

COMPACT DISC INDIA LTD.

Dear Friends,

In the financial year 2009-10, Compact Disc India Ltd. (CDI) has witnessed accelerated growth and market leadership.

The company is anticipating significant growth in its business and with the growing business it needs to set-up Pre-Visualization Studios at Los Angeles, London and Singapore. All existing business from affiliates shall be consolidated in Chandigarh by the end of this year. CDI will also be holding company for all overseas subsidiaries. These subsidiaries will be serviced by establishing marketing offices in Sao Paulo, Tokyo and Johannesburg.

The company has also decided to set-up five world class state-of-the-art Animation & Gaming Centres of Excellence at par with IITs, which would be the first of their kind in India. The first such centre at Chandigarh is already in process of commencing Animation & Gaming courses for engineering students to impart highest level of quality education from the session 2011-12.

During the year 2009-10, CDI, the largest animation film company of South Asia, reports the following achievements:

- Sales Revenues higher by 18.78% at Rs. 228.17 crore
- Profit-After-Tax (PAT) increases by 19.82% to Rs. 47.33 crore
- Profit-Before-Tax (PBT) increases by 9.73% to Rs. 48.07 crore
- Earnings per Share (EPS) higher at Rs. 49.45 as compared to Rs. 41.27 last year; higher by 19.82% (annualized).

With best wishes of the shareholders, CDI is going to take a giant leap ahead.

Warm regards,

Suresh Kumar
Chairman

BOARD OF DIRECTORS

Mr. Suresh Kumar - Chairman and
Managing Director
Mrs. Rashmee Seengal - Director
Mrs. Santosh Grover - Director (Independent)
Mr. Anil Kumar - Director (Independent)
Mr. Kanad Kashyap - Director (Independent)

COMPANY SECRETARY

Mr. C.B. Gupta

AUDITORS

Suresh Goyal & Associates
Chartered Accountants
SCO 266, Second Floor,
Sector 32 - D
Chandigarh 160 032

BANKERS

HSBC Limited
HDFC Bank Limited
Punjab National Bank

REGISTERED OFFICE

SCO 856, Chandigarh-Kalka Road
NAC, Manimajra, Chandigarh - 160 101
India

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COMPACT DISC INDIA LTD.

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Compact Disc India Limited will be held on Thursday, the 30th day of September, 2010 at its Registered Office at SCO 856, NAC, Manimajra, Chandigarh at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the financial year ended 31st March, 2010 and the report of the Directors and Auditors thereon.
2. To declare dividend on equity shares of the company for the year ended 31st March, 2010.
3. To appoint director in place of Mrs. Santosh Grover, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint auditors for the year 2010-11 in place of Suresh Goyal & Associates, Chartered Accountants, Chandigarh, who retire at this meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the company.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:**

“RESOLVED THAT Mr. Anil Kumar, who was appointed as an additional director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as director of the company, liable to retire by rotation.”

For and on behalf of the Board of Directors

Sd/-

(SURESH KUMAR)

Chairman & Managing Director

Place: Chandigarh

Date : July 26, 2010

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 such proxy need not be a member of the company. Members/proxies are requested to bring the attendance slips duly filled in and signed for attending the meeting along with copy of Annual Report.
2. Proxies in order to be valid must be lodged at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 is enclosed and forms part of this notice.
4. Members holding shares in physical form are requested to notify any change in their address to Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, New Delhi-110062. The members holding shares in demat form are requested to notify any change in their bank account details to their Depository Participant (DP).

5. As per current SEBI Regulations, dividend is required to be credited to shareholders through Electronic Clearing Service (ECS) wherever the facility is available and the requisite details / mandates have been provided by the members. Members desirous of availing this facility may send the detail of their bank accounts with addresses and MICR codes of their banks to their depository participants (in case of share held in dematerialized form) or to Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, New Delhi-110 062 (in case of share held in physical form) at the earliest.
6. The Register of Members and Share Transfer Books of the company will remain closed from 21st September, 2010 to 27th September, 2010 (both days inclusive).
7. The dividend, if approved at the Annual General Meeting, will be paid on or before 30th October, 2010 in respect of shares held in physical form to those members whose names appear in the Register of Members of the company as on 20th September, 2010 and in respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by NSDL and CDSL at the close of business hours on 20th September, 2010.
8. Members, who have not encashed their dividend warrants for the year ended 31st March, 2008 are requested to send their dividend warrants to the company for revalidation.
9. The company is maintaining its Investors Cell at its Registered Office at SCO 856, NAC, Manimajra, Chandigarh. All investors are advised to correspond at this address only.
10. Information relating to directors proposed to be re-appointed/ appointed under clause 49 of the Listing Agreement with Stock Exchange:
 - Mrs. Santosh Grover has over three decades of experience in managing business. She has leadership qualities and a decade's expertise in creation and distribution of content for Media and Entertainment.
 - Mr. Anil Kumar is a young graduate and have 15 years experience in the industry. The company will be benefited with his experience. The Board recommends his appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Anil Kumar was appointed additional director by the Board of Directors. Pursuant to the provisions of section 260 of the Companies Act, 1956, he will hold office upto the date of forthcoming Annual General Meeting and is eligible for reappointment.

The company has received a notice under section 257 of the Companies Act, 1956 alongwith requisite deposit from a member of the company proposing the name of Mr. Anil Kumar for the office of the director of the company. Mr. Anil Kumar is a young graduate with 15 years experience in industry.

None of the directors except Mr. Anil Kumar is interested in the resolution.

COMPACT DISC INDIA LTD.**DIRECTORS' REPORT**

Dear Members,

Your directors take pleasure in presenting the Annual Report and the Audited Accounts of the company for the period ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lac)

	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
Total Sales/Income	22817.60	19210.15
Total Expenditure	17991.10	14748.49
Profit before Depreciation	4826.50	4461.66
Depreciation	18.39	15.45
Interest	00.81	65.26
Profit before Taxation	4807.30	4380.95
Provision for Taxation	74.57	432.41
Deferred Tax	1.03	1.12
Profit available for appropriations	4733.76	3949.66
Appropriations :		
Provision for Bad & Doubtful Debts	1809.24	-
Proposed dividend	191.41	191.41
Tax (including cess) on dividend	32.53	32.53
Transfer to General Reserve	473.38	438.09
Balance carried to Balance Sheet	2227.20	3287.63

FINANCIAL PERFORMANCE

Your company achieved a turnover of Rs. 228.17 crore against Rs. 192.10 crore during the previous year showing an increase of 18.78%. The profit after tax (PAT) of CDI grew by 19.82% to Rs. 47.33 crore over fiscal 2008-09. The profit before tax (PBT) increased by 9.73% to Rs. 48.07 crore. The company recorded earnings per share (EPS) Rs. 49.45 as compared to Rs. 41.27 last year, higher by 19.82% (annualized).

DIVIDEND

Your directors are pleased to recommend dividend @ Rs.2/- per share for the year ended 31st March, 2010. This, if approved at the annual general meeting will absorb an amount of Rs.191.41 lac.

OPERATIONS AND FUTURE PROSPECTS

Compact Disc India Limited (CDI) is an existing profit making company engaged in multimedia and entertainment production in India. Presently CDI is India's leading integrated media and entertainment company with prime focus on Animation Outsourcing and Production. With a phenomenal growth of over 345% in just 5 years, CDI is fast emerging as Asia's undisputed leader in the animation film industry.

The company is anticipating significant growth in its business and with the growing business it needs to set-up Pre-Visualization Studios at Los Angeles, London and Singapore. All existing business from affiliates will be consolidated in Chandigarh by the end of this year. CDI will also be holding company for all overseas subsidiaries. These subsidiaries will be serviced by establishing marketing offices in Sao Paulo, Tokyo and Johannesburg.

The company has engaged Grant Thornton to assist in preparing a Business Plan.

The company has also decided to set-up five world class state-of-the-art Animation & Gaming Centres of Excellence at par with IITs, which would be the first of their kind in India. The first such centre at Chandigarh is already in process of commencing Animation & Gaming courses for engineering students to impart highest level of quality education from the session 2011-12.

Grant Thornton has also been engaged to prepare the Business Plan for the education venture.

DIRECTORS

Mrs. Santosh Grover, Director of the company retires by rotation at the end of this Annual General Meeting and being eligible offers herself for re-appointment. Mrs. Rashmee Seengal has resigned from the post of whole time director, however she will remain as director on the Board. The Board of Directors has appointed Mr. Kanad Kshayap and Mr. Anil Kumar as additional directors of the company w.e.f. 15.05.2010, who will cease to be directors at the conclusion of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr Kanad Kashyap is not interested in reappointment. Company has received notice from a member of the company u/s 257 alongwith requisite deposit proposing the name of Mr. Anil Kumar for appointment as director. Board recommend his appointment.

PREFERENTIAL ALLOTMENT

The company has issued 14,00,000 Convertible Warrants of Rs. 10/- each at a price of Rs. 100/- per warrant on 18.12.2008, on preferential basis. Each warrant was convertible into one equity share of Rs. 10/- each to be issued on a premium of Rs. 90/- per share, within 18 months from the date of allotment at the option of the allottee. The allottee has not opted for conversion of warrants into equity shares of the company within 18 months from the date of allotment and has not deposited the balance amount. As such the application money of Rs. 1,40,00,000/- received from the allottee is forfeited pursuant to the provisions of Securities & Exchange Board of India (Disclosure and Investors Protection) Guidelines 2000 and in terms of allotment of warrants.

CORPORATE GOVERNANCE

The company has complied with the mandatory provisions of the Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Directors Report with the Auditors Certificate on its compliance.

AUDITORS

Suresh Goyal & Associates, Chartered Accountants, Chandigarh, Statutory Auditors of the company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as statutory auditors of the company.

SUBSIDIARY COMPANY

The statement of the holding company's interest in Seengal Animation Pvt. Ltd., the subsidiary company is attached to the report and accounts of the company.

CONSOLIDATED FINANCIAL STATEMENT

The duly audited financial statements as required under the Accounting Standard 21 and 27 and provisions of clause 32 of Listing Agreement have been prepared after considering the audited financial statement of your company's subsidiary and appear in the Annual Report of company for the year 2009-10.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

COMPACT DISC INDIA LTD.

- a) That in preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed.
- b) That the directors had selected such accounting policies and 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 and of the profit or loss of the company for the year under review.
- c) That 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 the company and for preventing and detecting fraud and other irregularities.
- d) That the directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

FIXED DEPOSITS

The company has not raised any fixed deposits during the year.

PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC.

Since the company is not a major energy-consuming unit, particulars regarding conservation of energy etc. as prescribed under section 217(1) (e) of the Companies Act, 1956 are not applicable to the company. As the company has not absorbed any technology, research and development etc, the particulars regarding technology absorption, innovation and research & development are not applicable.

PARTICULARS OF EMPLOYEES

Statement of employees whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, is annexed.

RELATED PARTY TRANSACTIONS

A statement of related party transactions pursuant to Accounting Standards 18 form a part of this Annual Report.

