

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009

### FINANCIAL RESULTS

The summary of financial performance of Your Company during the year is as under:

Particulars	Year ended 31 <sup>st</sup> March 2009 (Rs. In Lacs)	Year ended 31 <sup>st</sup> March 2008 (Rs. In Lacs)
Income from Sales	7321.67	9092.46
Miscellaneous Income	19.07	4.55
Increase / Decrease in stock	16.70	(61.17)
<b>Total Income</b>	<b>7357.44</b>	<b>9035.84</b>
<b>Total Expenditure</b>	<b>5300.30</b>	<b>5923.68</b>
<b>Earning Before Interest, Depreciation &amp; Tax</b>	<b>2057.14</b>	<b>3112.16</b>
Interest and Finance Charges	595.23	872.07
Depreciation	1156.19	1081.29
<b>Profit / (Loss) Before Tax</b>	<b>305.72</b>	<b>1158.80</b>
Less: Provision for Tax / Fringe Benefit Tax	36.88	135.69
Less: Provision for Deferred Taxation	47.07	354.67
Add : MAT Credit available for set off	-	211.63
Less : MAT Credit available for set off	38.02	-
Add : Excess Prior Year Tax Provision	-	21.67
<b>Profit After Tax</b>	<b>183.74</b>	<b>901.74</b>
Less: Proposed Dividend	-	-
Less: Dividend Distribution Tax	-	-
<b>Profit available for appropriation</b>	<b>183.74</b>	<b>901.74</b>
Add:- Profit / (Loss) brought forward from previous year	1368.19	466.45
Add:- Adjustment as per transitional provision of AS 11 (Net of tax Nil)	94.73	-
<b>Balance Carried to Balance Sheet</b>	<b>1646.66</b>	<b>1368.19</b>

During the year, your Company faced many challenges. The overall downtrend in the global market coupled with the general over supply position in the optical media storage industry has put pressure on the operations of your Company. Consequently, In spite of these conditions globally, your company was able to manage, and achieve total sales of Rs.7321.67 lacs which is lower to the extent of Rs.1770.79 Lacs, or 19.48%, from Rs.9092.46 Lacs in the fiscal year ended March 31, 2008 Consequently the profits have impacted significantly.

To derisk the business model, Your Company is diversifying into the high growth photovoltaic industry.

## **PERFORMANCE HIGHLIGHTS**

Your Company just completed its fourth year of commercial operations. The plant is running to its full capacity. The combined capacity utilization for the year 2008-09 was 88.42% for CDR. The combined current capacity is now 180 millions CDR nos. per annum.

The Brand 'Eurovision' is well recognized in the market. It is premium brand amongst the recognized domestic brands in the optical storage media industry. The Certification ISO 9001:2008 for Quality Management System (QMS), Certification ISO 14001:2004 for Environment and OHSAS 18001:2007 for safety, has strengthened its image and has indirectly contributed to its productivity.

## **DIVERSIFICATION PROJECT**

Your Company has moved forward in setting up the Solar Photovoltaic cell manufacturing facility used for generation of electrical energy. This new field of business is synergistic with Company's existing businesses and will leverage on its core competencies in the areas of precision high technology, mass manufacturing, and project management.

Your Company is building the solar photovoltaic cell manufacturing unit with a capacity of 40MW per year at Taluka Bhachau, Dist-Kutch, Gujarat. This photovoltaic plant is being set up in a Special Economic Zone (SEZ) developed by the Company. Your Company acquired 28.75 acres of land for setting up the SEZ adjacent to the existing manufacturing unit at Bhachau, District- Kutch, Gujarat. Further, your Company has received its SEZ Notification on April 23, 2009 and the same was published in the Gazette of India. Plant located in SEZ would be eligible from all applicable taxes and duties.

The company has procured the manufacturing production line from OTB Solar B.V (The Netherlands). The Plant and Machinery have been received in the months of November and December 2008.

The project had been appraised by State Bank of India, Industrial Finance Branch, Marble Arch, Race Course Circle, Vadodara, Gujarat - 390007. The Company commenced its Civil Construction activity with respect to its 40MW Photovoltaic Cell manufacturing Plant from 1st May, 2009.

## **SPECIAL ECONOMIC ZONE**

Your Company had made an application to the Gujarat State Government for setting up a sector specific Special Economic Zone for Non Conventional Energy including Solar Energy Equipments / Cell in an area of 11-63-47 hectares at Village:Shikara, Taluka:Bhachau, District:Kutch, Gujarat on 20<sup>th</sup> November 2007. Your Company had also made an application to the Central Government on 30<sup>th</sup> November 2007 for the same.

On the basis of recommendation of the Special Economic Zone Development Authority the state Government had recommended the proposal to Government of India on 1<sup>st</sup> July 2008. On 2<sup>nd</sup> August 2008 the Board of Approvals, New Delhi formally also approved your company's application for setting up the special economic zone. Your Company got the formal approval from Ministry of Commerce & Industry, Department of Commerce dated October 30, 2008. Later your SEZ was notified on April 23, 2009 and published in the Gazette of India.

## DIVIDEND

In view of ongoing diversification plans, the company would be in need of financial resources. Hence the board of directors has decided to conserve the internal resources in order to use the same for the diversification project. Accordingly, the directors do not recommend any dividend for the year ended March 31, 2009. The Directors submit that this will increase shareholders value in long term.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the company's Articles of Association, Mr. Deepak G. Savla and Mr. Jatin R. Chhadva Directors of the Company retire by rotation.

