

TWENTY-SEVENTH ANNUAL REPORT 2006-2007

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QUANTUM DIGITAL VISION (INDIA) LIMITED
143, ATHIPATTU VILLAGE,
PONNERI TALUK, CHENGAI-MGR DISTRICT
TAMIL NADU-601 203.

QUANTUM DIGITAL VISION (I) LIMITED

TWENTY-SEVENTH ANNUAL REPORT 2006-2007

BOARD OF DIRECTORS

Mr. Himalay Dassani, Managing Director
Mr. G. K. Bhandari
Mr. R. Bhandari
Mr. R. K. Patel
Mr. Jai Kishen Singh
Mr. Ramchandra Murthy (resigned w.e.f. 20/11/2006)

AUDITORS

S R A I And Associates.
Chartered Accountant
Mumbai - 400 050

BANK

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

REGISTERED OFFICE

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

CORRESPONDENCE ADDRESS

1, Jharna Kutir, Tejpal Scheme Main Road,
Vile Parle (East), Mumbai - 400 057

REGISTRAR AND TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.

17/B, Dena Bank Bldg.
2nd Floor, Horniman Circle
Fort, Mumbai 400 001.

QUANTUM DIGITAL VISION (INDIA) LTD.

143, Attipattu Village, Ponneri Taluk, Chengai-MGR District, Tamil Nadu 601 203.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF QUANTUM DIGITAL VISION (I) LIMITED WILL BE HELD ON FRIDAY, 28TH SEPTEMBER 2007 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account and Balance Sheet of the Company and Reports of the Directors and Auditors thereon, for the financial year ended 31ST March 2007.
2. To appoint a director in place of Mr. Gajendra Bhandari, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Rameshchandra Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To reappoint M/s S R A I And Associates, Auditors, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
For Quantum Digital Vision (I) Limited



Mr. Himalay Dassani
Managing Director

Place : Mumbai

Date : 13th August 2007

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. Such proxy need not be a member.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
3. Register of Members and Share Transfer Books of the Company shall remain closed from -22nd September, 2007 to 28th September 2007 (Both days inclusive).
4. Shareholders seeking any information with regard to the accounts are requested to write to the Company early so as to enable the management to keep the information ready.

Registered Office
143, Athipattu Village
Ponneri Taluka
Chennai
Tamil Nadu

By Order of the Board



Himalay Dassani
Managing Director

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QUANTUM DIGITAL VISION (I) LIMITED

Registered Office: 143, ATHIPATTU VILLAGE, PONNERI TALUK, CHENNAI-MGR, TAMIL NADU-601 203

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report for the year ended on March 31, 2007.

Financial Results

The Company posted a net loss of Rs.13.23 lacs in the current financial year as against a net loss of Rs.0.09 lacs during the previous year. The leaf spring division is defunct and is closed since last 9 years.

Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2007, due to losses suffered by the Company.

Deposits

The Company has not accepted any deposits during the year ended on 31st March 2007 under section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 and there are no outstanding, overdue, unclaimed or unpaid deposits at the end of the year.

Directors

Mr. Gajendra Bhandari and Mr. Rameshchandra Patel retire by rotation and being eligible, offer themselves for re-appointment. During the year under review Mr. Ramchandra Murthy resigned as Director of the Company on November 20, 2006. The Board records its appreciation for his contribution during his tenure in office.

Directors' Responsibility Statement in terms of Section 217(2AA) of the Companies Act, 1956

Pursuant to Section 217(2AA) of the Companies Act, 1956 as inserted vide the Companies (Amendment) Act, 2000, the directors of the Company confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of your Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared annual accounts on going concern basis.

Energy Conservation, Technology Absorption, Exports and Foreign Exchange Earnings and Outgo:

The information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of the Board of Director) Rules, 1988 is being given as an annexure to this report.

Foreign Exchange earning and outgo

There were no foreign exchange earnings or expenditure during the year.

Employees:

Since there is no employee drawing salary as prescribed under section 217(A), the details of the same as required to be given under Section 217(2A) is not given.

Your directors are thankful for full support and valuable contribution given by employees, which helped the Company to carry on the business of the company in efficient manner. The Company and Management convey their appreciation and thankfulness for the same.