PERSONNEL AND INDUSTRIAL RELATIONS

The management and employees relations remained cordial throughout the year under report.

ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the continued support, encouragement and co-operation extended by State and Central Government Agencies, Company's Bankers, Business Associates, Esteemed Customers and Shareholders.

Your directors also record their appreciation for the dedicated services rendered by all ranks of the company's personnel.

For and on behalf of the Board of Directors

Sd/-

(SURESH KUMAR)

Chairman and Managing Director

Place : Chandigarh

Date : July 26, 2010

Annexure to Directors' Report

1. Statement of particulars of employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules 1988 and forming part of Directors' Report for the year ended 31st March, 2010.

S. No.	Name	Designation and nature of duties	Remuneration (Rs.)	Qualification	Experience (years)	Date of commencement of employment
1.	Suresh Kumar	Chairman and Managing Director Managing Affairs of the company	60,00,000/-	BE (Electrical) MBA Post Graduate Diploma in Export Management	36 years	08.05.1992
2.	Rashmee Seengal	Whole time director	30,00,000/-	Commerce Graduate	15 years	01.04.2009

2. Statement pursuant to Section 212 of the Companies Act, 1956 relating to company's interest in subsidiary companies for the financial year 2009-10

Name of the subsidiary company **Seengal Animation Pvt. Ltd.**

1. The financial year of the subsidiary company ended on March 31, 2010
2. Date from which they became subsidiary company January 7, 2009
3. a) Number of shares held by Compact Disc India Limited with its nominees in the subsidiary at the end of the financial year of the subsidiary company 993000 equity shares of the face value of Rs.10/- each.
- b) Extent of interest of holding company at the end of the financial year of the subsidiary company 99.30%
4. The net aggregate amount of the subsidiary company Profit/(Loss) so far as it concerns the members of the holding company
 - a) Not dealt with in the holding company's accounts
 - i) For the financial year ended March 31, 2010 (Rs.22,218.40)
 - ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary. Nil
 - b) Dealt with in holding company's accounts
 - i) For the financial year ended March 31, 2010 Nil
 - ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary. Nil

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Report of the Directors)

INTRODUCTION

The Securities and Exchange Board of India (SEBI) ushered in a formal code of Corporate Governance Practices by introducing a new clause 49 in the Listing Agreement with the Stock Exchanges. Accordingly, the code was implemented by effecting amendments to the Listing Agreements of the Stock Exchanges with which the company is listed.

Your company has complied in all material respects with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the company is furnished below:

1. Philosophy on Code of Governance

Your company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance. In keeping with this commitment, your company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

2. Board of Directors

The composition and other details relating to the Board as on 31st March, 2010 are as follows:

Sr. No.	Name of the Director	Category of Director	No. of others Directorships
1.	Mr. Suresh Kumar	Chairman, Executive	3
2.	Mrs. Santosh Grover	Independent and Non Executive	3
3.	Mr. Rashmee Seengal	Executive	2
*4.	Mrs. Divya Seengal	Independent & Non Executive	3
*5.	Mr. Anil Kumar	Independent & Non Executive	3
6.	Mr. Amrinder Singh	Independent & Non Executive	1

* appointed and ceased during the year.

3. Board Procedures

The board of the company had 11 meetings during the financial year 2009-10, on 01.04.09, 24.04.09, 30.06.09, 27.07.09, 21.08.2009, 04.09.09, 15.09.09, 23.10.09, 29.01.10, 25.02.10 and 23.03.10. The required information was circulated to the Board of Directors.

Attendance of directors at the board meetings held during financial year 2009-10 and last AGM are as given below:

Sr. No.	Name of the Director	No. of Meetings held during 2009-10	No. of Meetings attended during 2009-10	Last AGM Present/Absent
1.	Mr. Suresh Kumar	11	11	Present
2.	Mrs. Santosh Grover	11	8	Present
3.	Mrs. Rashmee Seengal	11	10	Present
* 4.	Mrs. Divya Seengal	11	2	Absent
* 5.	Mr. Anil Kumar	11	3	Present
** 6	Mr. Amrinder Singh	11	2	N/A

* appointed and ceased to be director during the year

** appointed during the year

The items placed at the meetings of the Board include the following:

- Report on operations of the company.
- Business plans and analysis of variances periodically as compared to the plans.
- The unaudited quarterly/half yearly financial results and the audited annual accounts of the company.
- Financial statements such as cash flow, sundry debtors and/or other liabilities or claims of substantial nature.
- Delegation of powers to the operational management.
- Review compliance of all laws applicable to the company, including the requirements of listing agreement signed with the Stock Exchanges and steps taken by the company to rectify instances of non compliances, if any.
- Transactions that involve substantial payment towards goodwill, or intellectual property, if any.
- Communication to the Stock Exchanges, the shareholders and the press regarding company's performance, future plans and other decision/changes of significant importance of price sensitive nature.

4. Audit Committee

The committee carries out the role as laid down in Clause 49 of the Listing Agreement with Stock Exchanges as well as Section 292 A of the Companies Act 1956.

The committee, interalia, provides reassurance to the board on the existence of an effective internal control system. It also consider financial disclosures compliance with all relevant statutes, safeguarding of assets and adequacy of provisions for all liabilities and generally accepted accounting principles by the company.

COMPACT DISC INDIA LTD.

The composition of the audit committee and the detail of meetings held by it during the financial year under review are as follows :-

Sr. No.	Director	Position	Meetings held	Meetings Attended
1.	Mrs. Santosh Grover	Chairman	6	6
2	Mr. Suresh Kumar	Member	6	6
*3.	Mrs. Rashmee Seengal	Member	6	1
*4.	Mr. Anil Kumar	Member	6	3
**5.	Mr. Amrinder Singh	Member	6	2

* appointed and ceased to be member during the year

** appointed member during the year

5. Investors Grievances and Securities Transfer Committee

The composition of committee is as under:

Mrs. Santosh Grover	Chairman	32	32
Mrs. Rahsmee Seengal	Member	32	28
* Mrs. Divya Seengal	Member	32	8
** Mr. Suresh Kumar	Member	32	18

* appointed and ceased during the year

** appointed during the year

6. General Body Meetings

Location and time of the last three Annual General Meetings and the details of special resolutions passed:

For the Year	Venue	Date	Time	Special Resolutions
2006-07	Compact Disc India Ltd SCO 856, NAC Manimajra, Chandigarh	28 th Sept, 2007	10.30 A.M.	-
2007-08	Compact Disc India Ltd SCO 856, NAC Manimajra, Chandigarh	29 th Sept, 2008	10.30 A.M.	-
2008-09	Compact Disc India Ltd SCO 856, NAC Manimajra, Chandigarh	30 th Sept, 2009	10.30 A.M.	2

7. Disclosures

There are no materially significant transactions made by the company with its promoters, directors or management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the company at large.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory for non compliance on any matter related to the capital markets.

The company has been providing the Chairman of the company with the resources required to implement his role.

The company has had a code of conduct for its employees. The Board members and senior management personnel of the of the company affirm that they have complied with this code.

8. Means of Communication

Financial results, quarterly/half yearly results, are published within the stipulated period in English and vernacular newspapers. These results are promptly submitted to the stock exchanges.

Address of our official website is www.compactdisc.co.in. The above results and other official news release are also displayed in our website.

The company from time to time presents all the relevant information as recommended by the SEBI and the Stock Exchanges to the Board in a structured manner.

9. General Shareholder information

- a) The 18th Annual General Meeting of the members of the company will be held on Thursday, the 30th day of September, 2010 at the Registered Office of the company at SCO 856, NAC Manimajra, Chandigarh at 10.30 A.M.
- b) Financial Calendar – April 1, 2009 to March 31, 2010
- c) Date of Book Closure- 21st September, 2010 to September 27th , 2010 (both days inclusive)
- d) Your company's shares are listed in the following Stock Exchanges
The Bombay Stock Exchange (BSE),
Phiroze Jee Jeebhoy Towers
Dalal Street, Mumbai - 400 001

Ludhiana Stock Exchange Association Ltd.
Feroze Gandhi Market
Ludhiana - 141 001
- e) Scrip Code of the Company – 526141
- f) Demat ISIN no. for NSDL and CDSL INE 821B01019
- g) Market price data - Average Monthly high low prices on the Bombay Stock Exchange, Mumbai are given below:

MONTH	HIGH (Rs.)	LOW (Rs.)
April 2009	49.00	34.65
May 2009	67.00	38.10
June 2009	64.90	46.85
July 2009	72.00	52.60
August 2009	74.75	56.00
September 2009	76.95	67.10
October 2009	71.50	58.25
November 2009	69.50	58.00
December 2009	69.70	62.10
January 2010	71.00	56.00
February 2010	65.60	49.55
March 2010	95.90	50.50

COMPACT DISC INDIA LTD.

h) Distribution of shareholding as on 31.03.2010

Sr. No.	Nominal Value Rs.	Number of Share Holders	% of Total Share holders	Share Amount Rs.	% of Total
1.	0 to 5000	27365	93.13	25580320	26.65
2.	5001 to 10000	1065	3.62	6347100	6.61
3.	10001 to 20000	472	1.61	4724060	4.92
4.	20001 to 30000	149	0.51	3333340	3.47
5.	30001 to 40000	89	0.30	2738960	2.85
6.	40001 to 50000	64	0.22	2559440	2.67
7.	50001 to 100000	96	0.33	5379300	5.60
8.	100001 and to above	83	0.28	45337480	47.23
	TOTAL	29383	100.00	96000000	100.00

i) Dematerialization and Liquidity of Shares

As on 31st March 2010, 69.86% of the share capital was held in the demat mode. The company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedure prescribed by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The equity shares of the company are traded in the B2 Group.

j) Outstanding GDR/ ADR/ Warrant/ Convertible Instruments

The Company had issued 14,00,000 convertible warrants at a price of Rs. 100/- each on preferential basis, each warrant to be convertible into one equity share of Rs. 10/- each at a premium of Rs. 90/- per share within 18 months at the option of allottee.

10. Registrar & Share Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex
New Delhi-110 062

11. Share Transfer System and other related matters

Shareholder/ Investor Grievances Committee also approves share transfer and meets at frequent intervals. Beetal Financial & Computer Services Pvt. Ltd., the company's Registrar and Share Transfer Agents process these transfers. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The company has signed necessary agreements with National Securities Depository Ltd. and Central Depository Services Ltd. The transfer of shares in depository mode need not be approved by the company.

12. Address for Correspondence

Shareholder desiring to communicate with the company on any matter relating to the shares of the company may make correspondence at the following addresses:

(i) Registrar and Share Transfer Agents:

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex
New Delhi-110 062 Phone No. 011- 22961281-82 Email: beetal@rediffmail.com

- ii) Compact Disc India Ltd.
SCO 856, NAC Manimajra,
Chandigarh 160 101
Phone No. 0172 – 2734331, 5076870
Email: info@compactdisc.co.in

13. Compliance Certificate of Auditors

A certificate from the auditors of the company regarding compliance of condition of corporate governance as stipulated under Clause 49 of the listing agreement is attached to this report.

