physically verified during the year by the management at year end. 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 of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (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) The company has neither taken nor granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii)(b), (iii) (c) and (iii)(d), (iii)(e), (iii)(f) and (iii)(g) of the Order are not applicable.



SHAH & TAPARIA
CHARTERED ACCOUNTANTS

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- (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 and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in Internal Controls System.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupee five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, The company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (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) (a)(i) The company is Generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable to it,
- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

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- (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)
	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	46638444

- (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 company has not given any guarantee in favour of financial institutions or banks for loans taken by others.
- (xvi) According to the information and explanation given to us, the company has not raised any new term loans during the year.
- (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



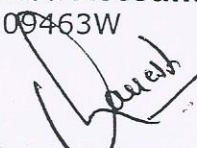
no funds raised on short-term basis have been used for long-term investment by the company.

- (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 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) Based on our examination of the books and records of the company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Mumbai
Date: 27/05/2013



For **SHAH & TAPARIA**
Chartered Accountants
FRN: 109463W


Ramesh Pipalwa
(Partner)
Membership No. : 103480

QUANTUM DIGITAL VISION (INDIA) LTD.

Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at	
		31/3/2013 (Rs.)	31/03/2012 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	30,350,000	30,350,000
(b) Reserves and Surplus	4	(62,372,181)	(53,493,027)
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	115,348,628	115,348,628
(b) Deferred tax liabilities (Net)	6	2,248,774	1,758,842
(c) Other Long term liabilities	7	1,239,442	3,333,996
(4) Current Liabilities			
(a) Short-term borrowings	8	2,500,000	2,500,000
(b) Trade payables	9	11,174,404	8,149,225
(c) Other current liabilities	10	826,431	662,529
Total		101,315,498	108,610,193
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	11	94,204,305	98,450,400
(b) Non-current investments	12	3,607	2,500
(c) Long term loans and advances	13	2,366,579	2,366,579
(2) Current assets			
(a) Inventories	14	83,285	83,285
(b) Cash and cash equivalents	15	1,474,042	4,350,028
(c) Short-term loans and advances	16	3,183,680	3,357,402
Total		101,315,498	108,610,193

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1

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

As per our report of even date attached.

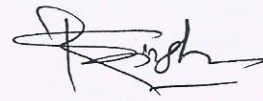
FOR SHAH & TAPARIA
Chartered Accountants.

Ramesh Pipalawa
Partner
Membership No. : 103840
Firm No.: 109463W



FOR QUANTUM DIGITAL VISION (INDIA) LTD.


Director


Director

PLACE : Mumbai
DATE : 27/05/2013

QUANTUM DIGITAL VISION (INDIA) LTD.

Statement of Profit & Loss for the year ended 31st March, 2013

Particulars	Note No.	As at	As at
		31/3/2013 (Rs.)	31/03/2012 (Rs.)
I. Revenue from operations (Gross)		-	-
II. Other Income	17	4,427,696	7,190,960
III. Total Revenue	(I + II)	4,427,696	7,190,960
<u>IV. Expenses:</u>			
Cost of material Consumed		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	-	-
Employee benefit expense	19	1,641,535	1,505,770
Depreciation and amortization expense	20	4,395,514	4,555,999
Other expenses	21	6,772,369	7,166,600
IV. Total Expenses		12,809,419	13,228,369
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(8,381,722)	(6,037,409)
VI: Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V - VI)	(8,381,722)	(6,037,409)
VIII. Prior Period Item		7,500	24,192
IX. Extraordinary Items		-	-
X. Profit before tax	(VII - VIII - IX)	(8,389,222)	(6,061,601)
IX. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		489,932	740,232
XII. Profit/(Loss) for the period	(IX - X)	(8,879,154)	(6,801,833)
XIII. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1

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

As per our report of even date attached.

FOR SHAH & TAPARIA
Chartered Accountants.