Auditors

M/s. S R A I And Associates. Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Corporate Governance

A separate report on Corporate Governance is attached as a part of Annual Report


Management Discussions and Analysis

Management discussion and analysis report for the year ended March 31, 2007 as required under Clause 49 of the Listing Agreement, has been included in the annual report.

Acknowledgement

Your Directors thank the Constituents, Shareholders, The Bombay Stock Exchange Limited, Central Depository Services India Limited, Banks, Financial Institutions, Securities and Exchange Board of India for their continued support to the Company's growth. Your Directors record their special appreciation to all employees for their efforts and contribution to the Company.

For and on behalf of the Board



Himalay Dassani
Managing Director

Place : Mumbai

Date : - 13th August 2007

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

Form B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

Technology absorption, adaptation and innovation

- | | |
|--|--|
| 1. Efforts in brief made towards technology absorption adoption and innovation | The Company has installed imported machinery from Germany in its polymer bags division |
| 2. Benefits derived from above efforts | Not Applicable |
| 3. In case of imported technology the following information may be furnished | Not Applicable |
| A. Technology imported | Not Applicable |
| B. Year of import | Not Applicable |
| C. Has technology been Fully absorbed | Not Applicable |
| D. If not fully absorbed, Reasons for the same | Not Applicable. |

CORPORATE GOVERNANCE:

Pursuant to the directives issued by the SEBI, The Bombay Stock Exchange Limited added new clause.49 on Corporate Governance.

A. MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your company is committed to good corporate governance and strives to attend the highest level of transparency, accountability, fairness and equity in all fact of operations.

2. BOARD OF DIRECTORS

➤ Composition of Board:

The Board consists of five directors including an executive non independent Chairman. All other four directors are Non Executive Independent Directors. The Company did not have any pecuniary relation or transaction with Non Executive directors during the year under review.

During the financial year ended 31st March, 2007, 6 Board meetings were held on 30/04/2006, 30/07/2006, 05/08/2006, 30/10/2006, 20/11/2006 & 30/01/2007.

The composition of the Board and their attendance at the Board Meetings during the year and the last AGM is as under:

Name of the Director	Category	No. of Board meetings attended	Attendance at the last AGM*
Mr. Himalay Dassani	Executive Non-Independent Chairman	5	Yes
Mr. G.K.Bhandari	Non Executive & Independent	4	
*Mr. Ramchandra Murthy	Non Executive & Independent	2	
Mr. R.Bhandari	Non Executive & Independent	3	
Mr. R. Patel	Non Executive & Independent	3	
Mr. Jai Kishen Singh	Non Executive & Non-Independent	5	Yes

None of the Directors holds Directorship in any other Public Limited Company.

* Resigned w.e.f. 20th November 2006

3. COMMITTEE OF DIRECTORS

I. AUDIT COMMITTEE

The Audit Committee has been reconstituted on 20-11-2007 by inducting Mr. R. K. Patel as a member resulting into Mr. G.K.Bhandari (Chairman), Mr. R.K. Patel and Mr. R. Bhandari as members.

During the year four meetings of the Audit Committee were held on 30/04/2006, 30/07/2006, 30/10/2006 & 30/01/2007.

Date of Meetings and Attendance thereto:

Name	30-04-2006	30-07-2006	30-10-2006	30-01-2007
*Mr. Ramchandra Murthy	Yes	Yes	Yes	N.A.
Mr. G.K.Bhandari	Yes	Yes	Yes	Yes
Mr. R. Bhandari	Yes	Yes	Yes	Yes
Mr.R. K. Patel	N.A.	N.A.	N.A.	Yes

* Resigned w.e.f. 20th November 2006

II. SHAREHOLDERS' GRIEVANCE COMMITTEE

Shareholders Grievance Committee comprises of Mr. G.K. Bhandari, Mr. R K. Patel and Mr. Jaikishen Singh as its members. The terms of reference of this committee is to look into and redress the complaints received from the shareholders in co-ordination with the Registrar and Transfer Agents. The Committee met 8 times during the year.

4. DIRECTORS' INTEREST IN THE COMPANY

Details of remuneration to all directors for the Financial Year 2006-2007:

The Directors of the Company are not paid any remuneration.

5. INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE:

The following information is regularly placed before the Board of Directors if any:

- Quarterly results of the company.
- Information on recruitment and remuneration of senior officials just below the board level
- Material communication from Government bodies.
- Fatal or serious accidents, dangerous occurrences, any material effluent, pollution problems.