For and on behalf of the Board of Directors

Place : Chandigarh
Date : July 26, 2010

Declaration

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, it is confirmed that all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Conduct for the year ended March 31, 2010.

Place : Chandigarh
Date : July 26, 2010

Sd/-
(SURESH KUMAR)
Chairman and Managing Director

Sd/-
(SURESH KUMAR)
Chairman and Managing Director

Auditor's Certificate on Corporate Governance to the Members of Compact Disc India Ltd.

We have examined the compliance of conditions of corporate governance by Compact Disc India Ltd. for the year ended on 31st March, 2010, as stipulated in Clause 49 of the listing agreement of the said company with Stock Exchanges in India.

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 the conditions of the 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 the above mentioned Listing Agreements.

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

**For Suresh Goyal & Associates
Chartered Accountants**

Place : Chandigarh
Dated : July 22, 2010

Sd/-
(CA Suresh K. Goyal)
Membership No.084153

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry Structure & Development

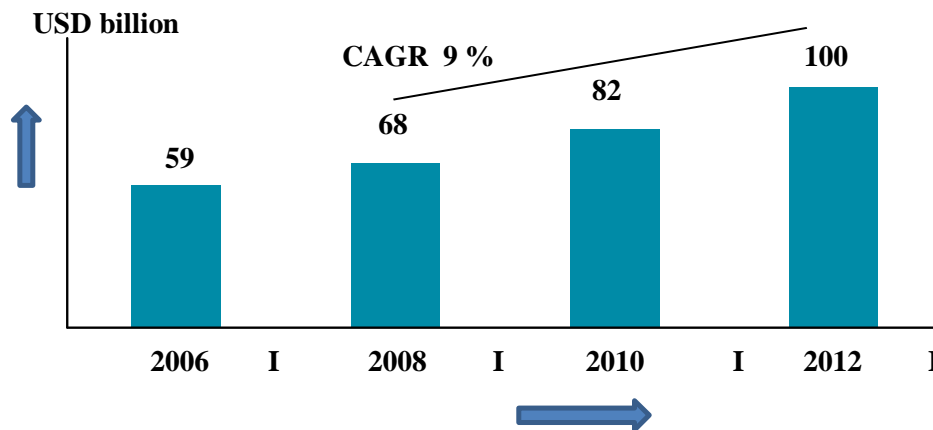
In 2009, the Indian animation industry continued to rely on outsourced work and co-production deals that led to a growth rate of approximately 9 percent over 2008. While industry sentiment was low for the first half of the year resulting in a few shakeouts, Indian Studios were approached with new projects and collaborative deals indicating that the market was looking up once again in the second half.

The animation services segment registered a growth rate of 15 percent in 2009.

2. Global Animation Market overview

The global animation market was estimated at USD 59 billion in 2006 and USD 68 billion in 2008 and is expected to grow at a CAGR of 9 per cent to reach USD 100 billion by 2012. Studios need to carefully schedule, initiate and execute the production of an animation movie, which takes between three to five years to develop and costs over USD 100 million.

Global animation industry



Source: Industry estimates and EY analysis 2006 number from NASSCOM Animation and Gaming report 2007

In 2008, animation entertainment accounted for 74 per cent of the global animation market, followed by web design at 16 per cent and custom content development at 9 per cent. Animation development studios are still trying to strike a balance between risk and reward. Distributors and exhibitors often garner the major share of revenues with the excess trickling down to production houses and ultimately to studios. Integrated production houses and studios realize that creative talent needs to be supported by commercial talent, to exploit the content to the fullest and bring in the revenues. Co-production, share of profits and many other models are being evolved to enable equitable distribution of revenues. The successful growth of animation will therefore depend on buoyant consumer entertainment spending, commercial exploitation capability and subsequent revenues accruing to studios. Growth drivers for the animation industry. The global animation industry is spurred by increasing consumer demand for digital entertainment.

Growth drivers for the animation industry

- The entertainment segment, especially animated movies are the growth engine of this segment. Largely based out of US animation, productions has increased in scale, budgets and garner revenue from theatres / home video distribution worldwide.
- The Japanese and European markets are driving the growth of animated television serials and animated content for other digital platforms. The television serials lead to volume growth with comparatively smaller production budgets.
- This steady growth in animation entertainment production and consequent off shoring to India and South-East Asian nations, is leading to a demand of creative and skilled manpower. This demand is spurring the growth of animation education segment leading to establishment of specialized animation training institutes and courses.
- Another significant driver is the adoption of animated and multimedia content for segments beyond entertainment like custom content development for education, training etc, along with areas like web design and interactive digital platforms.
- Animation and VFX has deepened its roots in the advertising industry with most advertisements involving a component of VFX and many advertisements having animated characters and themes.

Trends in the global animation industry

The following are the major trends witnessed in the global animation industry:

- The production budgets of animation movies have gone up substantially. Since 1994, more than 15 animated movies with budgets over USD 100 million have been produced. Shrek3, with production costs of USD 200 million, is the most expensive animated film made, which places it in the league of mega-budget live action movies.
- Box office revenues have gone up as well, indicating that the appeal of animated movies have extended beyond children and have evolved as complete family entertainment. The animated movie, Finding Nemo, garnered worldwide box office revenues of USD 866 million, making it one of the top grossers of all times. Other high earners at the box office include The Incredibles at USD 631 million and Monsters Inc. at USD 525 million.
- The quality of animation movies has improved with the incorporation of 3D effects to enhance visual appeal. Almost all recent hits, such as Ratatouille, Finding Nemo and The Incredibles, have made extensive use of 3D animation techniques.
- Animation is increasingly being used in digital media platforms such as mobile phones, internet content, advertising and direct to home formats.
- Earlier, animation was inspired by and based on comic book characters such as Superman, Spiderman, He Man and X-Men. Today, some animated TV serials have inspired comic books that are based on them. A classic example is the Simpsons, based on which comic books have been produced.
- Animation is increasingly being used in video games. Similarly, several characters that were originally produced for gaming are now being developed as long-format animation. For example, in the case of Japan, several successful computer games have been developed into animated series such as Pokemon, Monster Farm, Power Stone and Detective Conan.

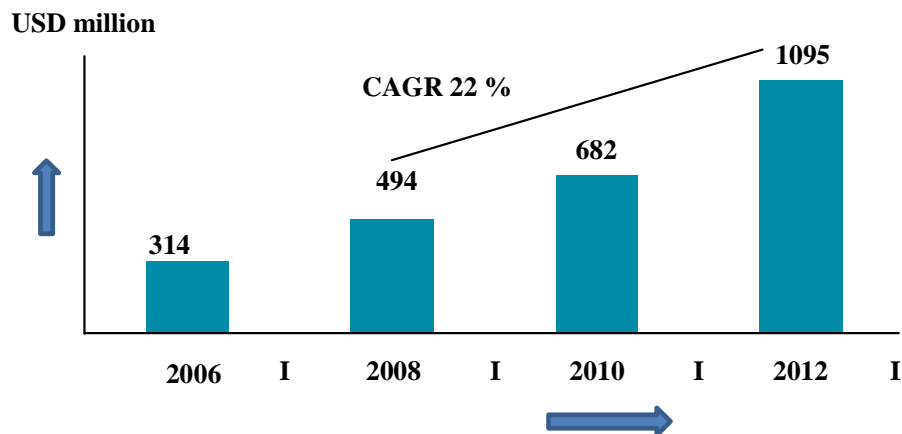
COMPACT DISC INDIA LTD.

- Another key trend witnessed in the global animation industry is the outsourcing of animation content to Asia. Across Asia, several animation firms are engaged in offering outsourcing services to North American and UK film and television animation content creators. The predominant factors responsible for the emergence of animation production being outsourced to the Asia-Pacific region continue to be the availability of low-cost, powerful computer animation
- Platforms as well as the availability of skill sets at a significantly lower cost as compared to those available in North America and Europe. With the current economic slowdown and increasing cost pressures, it is expected that outsourcing to low-cost countries such as India will increase significantly.

3. Indian Animation Market Overview

The entire animation industry in India was estimated at USD 314 million in 2006, USD 494 million in 2008 and is expected to grow at a CAGR of 22 per cent to reach USD 1 billion by 2012. Studios need to carefully schedule, initiate and execute the production of an animation movie, which takes between three to five years to develop and costs over USD 100 million.

Total animation industry size



The animation industry in India can be divided into the following key segments:

- Animation entertainment,
- Animation education,
- Custom content development and
- Multimedia/web design and VFX.

In absolute terms, custom content development and multimedia/web design is the largest segment today, followed by animation entertainment, animation education and VFX, respectively. In 2012, custom content development and multimedia/web design is expected to remain the largest segment, followed by animation entertainment, VFX and animation education.

Growth Drivers in the animation industry in India

A. Animation entertainment

The animation entertainment segment was estimated at USD 107 million in 2008 and is expected to grow at a CAGR of 18 per cent to reach USD 207 million by 2012. One primary reason in the increase of the multimedia segment is the increased adoption of multimedia for digital platforms, which will help the multimedia segment grow faster.

B. Animation broadcast

Currently, 90-95 per cent of the animated content broadcast on Indian television is developed overseas. Foreign-origin content is customized for Indian channels by dubbing it in Hindi and other local languages.

Cost arbitrage is another driver for production of foreign animation TV content in India. An average animation series has 26 episodes per series. **The cost of developing a half hour animated serial in India is USD 22,000 to USD 27,000 as compared to USD 88,000 to USD 142,000, in the western countries.**

The volume and quality of offshoring work for broadcast is also increasing with India having established credentials in this segment. Repeat business and cost reduction initiatives of foreign broadcasters are expected to further spur animation offshoring. There have been limited successes in South-East Asian markets, Japan etc and this trend is expected to grow over the next 5 years. Studios in Hyderabad have managed to develop independent content and broadcast it on networks in countries like Japan.

C. Animation movies

Movie projects require higher skill sets and longer production time. For International producers to offshore work it is essential that the development studio has proven credentials, international quality and on time delivery capabilities. As animation companies have delivered well on projects and the skill sets have improved, greater amount of work is being outsourced to India. For example post-production studios which have branched into animation development have closed out on international movies from independent producers.

The cost of producing a full length movie in the US is USD 71 million-USD 106 million, whereas the same work can be produced in India at USD 13 million-USD 22 million, accounting for a saving of approximately 80 per cent. Given the financial meltdown many western countries are actively looking at destinations like India to develop animation movies with moderate budgets. Quality though still is a corner stone but cost concerns are dominating the offshoring decisions. Many studios are using this opportunity to move up the value chain and lock in deals given the 2 years plus development time.

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D. Animation advertising

This segment has lower volumes and lower overall revenues. Although the demand for animation advertising is increasing, it has not reached a critical mass for companies to solely focus on.

Realization from animated advertisements is more attractive than that from broadcasting animation – a 30 second advertisement has a budget of USD 177,000 to USD 450,000.

The growing popularity of animated characters among certain age groups is driving their usage for advertising and brand promotion. Hence the recent years have seen a huge jump in animated content being used for advertising.