Ramesh Pipalawa
Partner
Membership No. : 103840
Firm No.: 109463W



FOR QUANTUM DIGITAL VISION (INDIA)
LTD.

Director

Director

PLACE : Mumbai
DATE : 27/05/2013

QUANTUM DIGITAL VISION (INDIA) LTD.

Cash Flow Statement for the year ended March 31, 2013

Particulars	Note No	Year ended March 31,	
		2013 (Rs.)	2012 (Rs.)
Net profit before taxation, and extraordinary item		(8,389,222)	(6,061,601)
Adjustments for:			
Depreciation		4,395,514	4,555,999
Loss on Sale of Fixed Assets		-	-
Prior Period Income		(529)	-
Share Profit		(578)	-
Dividend Income		-	(77,060)
Interest expense		-	-
Operating profit before working capital changes		(3,994,815)	(1,582,662)
Changes in Assets & Liabilities			
Inventories		-	-
Trade Receivables		-	-
Loans and advances and other assets		173,722	25,612,063
Trade Payables, Other liabilities & Provisions		3,189,081	(37,688,528)
Cash generated from operations		(632,012)	(13,659,127)
Income taxes paid		-	-
Cash flow before extraordinary item		(632,012)	(13,659,127)
Extraordinary Item		-	-
<i>Net cash from operating activities</i>		(632,012)	(13,659,127)
Cash flows from investing activities			
Purchase of fixed assets		(149,420)	(344,987)
Sale of fixed assets		-	-
Dividend Received		-	-
Sale of Investment		-	-
Income from Investments		-	77,060
Purchase of Investment		-	(2,500)
<i>Net cash from investing activities</i>		(149,420)	(270,427)
Cash flows from financing activities			
Proceeds from share allotment/application money		-	-
Net Proceeds from short-term borrowings		-	-
Net Proceeds from long-term borrowings		-	-
Net Proceeds from Other Long Term Liabilities		(2,094,554)	-
Financial Expenses		-	-
Dividends & Tax paid		-	-
<i>Net cash from financing activities</i>		(2,094,554)	-
Net increase in cash and cash equivalents		(2,875,986)	(13,929,554)
Cash and cash equivalents at the beginning of period		4,350,028	18,279,582
Cash and cash equivalents at the end of period		1,474,042	4,350,028

As per our report of even date attached.

FOR SHAH & TAPARIA

Ramesh Pipalawa
Partner

Membership No. : 103840

Firm No.: 109463W



FOR QUANTUM DIGITAL VISION (INDIA) LTD.


Director


Director

PLACE : Mumbai

DATE : 27/05/2013

QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 3 Share Capital

A.

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	AUTHORIZED CAPITAL 7,000,000 (31.03.2012: 7,000,000) Equity Shares of Rs. 10/- each.	70,000,000	70,000,000
		70,000,000	70,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 3035000 (31.03.2012: 3035000) Equity Shares of Rs. 10/- each, Fully Paid up	30,350,000	30,350,000
	Total	30,350,000	30,350,000

B. **Terms & Rights attached to equity shares**

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the

C. **The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:**

Particulars	As At 31/03/2013		As At 31/03/2012	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Shares outstanding at the beginning of the year	3,035,000	-	3,035,000	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,035,000	-	3,035,000	-

D. **Shareholders holding more than 5% of Share Capital**

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bhagyashree Dassani	183,688	6	183,688	6.0
Cyma Dassani Marketing Pvt. Ltd	935,000	31	935,000	30.8
Dushyant Bapna	250,000	8	250,000	8.2
Rameshwar Lal Agarwal	241,110	8	241,110	7.9
Himalay Dassani	177,900	6	177,900	5.8