A brief profile of directors, containing details of directors proposed to be appointed / re-appointed is appended as an annexure to the notice of ensuing annual general meeting.

## CORPORATE GOVERNANCE REPORT

Your Company is committed to uphold the highest standards of corporate governance.

Your Company is not a listed Company, clause 49 related to Corporate Governance of the listing agreement is not applicable to the Company. Although a detailed report on Corporate Governance is given which forms part of the Director's Report.

## INITIAL PUBLIC OFFERING

In order to augment the funds for company's diversification programs to be undertaken by the company and with a view to strengthen the financial base, your company proposes to raise resource through Initial Public Offer (IPO). Your company proposes to allot up to 88,00,000 Equity Shares to the various categories of investors in the initial public offer by way of book building method under the Securities and Exchange Board of India (SEBI) (Disclosure and Investor Protection Guidelines), 2000 as amended from time to time ("DIP Guidelines"). The process of IPO is at an advanced stage.

## OBJECTS OF THE ISSUE

The objects of the Issue are

- (1) To setup photovoltaic solar cell manufacturing unit
- (2) Listing of our securities on Stock Exchanges

## DEMATERIALIZATION OF SECURITIES WITH CDSL AND NSDL

Your Company has entered into an Agreement with the Central Depository Services (India) Limited and National Securities Depository Limited for dematerialization of equity shares in accordance with the provisions of the Depositories Act, 1996.

## FIXED DEPOSITS

Your company has not accepted any fixed deposits from the public during the year under review within the meaning of Section 58A and Section 58AA of the Companies Act, 1956.

## AUDITORS

M/s. Swamy & Chhabra, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

## AUDITORS REPORT

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

### (A) CONSERVATION OF ENERGY

Your company has implemented the following measures for Energy Conservation.

- (1) At present there is one additional compressor for every two production lines. Your Company is not using these compressors and it has been observed that the quality is not affected. By doing this, your company is saving 1200 KWH every day.
- (2) Your company had tied up with an external agency of international repute for Energy Audit. Energy audit is completed and their report is awaited. On implementation of their report, there will be further additional energy saving.
- (3) During break down/maintenance of power plant, your company is managing with three DG Sets instead of four DG Sets by shifting activities planned in day to night. This has resulted in lower consumption of diesel, thus saving in energy.
- (4) Every employee of Euro Multivision is given awareness training on effective management of Electrical energy.

### (B) RESEARCH & DEVELOPMENT

- (1) Specific area where R&D is being carried out by the Company  
The ongoing Research and development is carried out during the course of production in the direction of production efficiency and quality standards.
- (2) Benefits derived as results of the above R&D  
Not Applicable.
- (3) Future Plan of Action  
Your company would plan for any R&D requirement when it feels the need for the same.
- (4) Expenditure on R & D  
Not applicable since the company does not have a separate R & D Department.

**(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- (i) **Efforts:** Your Company has imported and absorbed the technology form the world leaders VDL ODMS, Netherlands.
- (ii) **Benefits:** The benefits include consistency in production, productivity, quality and reliability.
- (iii) **Imported Technology:**

Technology Imported	:	Your Company has imported the State-of the-art assembly line from VDL ODMS, Netherlands. Your company has installed ten assembly lines.
Year of Import.	:	Financial Year 2004 –2005 and 2006-2007
Has the Technology been fully absorbed.	:	Yes

**(D) FOREIGN EXCHANGE EARNINGS / OUTGO**

Your company has earned a foreign exchange of Rs.6.79 millions through exports of its products. Your company has spent Rs.65.97 million on account of Imports of Raw materials and Rs.43.25 million on account of Import of Capital Goods. Your Company has also spent Rs.25.81 million in Foreign Currency on travel and for other purposes.

**PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employee is given in Annexure "A" to this Director's report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- (i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) that the directors had selected such accounting policies and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2009.
- (iii) that 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.
- (iv) that the annual accounts for the year ended 31<sup>st</sup> March, 2009 have been prepared on a 'going concern basis'.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity for thanking the Shareholders, Bankers, Auditors, Business Associates, and all Employees of the Company for their co-operation received during the year under review.

**By Order of the Board of Directors**

*Nenshi L Shah*

**Nenshi L Shah  
Chairman**

Place : Mumbai  
Date : 17<sup>th</sup> July, 2009

**Registered Office**

Boston House, Ground Floor,  
Suren Road, Chakala,  
Andheri (East),  
Mumbai – 400 093

## ANNEXURE - A

Information under Section 217 (2A) read with Companies (Particulars of employees) Rules, 1975 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2009.

Name & (Age)	Qualifications	Designation / Nature of Duties	Date of Commencement of employment & (Experience)	Gross Remuneration (In Rs.)	Last Employment
Raja Babu Kalla (Age:47 Years)	Bachelor of Mechanical Engineering	Vice President (Polysilicon Operations)	7 <sup>th</sup> February, 2008 (Exp:24 Years)	24,99,996	Planet Optical Disc FZE Dubai

**Notes:**

- (1) Designation denotes the nature of duties also.
- (2) Other terms and conditions are as per the service rules and conditions of the Company.
- (3) The nature of the employment of all the above employees is contractual.
- (4) Gross remuneration comprises of salary, commission, allowance, medical, other perquisites and Company's contribution to PF and Superannuation funds.