E. Direct- to- DVD animation

Direct-to-DVD accounts for 25 per cent of the animation entertainment industry size, with 90 per cent of revenues in this segment coming from outsourcing work. In the domestic market, the segment is still at a relatively nascent stage. The cost of producing a direct to DVD in the West is USD 9 million-USD 12 million. Whereas the same can be produced in India for USD 3 million-USD 5 million. Hence there is saving of approximately 30 per cent.

F. Animation education

The animation education segment was estimated at USD 67 million in 2008 and is expected to grow at a CAGR of 27 per cent to reach USD 173 million by 2012.

Earlier, the quality of courses offered by animation training institutes had significant scope for improvement. Many animation companies had to re-train their recruits, at times spending up to USD 2,500 per employee in the effort. The top level institutes have remodelled their courses to provide holistic training instead of just animation tools. These are long term courses with duration of 12-15 months. There is an increasing trend of collaborating with foreign institutes for training faculty and joint accreditation of students. For example, Maya Academy of Advanced Cinematic (MAAC) has tied up with Cambridge University International Education (CIE), where CIE will validate 2 of MAAC's courses. The institutes also have industry tie-ups with the guest faculty from animation companies and provide internship opportunities to students.

Education will witness increased demand for skilled resources due to increased application of animation across entertainment, advertising, etc.

The rise in the demand for trained animation professionals is propelled by the overall growth of the animation industry. There has been an increase in the size of the domestic animation market as well as the outsourcing market. In the animation segment, there are currently 14,700 skilled professionals at present, and it is estimated that there will be a need for 29,500 skilled professionals by the end of 2012. Companies are moving to a freelance model, where they recruit on a project basis; hence, not all the demand will be for permanent employees.

Awareness of animation as a career is increasing and more people are enrolling for animation courses. People are taking long-term animation courses, which provide holistic training. These courses are of 12 - 15 month duration, as compared to previous short-term courses of 3-6 months.

G. Custom content development and multimedia/web design

The custom content development and multimedia/web design market was estimated at USD 256 million in 2008 and is expected to grow at a CAGR of 21 per cent to reach USD 542 million by 2012. With Internet advertising growing along with bandwidth, more complicated multimedia content are being developed for the web. Usage of banner and rich media advertisements on internet have increased. These advertisements use significant amount of animation graphics. There is an opportunity of dedicated development activities for web design and rich media. Flash based websites allow more interactivity; as a result usage of flash on websites has increased.

Multimedia content is also witnessing growth in interactive ads and call to action based campaigns where the consumer is encouraged to take follow up action after watching an ad or contest call.

H. VFX

The Indian post-production industry is growing by the day and the VFX industry has found a huge opportunity in this development. The VFX segment was estimated at USD 65 million in 2008 and is expected to grow at a CAGR of 28 per cent to reach USD 174 million by 2012.

The VFX field, comprising the computerized digital animation and picture-layering process known as compositing, is evolving very fast. Along with the big names, small boutique studios are mushrooming across all the metros to cater to the needs of small screen content makers and advertising agencies.

The industry employs over 4,000 professionals in India.

4. CDI OPERATIONS

Today CDI is the largest animation outsourcing company in South Asia. With a vision to 'redefine entertainment', CDI has pioneered the concept of animation outsourcing in India by producing animation assignments in both traditional and digital formats adhering to the most stringent and challenging quality norms.

The year 2009-2010 has been of accelerated growth and market leadership. The strong performance is a culmination of strategic initiatives taken by the company on several fronts notably in the areas of acquiring international projects, deepening of core competencies and creating associates world across.

FINANCIAL HIGHLIGHTS OF CDI FY 2009-10

- Sales Revenues higher by 18.78% at Rs. 228.17 crore
- Profit After Tax (PAT) increases by 19.82% to Rs. 47.33 crore
- Profit Before Tax (PBT) increases by 9.73% to Rs. 48.07 crore
- Earnings Per Share (EPS) higher at Rs. 49.45 as compared to Rs. 41.27 last year; higher by 19.82% (annualized)

This has been complemented by CDI's successful execution of animation film projects, thus resulting in higher growth of key international accounts and strengthening our leadership position in the industry.



COMPACT DISC INDIA LTD.

PROJECT MODEL

Presently Compact Disc India Ltd. is working on two different models for Animation/ Film Production namely Outsourcing Model and Production/ Co-Production Model.

Outsourcing Model

Currently CDI is working on Outsourcing Model for Animation Production. Benefits such as reduced costs and improved quality associated with outsourcing business process have facilitated in building confidence among global animation production houses to outsource their work. Their underlying expectations is that outsourcing processes will result in cost savings and operational efficiencies, coupled with access to very good talent in the low wage countries.

Production houses in India are now outsourcing the pre-production and post-production stage as well. CDI's model involves outsourcing production work from the USA and European production houses on fixed payment contract basis, without sharing box office risks or Intellectual Property Rights. The major benefit in this model is a regular cash flow to the company.

Own Production/ Co-Production Model

CDI has to move forward in animation industry by creating its own intellectual property (IP), instead of merely doing outsourced work. The company has decided to either produce themselves or co-produce animated films with leading USA and European production houses. If CDI owned the IP, the same can cash in on the collaterals by way of merchandising, the brand etc. as animation has a universal appeal with no shelf life.

CDI is presently working on following two animation feature films for the international market – Futebol and Eternal Love.

5. FUTURE OUTLOOK FOR THE COMPANY

The company is anticipating significant growth in its business and with the growing business it needs to set-up Pre-Visualization Studios at Los Angeles, London and Singapore. All existing business from affiliates will be consolidated in Chandigarh by the end of this year. CDI will also be holding company for all overseas subsidiaries. These subsidiaries will be serviced by establishing marketing offices in Sao Paulo, Tokyo and Johannesburg.

The company has also decided to set-up five world class state-of-the-art Animation & Gaming Centres of Excellence at par with IITs, which would be the first of their kind in India. The first such centre at Chandigarh is already in process of commencing Animation & Gaming courses for engineering students to impart highest level of quality education from the session 2011-12.

Estimated Financial Projections, FY 2010-11

- Sales Revenue Rs. 265.00 crore
- Net Profit Rs. 53.10 crore

Sales revenue does not include revenue from subsidiaries of the company. No provisions has been made from the estimated pre-sales revenue from animation features films.

Investor Relation Cell

CDI has set-up an investor relation cell at Chandigarh Office with a single point contact system for all investor related queries. The cell will make investors queries handling fast and accurate. For any kind of investors queries please send us an email at info@compactdisc.co.in and corp.relations@compactdisc.co.in

Marketing & Publicity

CDI wish to make its presence stronger and prominent among the industry leaders. We are seeking assistance from professional agencies to setup a marketing campaign which will dominate creating an awareness of CDI being the largest animation outsourcing organization in South Asia. We will be releasing advertisements, press releases and other media campaign during the next financial year.

Human Resource

The Company's human resource strategy revolves around the development of the individual. The employees are encouraged to attend Seminars, Workshops and Short Term Courses. Employees are also encouraged to attain additional relevant qualifications.

Internal Control Systems

The Company has a sound internal system which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly.

The internal control system is further supplemented by internal audit and periodical review by the management. The audit committee of the Board addresses significant issues raised by both the internal auditors and statutory auditors.

COMPACT DISC INDIA LTD.

CERTIFICATION BY THE MANAGING DIRECTOR OF THE COMPANY

I, Suresh Kumar, Chairman and Managing Director of Compact Disc India Limited, to the best of my knowledge and belief certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together presents a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and Audit Committee deficiencies in the design or operation of such operation of such material controls, if any.
- (d) I have indicated to the auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year.
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Place : Chandigarh
Date : July 26, 2010

Sd/-
(SURESH KUMAR)
Chairman and Managing Director

AUDITOR'S REPORT

The members of Compact Disc India Ltd.

1. We have audited the attached Balance Sheet of Compact Disc India Ltd. as at March 31, 2010 and also the Profit & Loss Account and Cash Flow Statement for the year ending as on that date *annexed* thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) insofar as it relates to the Balance Sheet of the state of affairs of the company as at 31st March, 2010 and,
 - (ii) insofar as it relates to the Profit and Loss account of the company for the year ended on that date.
5. On the basis of the written representation received from the directors, as on March 31, 2010 and according to information and explanations given to us, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Suresh Goyal & Associates
Chartered Accountants

Sd/-

(CA Suresh K. Goyal)

Membership No.084153

Place : Chandigarh

Dated : July 26, 2010

Annexure: Re. Compact Disc India Ltd.

Referred to in paragraph 3 of Our Report of even date

1. (i) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) As explained to us, 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 nature of its assets. No material discrepancies were noticed on such verification.
(iii) No substantial part of fixed assets has been disposed off during the year, which has affected the going concern.
2. There are no inventories in the company hence the clause relating to inventories are not applicable to the company.
3. According to information and explanation given to us, the company has not taken or granted any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956, the company is not maintaining any such register as the company is of the opinion that there were no such transactions as to attract the provisions of this section.
6. In our opinion and according to information provided to us, the company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. In our opinion and according to information and explanation given to us, the company is not required to maintain Cost Records as specified U/s 209(1) (d) of the Companies Act, 1956.
9. In our opinion and according to information and explanation given to us and records produced for our verification, undisputed statutory dues have been generally deposited regularly with the appropriate authorities.
10. In our opinion, the company has no accumulated losses as at 31st March, 2010. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of its dues to any financial institution or bank or debenture holders.
12. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.

13. In our opinion, the company is not a chit fund or *nidhi* mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Company (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Company (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
16. In our opinion and as examined from the books of accounts, the company has applied the loans for the purpose for which they were obtained.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. In our opinion and according to information and explanation given to us, no debentures were issued by the company during the period covered by the report.
20. The management has not raised any money from public issues during the year.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Suresh Goyal & Associates
Chartered Accountants

Sd/-

(CA Suresh K. Goyal)

Membership No.084153

Place : Chandigarh
Dated : July 26, 2010

COMPACT DISC INDIA LTD.**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	95,705,000.00	95,705,000.00
Convertible Warrants	B	1,400,000.00	1,400,000.00
Reserve & Surplus	C	940,307,314.88	670,249,315.36
Deferred Tax Liability	D	754,295.67	857,460.99
Secured Loans	E	194,990,453.00	182,116,197.00
Unsecured Loans	F	27,000,000.00	-
		1,260,157,063.55	950,327,973.35
APPLICATION OF FUNDS			
Fixed Assets (Gross Block)	G	28,267,371.32	24,990,012.32
Less: Depreciation		12,494,814.51	10,655,581.80
Net Block		15,772,556.81	14,334,430.52
Investments	H	23,923,000.00	23,923,000.00
Current Assets, Loans & Advances			
Sundry Debtors	I	146,050,005.65	272,536,676.48
Other Current Assets	J	1,235,829,411.58	767,439,144.39
Less: Current liabilities & Provisions	K	161,417,911.41	127,905,278.04
Net Current Assets		1,220,461,505.82	912,070,542.83
Notes to Accounts	P		
		1,260,157,063.55	950,327,973.35

The Schedules form integral part of the financial statements

As per our separate report of even date attached

For Suresh Goyal & Associates
Chartered Accountants

Sd/-
(CA Suresh K. Goyal)
Membership No.084153

Place : Chandigarh
Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-
Suresh Kumar
**Chairman & Managing
Director**

Sd/-
Santosh Grover
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Amount in Rs.)