Note : 4 Reserve & Surplus

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Share Premium	20,025,000	20,025,000
2	Share Capital Reserve	12,063,750	12,063,750
3	General Reserve	4,313,000	4,313,000
4	Surplus (Profit & Loss Account)		
	Balance as per Last Financial Statements	(89,894,777)	(83,092,944)
	Add: Profit for the current year	(8,879,154)	(6,801,833)
	Less: Income Tax of Earlier Years	-	-
	Sub Total	(98,773,931)	(89,894,777)
	Total	(62,372,181)	(53,493,027)



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 5 Long Term Borrowings

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	Term Loan		
	From Financial Institutions		
	Secured Loans		
	i) Hire Purchase Loan from Gujarat State Financial Corporation	4,041,631	4,041,631
	ii) Gujarat State Financial Corporation	14,064,805	14,064,805
	iii) Term Loan from GSFC	15,254,946	15,254,946
	iv) Interest accrued and due	13,277,062	13,277,062
	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.		
2	From Other Parties		
	Unsecured Loans from GLINT GLOBAL		
	Glint Global	55,235,316	55,235,316
	Interest accrued and due	13,474,868	13,474,868
	Interest on secured loan from financial institutions and interest on imported machinery from M/s. Glint Global (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 <u>power stated to that extend.</u>		
	Total	115,348,628	115,348,628

Note : 6 Deferred Tax Liabilities (Net)

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	Deferred Tax Liability (Net)		
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1,758,842	1,018,610
		489,932	740,232
	Total	2,248,774	1,758,842

Note : 7 Other Long Term Liabilities

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	Trade Payable	1,239,442	3,333,996
	Total	1,239,442	3,333,996

Note : 8 Short Term Borrowings

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	Loan Repayable on Demand		
	From Other Parties	2,500,000	2,500,000
	Total	2,500,000	2,500,000

Note : 9 Trades Payable

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	Trade payables outstanding beyond normal operating cycle	1,239,442	3,333,996
2	Others due within normal operating cycle	11,174,404	8,149,225
	Total	12,413,846	11,483,221

Note : 10 Other Current Liabilities

Sr. No	Particulars	As at 31/3/2013	As At 31/03/2012
1	TDS Payable	-	43,549
2	Salary Payable	137,372	113,068
3	Shah & Taparia	689,059	505,912
	Total	826,431	662,529



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31st March 2013

Note : 11 Fixed Assets

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block		
			As At 31/03/2012	Addition during the year	Deduction during the year	As At 31/03/2012	For The Year	Adjustments	NET DEPRECIATION	As At 31/03/2013	WDV as on 31.03.2012
I	Tangible Assets										
1	Land	0.00%	5,032,997	-	-	5,032,997	-	-	-	-	5,032,997
2	Building	3.34%	13,874,028	-	-	13,874,028	233,824	-	233,824	7,107,145	7,000,707
3	Plant & Machinery	4.75%	130,023,206	-	-	130,023,206	4,056,106	-	4,056,106	48,687,602	85,391,710
4	Office Equipment	4.75%	1,349,421	13,690	-	1,363,111	28,592	-	28,592	788,982	589,031
5	Computer/Laptop	16.21%	437,103	108,230	-	545,333	67,380	-	67,380	166,908	337,575
6	Furniture & Fixture	6.33%	359,070	-	-	359,070	6,227	-	6,227	266,918	98,380
7	Vehicles	9.50%	460,641	-	-	460,641	-	-	-	460,641	-
8	Air Conditioner	13.91%	-	27,500	-	27,500	3,385	-	3,385	3,385	-
	Total (Current Year)		151,536,466	149,420	-	151,685,886	4,395,514	-	4,395,514	57,481,581	98,450,400
	Total (Previous Year)		151,191,479	344,987	-	151,536,466	4,555,999	-	4,555,999	53,086,066	102,661,411



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 12 Non Current Investment

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Investment in Partnership Firms		
	Bharat Trading & Investment	3,607	2,500
	Total	3,607	2,500

12.1 Details of Investment in Partnership Firm

Name of the Firm :- **Bharat Trading & Investment**

Capital balance as on 31.03.2013 :- **Rs. 3607** (as on 31.3.2012: **Rs. 2500**)

Sr. No	Name of the Partners	Profit Sharing Ratio (%)
1	HIMALAY PANNALAL DASSANI	20.0
2	BHAGYASHREE DASSANI	20.0
3	ABHIMANYU HIMALAY DASSANI	20.0
4	AVANTIKA DASSANI	20.0
5	QUANTUM DIGITAL VISION (I) LTD	2.5
6	DREAMWORK PICTURES LTD	2.5
7	GENESIS E-TECH LTD.	2.5
8	DASSANI INVESTMENTS	12.5
	TOTAL	100

Note : 13 Long Term Loans and Advances

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Security Deposit		
	Unsecured, Considered Good :		
	Deposit with Government Authorities	10,000	10,000
	Deposit with GSFC	1,820,018	1,820,018
	Rental Deposits	500,000	500,000
2	Other Loans & Advances		
	Sales Tax Paid Under Appeal	36,561	36,561
	Total	2,366,579	2,366,579

Note : 14 Inventories

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Closing Stock	83,285	83,285
	Total	83,285	83,285



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 15 Cash & Cash Equivalent

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Cash-in-Hand		
	Cash Balance	60,319	464,894
	Petty Cash Balance	6,737	7,988
	Sub Total (A)	67,056	472,882
2	Bank Balance		
	Oriental Bank of Commerce	1,406,986	3,877,146
	Sub Total (B)	1,406,986	3,877,146
	Total [A + B]	1,474,042	4,350,028

Note :16 Short Terms Loans and Advances

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Loans & Advances from related parties		
	<u>Unsecured, Considered Good:</u>		
	Bharat Trading & Investment	300,000	-
2	<u>Others</u>		
	<u>Unsecured, Considered Good:</u>		
a)	Advance to Employees against Salary	-	1,000
b)	Prepaid Expenses	47,076	57,244
c)	<u>Others Loans & Advances</u>		
	Isolux Corsan India Eng. & Const Pvt Ltd	-	501,345
	Abhijit Aranake	25,000	-
	<u>Advance Income Tax Including TDS</u>		
	TDS Receivable F.Y. 2010-11	941,714	941,714
	TDS Receivable F.Y. 2011-12	767,429	767,429
	TDS Receivable F.Y. 2012-13	497,372	-
	Vat Refundable	12,795	12,795
	Service Tax Receivable (Cenvat credit)	592,294	1,075,875
	Total	3,183,680	3,357,402



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 17 Other Income

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Commission/Professional Income	4,426,589	7,068,276
2	Sundry Balances Written back	-	21,394
3	Discount Received	-	24,230
4	Interest on Fixed Deposits	-	77,960
5	Prior Period Income	529	-
6	Share Profit from Partnership Firm	578	-
	Total	4,427,696	7,190,960

Note : 18 Changes in Inventories

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Closing Stock	83,285	83,285
2	Less: Opening Stock	83,285	83,285
	Total	-	-

Note : 19 Employment Benefit Expenses

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Salary	1,611,479	1,473,882
2	Staff Welfare	30,056	31,888
	Total	1,641,535	1,505,770

Note : 20 Depreciation & Amortised Cost

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Depreciation (As per Note 11)	4,395,514	4,555,999
	Total	4,395,514	4,555,999



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 21 Other Expenses

A.