PARTICULARS	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Income from Operations /			
Other Income	L	2,281,760,000.00	1,921,015,585.54
TOTAL(A)		<u>2,281,760,000.00</u>	<u>1,921,015,585.54</u>
EXPENDITURE			
Project Development			
Expenses - Outsourcing	M	1,781,114,000.00	1,454,176,726.00
Administration & Other Expenses	N	17,979,712.97	13,028,015.41
Financial Expenses	O	97,166.25	14,169,921.80
Depreciation		1,839,232.71	1,545,184.25
TOTAL(B)		<u>1,801,030,111.93</u>	<u>1,482,919,847.46</u>
Operating profit for the year (A-B)		480,729,888.07	438,095,738.08
Net Profit before tax		480,729,888.07	438,095,738.08
Provision for taxation & fringe benefit tax		7457040.92	43,240,873.67
Deferred tax		103,165.32	111,601.41
Net Profit after tax		473,272,847.15	394,966,465.82
Profit of the year after tax available for appropriation			
Provision for bad & Doubtful Debts		180,924,000.00	-
Proposed Dividend		19,141,000.00	19,141,000.00
Tax (including cess) on dividend		3253012.95	3,253,012.95
Transfer to General Reserve		47,337,601.25	43,809,573.81
Net Profit transferred to Balance Sheet		222,720,398.27	328,762,879.06
EPS (basic/diluted) before tax and dividend		50.23	45.78
EPS (basic/diluted) after tax and before dividend		49.45	41.27

The Schedules form integral part of the financial statements

As per our separate report of even date attached

For Suresh Goyal & Associates
Chartered Accountants

Sd/-
(CA Suresh K. Goyal)
Membership No.084153

Place : Chandigarh
Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-
Suresh Kumar
Chairman & Managing
Director

Sd/-
Santosh Grover
Director

COMPACT DISC INDIA LTD.**CASH FLOW STATEMENT AS ON 31ST MARCH, 2010** Amount in (Rs.) 000

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax And Extraordinary Items	480,730	438,096
Adjustment For:		
Depreciation	1,839	1,545
Dividend cum Dividend Tax Paid	-	(11,197)
Preoperative Expendure	-	-
Profit (Loss) before Working Capital Changes	<u>482,569</u>	<u>428,444</u>
Adjustment for:		
Net Changes in Operating Assets & Liabilities		
Trade & Other Receivable	(588,791)	(611,123)
Trade & Other Payables	<u>75,770</u>	<u>13,268</u>
	(513,021)	(597,855)
Net Cash Flow from Operating Activities	<u>(30,452)</u>	<u>(169,411)</u>
B. CASH FLOW FROM LENDING AND INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,277)	(3,544)
Increase/Decrease in Investments	-	(18,063)
Net Cash Used in Lending And Investing Activities	<u>(3,277)</u>	<u>(21,607)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Secured	39,874	179,342
Unsecured	-	-
Proceeds from share warrants & premium	-	14,000
	<u>39,874</u>	<u>193,342</u>
Net Cash Flow after financing activities	6,144	2,324
Cash and cash equivalent at the beginning of the year	3,184	860
Cash and cash equivalents at the end of the year.	<u>9,328</u>	<u>3,184</u>

For and on behalf of Board of Directors

Sd/-

Suresh Kumar

Chairman & Managing**Director**

Sd/-

Santosh Grover

Director

Place : Chandigarh

Dated : July 26,2010

AUDITOR'S CERTIFICATE

We have examined the Cash Flow Statement of Compact Disc India Limited for the year ended 31st March 2010. The Statement has been prepared by the company in accordance with the requirement of listing agreement clause 32 with stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

**For Suresh Goyal & Associates
Chartered Accountants**

Sd/-

(CA Suresh K. Goyal)

Membership No.084153

Place : Chandigarh

Dated : July 26, 2010

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
1,50,00,000 Equity Shares of Rs10/-each	150,000,000.00	150,000,000.00
Issued, Subscribed & Paid up		
96,00,000 Equity Shares of Rs 10/- each fully paid up	96,000,000.00	96,000,000.00
Less : Calls Unpaid - by others	295,000.00	295,000.00
	<u>95,705,000.00</u>	<u>95,705,000.00</u>
SCHEDULE - B		
CONVERTIBLE WARRANTS		
14,00,000 Convertible Warrants of Rs. 10/- each Paid-up Re. 1/- each	14,00,000.00	14,00,000.00
	<u>14,00,000.00</u>	<u>14,00,000.00</u>
SCHEDULE - C		
RESERVES & SURPLUS		
Profit & Loss Account		
Opening Balance	593,177,451.26	264,414,572.20
Add: Profit (Loss) for the year	<u>222,720,398.27</u>	<u>328,762,879.06</u>
Closing Balance	815,897,849.53	593,177,451.26
General Reserve		
Opening Balance	77,071,864.10	20,662,290.29
Transfer during the year	47,337,601.25	43,809,573.81
Share Premium party paid	-	12,600,000.00
Closing Balance	<u>124,409,465.35</u>	<u>77,071,864.10</u>
	<u>940,307,314.88</u>	<u>670,249,315.36</u>
SCHEDULE -D		
DEFERRED TAX LIABILITY		
Opening Balance	857,460.99	969,062.40
Less: Deferred Tax	(103,165.32)	(111,601.41)
Closing Balance	<u>754,295.67</u>	<u>857,460.99</u>

SCHEDULE - 'G'
FIXED ASSETS

(Amount in Rs.)

Particulars	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Cost as on 1.4.2009	Additions during the yr.	Total cost as on 31.3.2010	Provided upto 31.3.2009	Sale/Adj For the yr. 31.3.2010	Total upto 31.3.2010	W.D.V as on 31.3.2010	W.D.V as on 31.3.2009
Land	0%	3,962,136.00	724,233.00	4,686,429.00	-	-	-	4,686,429.00	3,962,136.00
Office Machinery & Equipments	4.75%	1,461,575.00	-	1,461,575.00	939,748.84	69,424.81	1009173.65	452,401.35	521,826.16
Furniture & Fixtures	6.33%	2,223,222.00	7,350.00	2,230,572.00	1,538,388.78	141,103.43	2,079,492.21	151,079.79	284,833.22
Vehicles	9.50%	10,103,124.00	2,537,500.00	12,640,624.00	3,537,665.91	1,127,246.95	4,665,012.86	7,975,611.14	6,565,458.09
Animation/Computer Software	7.07%	7,069,965.32	8,216.00	7,078,181.32	4,087,321.16	499,802.25	4,587,223.41	2,490,957.91	2,982,644.16
Software for Website	16.21%	147,000.00	-	147,000.00	147,000.00	-	147,000.00	-	-
Camera	6.33%	22,990.00	-	22,990.00	5,457.11	1,455.27	6,912.38	16,077.62	17,532.90
Total		24,990,012.32	3,277,359.00	28,267,371.32	10,655,581.80	1,839,232.71	12,494,814.51	15,772,556.81	14,334,430.53

COMPACT DISC INDIA LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - E		
SECURED LOANS		
Car Loans	559,604.00	1,189,601.00
HSBC-Packing Limit	180,926,596.00	180,926,596.00
Term Loan PNB	13,504,253.00	-
	194,990,453.00	182,116,197.00
SCHEDULE - F		
UNSECURED LOANS		
Mr. Gurpal Singh (Bhangra)	27,000,000.00	-
	27,000,000.00	-
SCHEDULE - H		
INVESTMENTS		
In Equity Shares - Unquoted, fully paid up		
Laser Infomedia Ltd	6,993,000.00	6,993,000.00
699,300 Equity Shares of Rs10/-each (Refer Note No 1)		
Seengal Animation Pvt Ltd	9,930,000.00	9,930,000.00
993,000 Equity Shares of Rs10/-each (Refer Note No 2) (Subsidiary Company)		
Seengal Animation Pvt Ltd	7,000,000.00	7,000,000.00
Share Application Money		
	23,923,000.00	23,923,000.00
SCHEDULE - I		
SUNDRY DEBTORS		
Less than six months	137,941,879.00	272,449,882.48
More than six months	188,945,332.65	-
HSIIDC	86,794.00	86,794.00
	326,974,005.65	272,536,676.48
Less : Provision for Bad & Doubtful Debts	180,924,000.00	-
Closing Balance	146,050,005.65	272,536,676.48

COMPACT DISC INDIA LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - J		
OTHER CURRENT ASSETS		
Cash and Bank Balances	9,328,805.70	3,184,158.65
HDFC-Unpaid Dividend Account	1,997,533.00	2,056,148.00
Advance Directors	24,917,236.34	41,600,000.00
Films Rights in Stock	460,663,000.00	320,000,000.00
Loans/Film Finance	94,374,738.36	96,139,306.75
Seengal Animation Pvt Ltd(Subsidiary Company)	13,524,789.00	19,239,233.00
Prepaid Expenses	62,682.00	129,024.00
Security Deposits	1,027,375.00	63,311.00
Security-KINFRA Land	1,358,400.00	1,358,400.00
- Eternal Love	200,891,357.18	91,826,054.54
- Pele Soccer Film	328,984,324.00	161,109,773.13
- Guru of Sex	-	22,180,000.00
Radiant Films Ltd.	60,151,660.00	-
Prime Licenciamentos EP Ltd.	4,931,000.00	-
Primier Brands Pvt. Ltd.	6,285,011.00	-
Security Deposits	-	964,064.00
Investment in Chandigarh Project	15,334,137.00	3,755,155.00
Investment in Trivandrum Project	1,997,363.00	1,265,000.00
Tax Deducted at Source	-	36,516.32
Advance Tax & FBT	-	2,533,000.00
Loan and Advances	10,000,000.00	-
	<u>1,235,829,411.58</u>	<u>767,439,144.39</u>

SCHEDULE - K**CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors	56,445,964.00	44,668,964.00
Beetal Fin. & Computer System Ltd.	26,252.00	-
Expenses Payable	484,458.20	1,966,033.00
Advance & Deposits	2,600,000.00	2,600,000.00
TDS Payable	714,464.00	394,448.00
Salary & Wages Payable	4,862,176.00	590,672.00
Shareholders Account for Advertisements	6,529.00	3,358.00
Dividend and Dividend Tax Payable	44,788,025.90	22,394,012.95
Unpaid Dividend	1,997,533.00	2,056,148.00
Provision for Taxation	36,950,925.31	53,231,642.09
Rent Payable	860,625.00	-
CICB Consulting Group.	10,852,000.00	-
Listing Fees Payable	316,000.00	-
Audit Fees Payable	35,000.00	-
KPMG Ltd.	477,959.00	-
	<u>161,417,911.41</u>	<u>127,905,278.04</u>

Amount in (Rs.)