Sr. No	Particulars	As at 31/03/2013	As At 31/03/2012
1	Audit Fees	280,000	280,000
2	Bank Charges	2,472	5,057
3	Business Promotion	1,233,619	872,054
4	Brokerage & Commission	-	3,498
5	Computer & Software Exp	63,142	69,640
6	Books & Periodicals	5,179	16,649
7	Electricity Exp	236,074	87,387
8	Legal & Professional Fees	237,110	937,927
9	Factory Expenses	66,810	288,799
10	Office Expenses	48,689	121,985
11	Motor Car Expenses	1,280,448	842,523
12	Conveyance	24,913	27,709
13	Security Charges	289,200	252,280
14	Postage & Telegrams	17,331	26,765
15	Printing & Stationery	32,548	80,921
16	Rent, Rates & Taxes	1,759,270	576,726
17	Repairs & Maintenance	286,698	1,150,838
18	Membership & Subscription Fees	54,935	104,892
19	Telephone & Mobile	179,934	98,691
20	Misc Expenses	17,251	349,390
21	Travelling Exp	552,701	886,883
22	Transport Charges	-	3,700
23	Listing Fees	52,000	-
24	RTA Charges	50,046	50,286
25	Advertisement Expenses	2,000	32,000
Total [A + B]		6,772,369	7,166,600

B. Payment to auditor

Particulars	As at 31/03/2013	As At 31/03/2012
As auditor:		
Audit Fees	280,000	280,000

As per our report of even date attached.

FOR SHAH & TAPARIA
Chartered Accountants.

Ramesh Pipalawa
Partner
Membership No. : 103840
Firm No.: 109463W



FOR QUANTUM DIGITAL VISION
(INDIA) LIMITED

Director

Director

PLACE : MUMBAI
DATE : 24/05/2013

QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Note : 1 Corporate information

Quantum Digital Vision (INDIA) Ltd. is a Public Limited Company listed on Bombay Stock Exchange (BSE) in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of manufacturing of Spring Leaves and assembles, polymer bags, TV Serial and trading in Medicine items

Note : 2 Basis of preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Note : 2.1 Summary of significant accounting policies

A. Basis of Accounting

All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis except those with significant uncertainties like gratuity payment, leave salary & bonus which are accounted on cash

B. Fixed Assets, intangible assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalised until fixed assets are ready for use. Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are records at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

C. Depreciation

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

D. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which investments are made, are classified as current investments. All other investments are classified as long-term

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the investment acquired,

Current investments are carried in the financial statement at lower of cost and fair market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Investment property

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

E. Inventories

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.

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.

F. Deferred Tax Assets or Liability

Deferred Tax Assets or Liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements of the company. Deferred tax assets or liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on Deferred tax assets or liabilities of a change in tax rates is

G. 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.

H. Retirement Benefit :

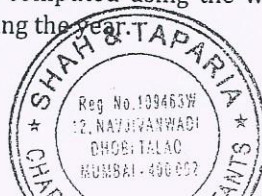
The company is in process to formulate the retirement benefit policy for the employees.

J. 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

K. 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.



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

L. 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.

M. Provisions & Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

J. Foreign Currency Transaction

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

K. 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.



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

Notes On Accounts for the year ended 31st March 2013

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 31/03/2013 (Rs)	As on 31/03/2012 (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. 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.

4. Interest on secured loan from financial institutions and interest on imported machinery from M/s. Glint Global (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 extent.



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

22. The company is in the process of identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises development Act, 2006". The relevant information in this regard shall be given when it is complied

23. The cash flow Statement As per AS 3 is as per Annexure 'A'

24. 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.

Relationships	
a) Joint Venture	Nil
b) Key Management Personnel	- Mr. Himalay Dassani
	- Mr. G. K. Bhandari
	- Mr. Rajkishen Singh
c) Enterprise over which key management Personnel exercise significant influence or control	- Genesis E Tech Limited
	- Dreamworks Pictures Limited (Formerly Known as - Shrishti Entertainment Pvt. Ltd.)
d) Relatives of Key Management Personnel	- Mrs. Bhagyashree Dassani
	- Mr. Abhimanyu Dassani
	- Smt. Shakuntala Dassani
	- Mr. Pannalal Dassani
	- Ms. Avantika 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	-	-	-	-
-Debtors	-	-	-	-
-Creditors	-	-	-	0.48
	-	-	-	-
<u>Transactions during the year</u>	-	-	-	-
-Loans, Advances and Deposits given	-	-	-	-
-Loans, Advances and Deposits received	-	-	-	-
-Loans, Advances and Deposits received	-	-	-	-
-Loans, Advances and Deposits repaid	-	-	-	-
-Sale of Goods & Services	-	-	-	-
-Sale of Fixed Assets	-	-	-	-
-Purchases of Goods & Services	-	-	-	13.57
-Purchase of Fixed Assets	-	-	-	-
-Share Application Money Received	-	-	-	-
-Share Application Money Repaid	-	-	-	-