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE - L		
INCOME FROM OPERATIONS/OTHER INCOME		
Income from operations	2,269,589,879.00	1,860,940,155.00
Animation Income (Non-Film)	12,020,000.00	10,059,845.00
Other Income	150,121.00	50,015,585.54
	<u>2281760000.00</u>	<u>1,921,015,585.54</u>
SCHEDULE - M		
PROJECT DEVELOPMENT EXPENSES		
Project Development Expenses - Outsourcing	1,781,114,000.00	1,454,176,726.00
	<u>1,781,114,000.00</u>	<u>1,454,176,726.00</u>
SCHEDULE - N		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Publicity	373,124.00	1,493,588.00
Books & Periodicals	3,170.00	10,192.00
Business Promotion	89,815.77	225,218.60
Consultancy Charges	99,270.00	260,889.00
Traveling Expenses	677,583.20	1,176,685.00
Telephone & Communication	249,748.00	235,465.91
Electricity & Water Charges	58,413.00	54,959.00
Auditors' Remuneration	35,000.00	25,000.00
Legal & Professional Charges	987,744.00	119,601.00
Listing Fees/ Membership Fees	173,674.00	136,672.00
Salary & Wages	14,015,770.00	7,883,923.00
Staff Welfare	46,870.00	36,887.50
Postage & Telegram	171,410.00	366,430.40
Printing & Stationary	277,925.00	272,982.00
Rent	229,500.00	229,500.00
Repair & Maintenance	30,541.00	26,631.00
Vehicle Running & Maintenance	216,781.00	216,646.00
Insurance Premium	154,179.00	101,933.00
Depository Expenses	79,146.00	148,377.00
Rate Fee & Taxes	10,049.00	6,435.00
	<u>17,979,712.97</u>	<u>13,028,015.41</u>
SCHEDULE - O		
FINANCIAL CHARGES		
Interest	80,955.00	6,526,651.46
Bank Charges	16,211.25	7,643,270.34
	<u>97,166.25</u>	<u>14,169,921.80</u>

COMPACT DISC INDIA LTD.

SCHEDULE – P

Notes on Accounts

1. SIGNIFICANT ACCOUNTING POLICIES

- a) **Accounting Convention:** The accounts are prepared under the historical cost convention and materially complied with mandatory accounting standards.
- b) **Recognition of Income & Expenditure:** Items of Income and Expenditure are recognised only on accrual basis unless referred otherwise.
- c) **Fixed Assets:** The fixed assets are stated at historical cost including directly attributable costs of bringing the assets to their working condition.
- d) **Depreciation:** Depreciation is provided on fixed assets on straight line method, pro rata basis as per rates prescribed in schedule XIV of the Companies Act, 1956. Depreciation on Assets Disposed/Acquired during the year has been provided on month end balances.
- e) **Inventories:** There are no inventories.
- f) **Foreign Currency Transactions:** Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction.
- g) **Tax on Income:**
- (i) Current Corporate Tax is provided on the basis of profit for the year after considering applicable tax rates and laws.
 - (ii) Deferred Tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred Tax Assets and Liability are measured using the enacted or substantively enacted tax rates for continuing operations. Deferred Tax Assets are reviewed only if there is reasonable certainty that they will be realised and are reviewed for their respective carrying value at each balance sheet date.
- h) **Earning Per Share:** In determining Earning Per Share (EPS), the Company considers the net profit before tax and net profit after tax. The number of shares used in computing basic and diluted EPS is the weighted average number of shares outstanding during the period.
- i) **Contingent Liabilities:** Contingent Liabilities are not provided and are disclosed in the notes to accounts.

2. NOTES ON ACCOUNTS

- a) Figures of previous year have been regrouped and reclassified wherever necessary to make them comparable.
- b) The current assets and loans and advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business.
- c) **Related Party Transactions:**
As per Accounting Standard (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules-2006, the disclosure of Transactions with the related parties are given below:
- (i) Key Management Personal:

Sr. No.	Name of Related Party	Relationship
1	Suresh Kumar	Chairman of the Company
2	Rashmee Seengal	Whole time Director

- (ii) **Subsidiaries Companies:**
 - 1. Seengal Animation Pvt. Ltd, Chandigarh.

COMPACT DISC INDIA LTD.

**INFORMATION REQUIRED-PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details		
Registration No. 12254		State Code 53
Balance Sheet Date 31-03-2010		
2. Capital raised during the year (Amount in Rs. Thousands)		
Public Issue		Right Issue
NIL		NIL
Bonus Issue		Private Placement
NIL		NIL
		Preferential Allotment
		Nil
3. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities		Total Assets
1260157		1260157
SOURCE OF FUNDS		
Paid-up Capital		Reserve & Surplus
95705		940307
Secured Loans		Unsecured Loans
194990		27000
APPLICATION OF FUNDS		
Net Fixed Assets		Investments
15772		23923
Net Current Assets		Misc. Expenditure
366329		NIL
Accumulated Losses		
NIL		
4. Performance of Company (Amount in Rs. Thousands)		
Turnover including other income		Total Expenditure
2281760		1801030
Profit/Loss before Tax		Profit/Loss After Current Tax
480729		473272
Earnings per Share (in Rs.)		Dividend Rate
49.45		20 %
5. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)		
Item Code No. (ITC Code)		Animation Films & Outsourcing
Product Description		

As per our separate report of even date attached

**For Suresh Goyal & Associates
Chartered Accountants**

Sd/-

(CA Suresh K. Goyal)

Membership No.084153

Place : Chandigarh

Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-

Suresh Kumar

**Chairman & Managing
Director**

Sd/-

Santosh Grover

Director

AUDITOR'S REPORT

On Consolidated Financial Statements

To the Board of Directors
Compact Disc India Ltd.

We have examined the attached consolidated Balance Sheet of Compact Disc India Ltd. ("the company") and its subsidiary as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements,

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in the conformity with the accounting principles generally accepted in India:

- (a) In the case of consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2010;
- (b) In the case of Consolidated Profit and Loss Account, of the consolidated result of operations of the company and its subsidiaries for the year then ended and
- (c) In the case of the Consolidated Cash Flow Statements, of the consolidated cash flows of the company and its subsidiaries for the year then ended.

Place : Chandigarh
Dated : July 26, 2010

For Suresh Goyal & Associates
Chartered Accountants
Sd/-
(CA Suresh K. Goyal)
Membership No.084153

COMPACT DISC INDIA LTD.**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	95,775,000.00	95,775,000.00
Convertible Warrants	B	1,400,000.00	1,400,000.00
Reserve & Surplus	C	940,220,926.36	670,249,315.36
Deferred Tax Liability	D	754,295.67	857,460.99
Secured Loans	E	194,990,453.00	182,116,197.00
Unsecured Loans	F	27,000,000.00	-
		1,260,140,675.02	950,397,973.35
APPLICATION OF FUNDS			
Fixed Assets (Gross Block)	G	55,140,896.82	45,910,213.32
Less: Depreciation		12,358,103.04	10,655,581.80
Net Block		42,782,793.78	35,254,631.52
Investments	H	6,993,000.00	6,993,000.00
Current Assets, Loans & Advances			
Sundry Debtors	I	146,298,255.65	272,536,676.48
Other Current Assets	J	1,227,497,731.08	763,161,113.39
Less: Current liabilities & Provisions	K	164,405,598.41	127,970,586.04
Net Current Assets		1,209,368,388.32	907,727,203.83
Pre-Operative Expenditure - Subsidiary		974,492.00	423,138.00
Notes to Accounts	P	1,260,140,675.02	950,397,973.35

The Schedules form integral part of the financial statements

As per our separate report of even date attached**For Suresh Goyal & Associates
Chartered Accountants**

Sd/-

(CA Suresh K. Goyal)

Membership No. 084153

Place : Chandigarh

Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-

Suresh Kumar

**Chairman & Managing
Director**

Sd/-

Santosh Grover

Director

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Income from Operations /			
Other Income	L	<u>2,282,000,000.00</u>	<u>1,921,015,585.54</u>
TOTAL(A)		<u>2,282,000,000.00</u>	<u>1,921,015,585.54</u>
EXPENDITURE			
Project Development			
Expenses - Outsourcing	M	1,781,114,000.00	1,454,176,726.00
Administration & Other Expenses	N	18,295,812.97	13,028,015.41
Financial Expenses	O	97,166.25	14,169,921.80
Depreciation		<u>1,849,521.24</u>	<u>1,545,184.25</u>
TOTAL(B)		<u>1,801,356,500.46</u>	<u>1,482,919,847.46</u>
Operating profit for the year (A-B)		480,643,499.54	438,095,738.08
Net Profit before tax		480,643,499.54	438,095,738.08
Provision for taxation & fringe benefit tax		7,457,040.92	43,240,873.67
Deferred tax		103,165.32	111,601.41
Net Profit after tax		473,186,458.62	394,966,465.82
Profit of the year after tax available for appropriation			
Provision for Bad & Doubtful Debts		180,924,000.00	-
Proposed dividend		19,141,000.00	19,141,000.00
Tax (including cess) on dividend		3,253,012.95	3,253,012.95
Transfer to General Reserve		47,328,962.39	43,809,573.81
Net Profit transferred to Balance Sheet		222,642,648.60	328,762,879.06
EPS (Basic/Diluted) before tax and dividend		50.22	45.78
EPS (Basic/Diluted) after tax and before dividend		49.43	41.27

The Schedules form integral part of the financial statements

As per our separate report of even date attached

For Suresh Goyal & Associates
Chartered Accountants

Sd/-
(CA Suresh K. Goyal)
Membership No. 084153

Place : Chandigarh
Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-
Suresh Kumar
Chairman & Managing Director

Sd/-
Santosh Grover
Director

COMPACT DISC INDIA LTD.**CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2010**

Amount in (Rs.) 000

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax And Extraordinary Items	480,643	438,096
Adjustment For:		
Depreciation	1850	1,545
Dividend cum Dividend Tax Paid	-	(11,197)
Preoperative Expenditure	(573)	(423)
Profit (Loss) before Working Capital Changes	481,920	428,021
Adjustment for:		
Net Changes in Operating Assets & Liabilities		
Trade & Other Receivable	(561,934)	(606,447)
Trade & Other Payables	36,457	13,322
	(525,477)	(593,125)
Net Cash flow From Operating Activities	(43,557)	(165,104)
B. CASH FLOW FROM LENDING AND INVESTING ACTIVITIES		
Purchase of Fixed Assets	9378	(24,464)
Increase/Decrease in Investments	-	(1,133)
Net Cash Used in Lending And Investing Activities	9378	(25,597)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net of Repayments)		
Secured	12874	179,342
Unsecured	27000	-
Proceeds from share capital	-	70
Proceeds from share warrants & premium	-	14000
	39874	193,412
Net Cash flow after financing activities	5695	2,721
Cash and cash equivalent at the beginning of the year	3581	860
Cash and cash equivalents at the end of the year	9276	3,581

For and on behalf of Board of Directors

Sd/-

Suresh Kumar

Chairman & Managing**Director**

Sd/-

Santosh Grover

Director

Place : Chandigarh

Dated : July 26, 2010

AUDITOR'S CERTIFICATE

We have examined the consolidated Cash Flow Statement of Compact Disc India Limited for the year ended 31st March 2010. The Statement has been prepared by the company in accordance with the requirement of listing agreement clause 32 with stock exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

**For Suresh Goyal & Associates
Chartered Accountants**

Sd/-

(CA Suresh K. Goyal)

Membership No. 084153

Place : Chandigarh

Dated : July 26, 2010

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
1,50,00,000 Equity Shares of Rs10/-each	150,000,000.00	150,000,000.00
Issued, Subscribed & Paid up		
96,07,000 Equity Shares of Rs 10/- each fully paid up	96,070,000.00	96,070,000.00
Less : Calls Unpaid - by others	295,000.00	295,000.00
	<u>95,775,000.00</u>	<u>95,775,000.00</u>
SCHEDULE - B		
CONVERTIBLE WARRANTS		
14,00,000 Convertible Warrants of Rs. 10/- each Paid-up Re. 1/- each	1,400,000.00	1,400,000.00
	<u>1,400,000.00</u>	<u>1,400,000.00</u>
SCHEDULE - C		
RESERVES & SURPLUS		
Profit & Loss Account		
Opening Balance	593,177,451.26	264,414,572.20
Add: Profit (Loss) for the year	222,642,648.60	328,762,879.06
Closing Balance	815,820,099.86	593,177,451.26
General Reserve		
Opening Balance	77,071,864.10	20,662,290.29
Transfer during the year	47,328,962.39	43,809,573.81
Share Premium partly paid	-	12,600,000.00
Closing Balance	<u>124,400,826.49</u>	<u>77,071,864.10</u>
	<u>940,220,926.36</u>	<u>670,249,315.36</u>
SCHEDULE - D		
DEFERRED TAX LIABILITY		
Opening Balance	857,460.99	969,062.40
Less: Deferred Tax	(103,165.32)	(111,601.41)
Closing Balance	<u>754,295.67</u>	<u>857,460.99</u>

SCHEDULE - 'G'
Fixed assets

Particulars	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 1.4.2009	Additions during the yr.	Sale/Adj during the yr.	Total cost as on 31.3.2010	Provided upto 31.3.2009	Sale/Adj	For the yr. 31.3.2010	Total upto 31.3.2010	W.D.V as on 31.3.2010	W.D.V as on 31.3.2009
Land	0%	5,641,056.00	724,293.00	-	6,365,349.00	-	-	-	-	6,365,349.00	5,641,056.00
Office Machinery & Equipments	4.75%	1,461,575.00	113,672.50	-	1,575,247.50	939,748.84	-	76,250.46	1,015,999.30	559,248.20	521,826.16
Furniture & Fixtures	6.33%	2,223,222.00	36,038.00	-	2,259,260.00	1,938,388.78	-	142,826.05	2,061,214.83	178,045.17	281,833.22
Vehicles	9.50%	10,103,124.00	2,537,500.00	-	12,640,624.00	3,537,665.91	-	1,128,346.95	4,666,012.86	7,974,611.14	6,565,458.09
Animation/Computer Software	7.07%	7,069,965.32	8,216.00	-	7,078,181.32	4,087,321.16	-	499,902.25	4,587,223.41	2,490,957.91	2,982,644.16
Camera	6.33%	32,485.00	-	-	32,485.00	5,457.11	-	2,195.53	7,652.64	24,832.36	27,027.00
Work in Progress	0.00%	19,231,786.00	5,957,964.00	-	25,189,750.00	-	-	-	-	25,189,750.00	19,231,786.00
Total		45,763,213.32	9,377,663.50	-	55,140,896.82	10,508,581.80	-	1,849,521.24	12,356,103.04	42,782,793.78	35,251,630.63

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - E		
SECURED LOANS		
Car Loans	559,604.00	1,189,601.00
HSBC-Packing Limit	180,926,596.00	180,926,596.00
Term Loan PNB	13,504,253.00	-
	<u>194,990,453.00</u>	<u>182,116,197.00</u>
SCHEDULE - F		
UNSECURED LOANS		
Mr. Gural Singh (Bhangra)	27,000,000	-
	<u>27,000,000</u>	<u>-</u>
SCHEDULE - H		
INVESTMENTS		
In Equity Shares - Unquoted, fully paid up		
Laser Infomedia Ltd	6,993,000.00	6,993,000.00
- 699,300 Equity Shares of Rs10/-each (Refer Note No 1)		
	<u>6,993,000.00</u>	<u>6,993,000.00</u>
SCHEDULE - I		
SUNDRY DEBTORS		
Less than six months	138,190,129.00	272,449,882.48
More than six months	188,945,332.65	-
HSI IDC	86,794.00	86,794.00
	<u>327,222,255.65</u>	<u>272,536,676.48</u>
Less : Provision for Bad & Doubtful Debts	180,924,000.00	-
Closing Balance	<u>146,298,255.65</u>	<u>272,536,676.48</u>

COMPACT DISC INDIA LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE - J		
OTHER CURRENT ASSETS		
Cash and Bank Balances	9,276,103.20	3,581,549.65
HDFC-Unpaid Dividend Account	1,997,533.00	2,056,148.00
Advance - Directors	24,813,353.34	41,600,000.00
Films Rights in Stock	460,663,000.00	320,000,000.00
Loans/Film Finance	94,374,738.36	110,592,117.75
Prepaid Expenses	62,682.00	129,024.00
Security Deposits	1,109,569.00	1,138,375.00
Security-KINFRA Land	1,358,400.00	1,358,400.00
- Eternal Love	200,891,357.18	91,826,054.54
- Pele Soccer Film	328,984,324.00	161,109,773.13
- Guru of Sex	-	22,180,000.00
Advance Against Property	2,500,000.00	-
Jain K. Virind & Co.	22,500.00	-
Radiant Films Ltd.	60,151,660.00	-
Prime Licenciamentos EP Ltd.	4,931,000.00	-
Premier Brands Pvt. Ltd.	6,285,011.00	-
Investment in Chandigarh Project	15,334,137.00	3,755,155.00
Investment in Trivandrum Project	1,997,363.00	1,265,000.00
Seengal International Ltd.	1,200,000.00	-
SPM Pvt. Ltd.	1,545,000.00	-
Tax Deducted at Source	-	36,516.32
Advance Tax & FBT	-	2,533,000.00
Loan & Advances	10,000,000.00	-
	1,227,497,731.08	763,161,113.39
SCHEDULE - K		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	56,445,964.00	44,668,964.00
Beetal Financial and Computer Services Pvt. Ltd.	26,252.00	-
Expenses Payable	484,458.20	1,981,033.00
Advance & Deposits	2,600,000.00	2,600,000.00
TDS Payable	714,919.00	417,148.00
Salary & Wages Payable	5,062,176.00	617,172.00
Shareholders Account for Advertisements	6,529.00	3,358.00
Dividend and Dividend Tax Payable	44,788,025.90	22,394,012.95
Unpaid Dividend	1,997,533.00	2,056,148.00
Provision for Taxation	36,950,925.31	53,232,750.09
Rent Payable	862,625.00	-
CICB Consulting Group.	10,852,000.00	-
Listing Fees Payable	316,000.00	-
Audit Fees Payable	50,000.00	-
Consort Builders Pvt. Ltd.	2,658,151.00	-
Security Payable	34,345.00	-
Vastu Consultants	77,736.00	-
KPMG Ltd.	477,959.00	-
	164,405,598.41	127,970,586.04

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE - L		
INCOME FROM OPERATIONS/OTHER INCOME		
Income From Operations	2,269,829,879.00	1,860,940,155.00
Animation Income (Non-Film)	12,020,000.00	10,059,845.00
Other Incomes	150,121.00	50,015,585.54
	2,282,000,000.00	1,921,015,585.54
SCHEDULE - M		
PROJECT DEVELOPMENT EXPENSES		
Project Development Expenses - Outsourcing	1,781,114,000.00	1,454,176,726.00
	1,781,114,000.00	1,454,176,726.00
SCHEDULE - N		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Publicity	373,124.00	1,493,588.00
Books & Periodicals	3,170.00	10,192.00
Business Promotion	89,815.77	225,218.60
Consultancy Charges	99,270.00	260,889.00
Traveling Expenses	678,093.20	1,176,685.00
Telephone & Communication	249,948.20	235,465.91
Electricity & Water Charges	58,413.00	54,959.00
Auditors' Remuneration	50,000.00	25,000.00
Legal & Professional Charges	987,744.00	119,601.00
Listing Fees/ Membership Fees	173,674.00	136,672.00
Salary & Wages	14,278,770.00	7,883,923.00
Staff Welfare	47,460.00	36,887.50
Postage & Telegram	171,410.00	366,430.40
Printing & Stationary	277,925.00	272,982.00
Rent	231,500.00	229,500.00
Repair & Maintenance	30,541.00	26,631.00
Vehicle Running & Maintenance	216,781.00	216,646.00
Insurance Premium	154,179.00	101,933.00
Depository Expenses	79,146.00	148,377.00
Rate Fee & Taxes	10,049.00	6,435.00
Security Expenses	34,800.00	-
	18,295,812.92	13,028,015.41
SCHEDULE - O		
FINANCIAL CHARGES		
Interest	80,955.00	6,526,651.46
Bank Charges	16,211.25	7,643,270.34
	97,166.25	14,169,921.80

SCHEDULE – P

NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Principles of consolidation

- a) The financial statements of the company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.
- c) Other significant accounting policies: These are set out under “Significant Accounting Policies” as given in the Unconsolidated Financial Statements of Compact Disc India Limited and its subsidiary.

NOTES ON ACCOUNTS TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

a.	Auditor’s Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
	As Statutory Auditor	40,000.00	25,000.00
b.	Other Notes on Accounts:-		
	Other significant Notes on Accounts: These are set out under “Significant Accounting Policies” as given in the Unconsolidated Financial Statements of Compact Disc India Limited and its subsidiary.		

As per our separate report of even date attached

**For Suresh Goyal & Associates
Chartered Accountants**

Sd/-
(CA Suresh K. Goyal)
Membership No. 084153

Place : Chandigarh
Dated : July 26, 2010

For and on behalf of Board of Directors

Sd/-
Suresh Kumar
**Chairman & Managing
Director**

Sd/-
Santosh Grover
Director

AUDITOR'S REPORT

**To the members of
Seengal Animation Pvt. Ltd.**

We have audited the attached Balance Sheet of **SEENGAL ANIMATION PVT. LTD.** as at 31st March, 2010. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by the law, have been kept by the company, so far as appears from our examination of those books.
 - c) The Balance Sheet dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956
 - e) In our opinion, and based on information and explanation given to us, none of Directors are disqualified as on 31st March ,2010 from being appointed as Directors in term of section 274(1)(g) of The Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it is relates to Balance Sheet, of the state of affairs of the company as at 31st March, 2010.
 - (ii) In so far as it relates to Income and Expenditure Account of the company for the year ended on that date.