QUANTUM DIGITAL VISION (INDIA) LTD.
Notes to Financial Statements for the year ended 31 March 2013

-Share Premium	-	-	-	-
-Equity Share Capital Issued	-	-	-	-
Closing Balance	-	-	-	-
-Loans, Advances and Deposits Given	-	-	-	-
-Loans, Advances and Deposits received	-	-	-	-
-Debtors	-	-	-	-
-Creditors	-	-	-	0.22
-Equity Shares	-	-	-	-
-Share Application Money	-	-	-	-
	-	-	-	-

Note: A related party relationship is as identified by the Company and relied upon by the Auditors.

25. 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 98,70,855 share of Rs.10/- each

26. No disclosure is required under AS-24 on "Discontinuing Operations" issued by the Institute of Chartered Accountants of India as the company has not discontinued any line of its activity/product line during the year.

27. 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.

28. 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, 2013 to be disclosed as per the ICAI announcement.

29. The Company has not appointed a whole time Company Secretary under Section 383A of the Companies Act,1956. However company is trying to fill up the vacancy by finding out a suitable candidate.

30. One of the foreign Machinery supplier, i.e., Glint Global (Unsecured Loans) has also filed a suit against the company. The same has been disputed as the machinery did not comply with the order specification as to origin and quality.



33rd ANNUAL REPORT 2012-2013

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Quantum Digital Vision (India) Ltd.

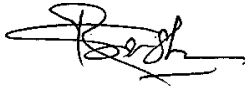


FACTORY : 170/2P, SILLI VILLAGE, DADRA & NAGAR HAVELI, SILVASSA (U.T.) - 396230
 ADMN. OFFICE : 5/A, 5TH FLOOR, PACE HOUSE, 7, SWASTIK SOCIETY, JVPD SCHEME, VILE PARLE (W), MUMBAI -400 056.
 Tel.: 022-26153265, Telefax 022-26177167, website : www.qvl.in

FORM B.

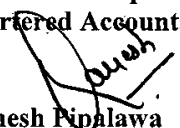
ANNUAL AUDIT REPORT

1	Name of the Company	QUANTUM DIGITAL VISION (INDIA) LIMITED	
2	Annual financial statement for the year ended	31 st March, 2013	
3	Type of Audit observation	<p>Basis for Qualified Opinion:</p> <p>a) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit / credit balances are subject to confirmations and adjustments necessary upon reconciliation (refer Note no 3 of the Notes of Accounts). The effect of the adjustments arising from reconciliation and settlement of the 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.</p> <p>b) Non Provision of Interest on Secured Loan and Suppliers Credit against Imported Machineries, since as the interest is not ascertained, (refer note no 4 of the notes to Accounts). We are unable to express an opinion about the impact thereof on the accounts and the loss for the year.</p> <p>c) Provision for liability towards leave salary and bonus and gratuity to employee is accounted for on cash basis, which is not in conformity with- Accounting Standard 15 on Accounting of Retirement benefits to Employee.</p>	
		Subject to	As above
		Except for	As above
4	Frequency of Observation	Whether appeared first time	NO
		Repetitive Since how long period	Since last two years.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note no 1, 3 & 4 appearing on page no <u>146</u> of Annual Report – <u>Note no 1</u>: The Company is a sick company within the meaning of Clause (o) of Sub-section (i) of section 3 of the SICA and registered with BIFR, the interest liability shall be provided as and when the scheme is finalized.</p> <p><u>Note no 3</u>: 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</p>	

		<p>machinery import are also subject to confirmation and also including interest provisions if any. The Company recognizing the gain or loss on final settlement for the same.</p> <p><u>Note no 4:</u> Interest on secured loan from financial institution and interest on imported machinery from M/s Glint Global (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 this the accumulated loss has been lower stated to that extent.</p> <p>Directors Report: Page no <u> </u> of Annual Report. Comments On Audit Remarks As above</p>
6	Additional comments from the board / audit committee chair:	The Company is a sick company within the meaning of Clause (o) of Sub-section (i) of section 3 of the SICA and registered with BIFR, the interest liability shall be provided as and when the scheme is finalized.

7	For Quantum Digital Vision (India) Limited	
	 Rajkishan Singh Director	 G. K. Bhandari Audit Committee Chairman
		

**For Shah & Taparia
Chartered Accountants**


Ramesh Nipalawa
Partner
Membership No. 103480
Reg No. 109463W



SHAH & TAPARIA

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of

QUANTUM DIGITAL VISION (INDIA) LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **QUANTUM DIGITAL VISION (INDIA) LIMITED** ("the Company"), which comprises of the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and the summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

- a) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit/credit balances are subject to confirmations and adjustments necessary upon reconciliation (refer Note No 3 of Notes to Accounts). The effect of the adjustments arising from reconciliation and settlement of the 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.
- b) Non provision of interest on Secured Loan and Suppliers Credit against Imported Machineries, since as the interest is not ascertained, (refer Note No 4 of the Notes to Accounts). We are unable to express an opinion about the impact thereof on the accounts and the loss for the year.
- c) 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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

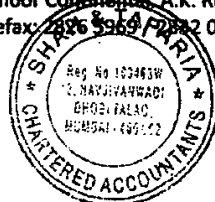
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

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- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Mumbai
Date: 27/05/2013



For **SHAH & TAPARIA**
Chartered Accountants
FRN: 103463W

Ramesh Pipalawa
Ramesh Pipalawa
(Partner)
Membership No. : 103480

Branch: 502, Centre Point, Near Kohinoor Continental, A.K. Road, Andheri (East), Mumbai-400059.
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Annexure to Independent Auditor's Report

Referred to in paragraph 1 under the heading "Report on Other Legal and regulatory Requirements" 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.
- (ii) In respect of its Inventories:
- (a) As explained to us, inventories have been physically verified during the year by the management at year end. 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 of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (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) The company has neither taken nor granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii)(b), (iii) (c) and (iii)(d), (iii)(e), (iii)(f) and (iii)(g) of the Order are not applicable.



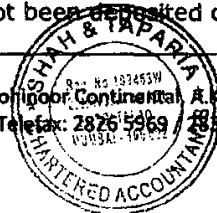
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- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in Internal Controls System.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupee five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, The company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- (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) (a)(i) The company is Generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable to it,
- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.

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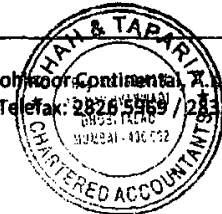
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- (x) The accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures 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)
	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	46638444

- (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 company has not given any guarantee in favour of financial institutions or banks for loans taken by others.
- (xvi) According to the information and explanation given to us, the company has not raised any new term loans during the year.
- (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



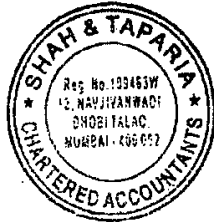
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no funds raised on short-term basis have been used for long-term investment by the company.

- (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 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) Based on our examination of the books and records of the company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **SHAH & TAPARIA**
Chartered Accountants
FRN: 109463W



Place: Mumbai
Date: 27/05/2013

Ramesh Pipalaiwa
(Partner)
Membership No. : 103480

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