For Jain K. Vrind & Co.
Chartered Accountants
Sd/-
(CA K. Vrind Jain)
Membership No.90495

Place : Chandigarh
Dated : June 10, 2010

SEENGAL ANIMATION PVT. LTD.**SEENGAL ANIMATION PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedule	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A			
Share Capital	A	17,000,000.00	17,000,000.00
LOAN FUND A/C			
Unsecured Loans			
Compact Disc India Ltd.		13,524,789.00	19,239,233.00
		30,524,789.00	36,239,233.00
Fixed Assets			
GROSS BLOCK			
	B	1,830,775.50	1,688,415.00
Less : Depreciation		9,118.40	-
Net Block		1,821,657.10	1,688,415.00
Work in Progress		25,189,750.00	19,231,786.00
		27,011,407.10	20,920,201.00
Current Assets, Loan & Advances			
Current Assets			
Bank		4,770.50	14,950.00
Cash		5,527.00	382,441.00
Sundry Debtors		248,250.00	-
Loan & Advances	C	5,349,684.00	14,563,811.00
		5,608,241.50	14,961,202.00
Less : Current Liabilities & Provisions	D	3,091,570.00	65,308.00
Net Current Assets		2,516,671.50	14,895,894.00
Pre-Operative Expenditure		974,492.00	423,138.00
Income & Expenditure A/c Balance		(22,218.40)	-
Note on Accounts			
	Total	30,524,789.00	36,239,233.00

As per our separate report of even date attached

**For Jain K. Vrind & Co.
Chartered Accountants**

Sd/-

(CA K. Vrind Jain)

Membership No. 90495

Place : Chandigarh

Dated : June 10, 2010

For and on behalf of Board of Directors

Sd/-

Kanad Kashyap
Director

Sd/-

Divya Seengal
Director

SEENGAL ANIMATION PVT. LTD.
INCOME AND EXPENDITURE ACCOUNT

(Amount in Rs.)

PARTICULARS	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
Income		240,000.00	-
		<u>240,000.00</u>	<u>-</u>
Administrative Expenditure	E	253,100.00	-
		<u>253,100.00</u>	<u>-</u>
Surplus/Deficit Before Depreciation & Tax		(13,100.00)	-
Depreciation		9,118.40	-
Surplus/Deficit Before Tax		(22,218.40)	-
Provision For Taxation		<u>-</u>	<u>-</u>
Surplus/Deficit After Tax		<u>(22,218.40)</u>	<u>-</u>

As per our separate report of even date attached

For Jain K. Vrind & Co.
Chartered Accountants

Sd/-

(CA K. Vrind Jain)

Membership No. 90495

Place : Chandigarh

Dated : June 10, 2010

For and on behalf of Board of Directors

Sd/-

Kanad Kashyap

Director

Sd/-

Divya Seengal

Director

SEENGAL ANIMATION PVT. LTD.

(Amount in Rs.)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
SCHEDULE-A		
SHARE CAPITAL		
Authorised Share Capital		
10,00,000 Equity Share of Rs.10/-each	10,000,000.00	10,000,000.00
Issued, Subscribed & Paid Up Capital		
Share Application Money	7,000,000.00	7,000,000.00
	17,000,000.00	17,000,000.00
SCHEDULE-C		
LOANS & ADVANCES		
Advances Against Property	2,500,000.00	2,500,000.00
Consort Builders Pvt. Ltd.	-	481,811.00
Creative Consortium	-	20,000.00
HPSIDC (Baddi)	-	2,451,000.00
HPSIDC (Security Water)	-	15,000.00
Jain K. Vrind & Co.	22,500.00	-
Security - Electricity	60,194.00	81,000.00
Security - Sewerage	7,000.00	-
Security - Water	15,000.00	15,000.00
Seengal International Ltd.	1,200,000.00	1,200,000.00
SPM Pvt. Ltd.	1,545,000.00	7,800,000.00
	5,349,694.00	14,563,811.00
SCHEDULE-D		
CURRENT LIABILITIES & PROVISIONS		
Audit Fees Payable	15,000.00	15,000.00
Bonus Payable	6,000.00	-
Consort Builders Pvt. Ltd.	2,658,151.00	-
FBT Payable	-	1,108.00
Salary Payable	194,000.00	26,500.00
Security Charges Payable	34,345.00	-
TDS Payable	455.00	22,700.00
Vaastu Consultants	77,736.00	-
Rent Payable	24,000.00	-
Imprest from Directors	103,883.00	-
	3,091,570.00	65,308.00
SCHEDULE-E		
ADMINISTRATIVE EXPENDITURE		
Audit Fees	15,000.00	-
Bonus	6,000.00	-
Office Expenses	510.00	-
Rent	2,000.00	-
Salary	194,000.00	-
Security Charges	34,800.00	-
Staff Welfare	590.00	-
Telephone Expenses	200.00	-
	253,100.00	-

**FIXED ASSETS
SCHEDULE 'B'**

S.No	PARTICULARS	RATE	OPENING BALANCE	LESS THAN 180 DAYS	MORE THAN 180 DAYS	TOTAL	DEPRECIATION AS ON			VALUE AS PER SLM AS ON	
							4/1/2009	During the Year	31/03/2010	31/3/2010	31/3/2009
1	CAMERA	0.71	9,495.00	-	-	9,495.00	-	570.14	570.14	8,924.86	9,495.00
2	ELECTRICAL EQUIPMENTS	0.71	-	-	-	-	-	5,024.25	5,024.25	78,648.25	-
3	FIRE FIGHTING EQUIPMENTS	0.71	-	-	30,000.00	30,000.00	-	1,801.40	1,801.40	28,198.60	-
4	GUARD CABIN	0.33	-	-	28,688.00	28,688.00	-	1,722.62	1,722.62	26,965.38	-
5	LAND	-	1,678,920.00	-	-	1,678,920.00	-	-	-	1,678,920.00	1,678,920.00
TOTAL (Rs.)			1,688,415.00	-	142,360.50	1,830,775.50	-	9,118.40	9,118.40	1,821,557.10	1,688,415.00

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. General: -

Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Revenue Recognition: -

Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

3. Fixed Assets: -

Assets are stated at their original cost of acquisition .

4. Depreciation on Fixed Assets: -

Depreciation is provided on fixed assets on Straight Line Method on prorata basis as per rates prescribed in schedule XIV of the Companies Act, 1956. Depreciation on assets disposed / aquired during the year has been provided on month end balances.

5. Investments: -

There is no Investments during the period except for an advance for purchase of property shown under loan & advances.

6. Inventories: -

There is no inventories.

7. Preoperative Expenditure: -

A preoperative expense has to be amortized over a period of ten years.

8. Retirement Benefits: -

No liabilities towards retirement benefits are accounted for in according with AS-15.

9. Foreign Currency Transactions: -

There is no transaction in foreign currency during the year.

10. Taxes on Income: -

No provision for Taxes except FBT has been made since the company has not commenced any commercial operation. No deferred tax liability or asset has been created since company is not working yet.

(B) Notes on Accounts

1. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.

2. Payment to Auditors

Auditors Remuneration	2009-10 (Rs.)	2008-09 (Rs.)
Audit Fees	15000.00	15000.00
Tax Audit Fees	-	-
Service Tax	-	-
Total	15000.00	15000.00

3. Payment to Director

Directors Remuneration	2009-10	2008-09
Salary & Bonus	-	-
Sitting fees	-	-
Total	-	-

4. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

5. Major components of Deferred tax

Particulars	As at 31.03.2009 (Rs.)	During the year	As at 31.03.2010 (Rs.)
Net Deferred Tax liabilities/(assets)	-	-	-

6. The SSI status of the creditors is not known to the company, hence the information is not given.

As per our separate report of even date attached

**For Jain K. Vrind & Co.
Chartered Accountants**

Sd/-

(CA K. Vrind Jain)

Membership No. 90495

Place : Chandigarh

Dated : June 10, 2010

For and on behalf of Board of Directors

Sd/-

Kanad Kashyap

Director

Sd/-

Divya Seengal

Director

COMPACT DISC INDIA LIMITED
Regd. Office : SCO 856, Chandigarh-Kalka Road
NAC Manimajra, Chandigarh 160 101

PROXY FORM

Folio No. _____
I/We _____ of _____ being Member(s)
of Compact Disc India Ltd. hereby appoint _____ of _____
or failing him/her _____ of _____
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 18th Annual General Meeting
of the Company to be held on Thursday, the 30th day of September, 2010 at 10.30 A.M. at SCO 856,
NAC, Manimajra, Chandigarh 160 101 and at any adjournment thereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2010.

Signature(s).....

Re. 1/- Revenue Stamp

Note : Proxy must be deposited at the Regd. Office at the Company not less than 48 hours before the
time for holding the aforesaid meeting.

COMPACT DISC INDIA LIMITED
Regd. Office : SCO 856, Chandigarh-Kalka Road
NAC Manimajra, Chandigarh 160 101

ATTENDANCE SLIP
To be handed over at the entrance of the Meeting Hall

Folio No.:.....

Name of the attending member (IN BLOCK LETTERS)

Name of the Proxy (IN BLOCK LETTERS)

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Thursday,
the 30th day of September, 2010 at 10.30 A.M. at SCO 856, NAC, Manimajra, Chandigarh 160 101.

Signature of Member/Proxy
(To be signed at the time of handing over this slip)

SEENGAL ANIMATION PVT. LTD.

**INFORMATION REQUIRED-PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1	Registration Details		
	CIN U92400CH2008PTC031302	State Code	53
	Balance Sheet Date	31-03-2010	
2	Capital raised during the year (Amount in Rs. Thousands)		
	Public issue	Right issue	
	NIL	NIL	
	Bonus Issue	Private Placement	
	NIL	9900	
3	Position of Mobilization and Development of Funds (Amount in Rs. Thousands)		
	Total Liabilities	Total Assets	
	30524	30524	
	<u>Sources of Funds</u>		
	Paid up Capital	Reserve & Surplus	
	10000	–	
	Secured Loans	Unsecured Loans	
	–	13524	
	<u>Application of Funds</u>		
	Net Fixed Assets	Investments	
	1821	–	
	Net Current Assets	Misc. Expenditure	
	2494	–	
	Accumulated Losses		
	(22.22)		
4	Performance of Company (Amount in Rs. Thousand)		
	Turnover including other income	Total Expenditure	
	240	262.22	
	Profit/Loss before Tax	Profit/Loss after Tax	
	(22.22)	(22.22)	
	Earnings Per Share (In Rs.)	Dividend Rate	
	N.A.	N.A.	
5	Generic Names of Three Products/ Services of Company (As Per Monetary Terms)		
	Item Code No. (ITC Code)		
	Product Description	Animation	

As per our separate report of even date attached

**For Jain K. Vrind & Co.
Chartered Accountants**

Sd/-

(CA K. Vrind Jain)

Membership No. 90495

Place : Chandigarh

Dated : June 10, 2010

For and on behalf of Board of Directors

Sd/-

Kanad Kashyap

Director

Sd/-

Divya Seengal

Director

