



21st Annual Report  
2012-2013

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**CDI International Limited**  
(Formerly Compact Disc India Limited)

**BOARD OF DIRECTORS**

Mr. Suresh Kumar	Chairman & Managing Director
Ms. Rashmee Seengal	Non Executive Director
Ms. Santosh Grover	Independent Director
Mr. Pant Raj Sachdev	Independent Director

**REGISTERED OFFICE**

SCO 856 NAC Manimajra,  
Chandigarh-160101  
Phone:+91-172-5076870, 172-5076868

**REGISTRAR AND TRANSFER AGENTS**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre,  
New Delhi-110062  
Phone: +91-11-29961281  
Fax: +91-11-29961284

**STATUTORY AUDITORS**

M/s Om Harendra & Company

**BANKERS**

Union Bank of India

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**NOTICE**

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the shareholders of CDI International Limited (formerly known as Compact Disc India Limited) will be held on Monday, the 30<sup>th</sup> day of September, 2013 at 11.00 A.M. at the Registered Office of the Company at SCO 856, NAC Manimajra, Chandigarh-160101 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended on that date, the Reports of the Directors and the Auditors thereon
2. To appoint a Director in place of Mr. Pant Raj Sachdev, who retires from office by rotation and being eligible, offers himself for reappointment
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to authorize Board of Directors to fix their remuneration. M/s Om Harendra & Company, the retiring Auditors are eligible for re-appointment.

By the order of the board  
**For CDI International Limited**

Place : Chandigarh  
Date : August 29, 2013

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

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (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. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members / Proxies should fill in the attendance slip for attending the Meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
5. The Register of Contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the Members at Registered Office of the Company.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from 26<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive)
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Shareholders desirous of obtaining any information/ clarification on the accounts and operations of the Company are requested to send in written queries to the Company, at least one week before the date of the meeting.

9. Shareholders are requested to notify any change of address (i) to their Depository Participants (DPs) in respect of the shares held in demat form, and (ii) to the Company to its Share Department at Registered Office in respect of the shares held in physical form.
10. Members who are registered under two or more folios are requested to write to company for consolidation of folios.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Beetal Financial & Computer Services Pvt. Ltd., for assistance in this regard.
12. Members are requested to bring the copy of Annual Report along with them to the meeting as copies of Annual Report shall not be distributed at the meeting.
13. Pursuant to the requirement of the Listing Agreement of the Stock Exchanges on Corporate Governance, relating to appointment of the Directors/ reappointment of the retiring Directors, a statement containing the required details of the concerned Directors forms part of the Annual Report.
14. You are requested to inform your current email ID to us in compliance of Green Initiative as per Ministry of Corporate Affairs circular in this subject.

By the order of the board  
**For CDI International Limited**

Place : Chandigarh  
Date : August 29, 2013

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

**DIRECTORS' REPORT**

Dear Shareholders,

Your directors have pleasure in presenting the 21st Annual Report and Audited Accounts of the Company for the year ended 31st March 2013.

**FINANCIAL HIGHLIGHTS**

(Rupees in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Total Income	–	168.95
Total Expenditure	35.56	174.22
Profit/Loss after Tax	(36.87)	(7.23)

**OUTLOOK**

The Indian animation industry which set out as an outsourcing hub to global companies is poised to witness a significant growth, both in terms of revenue and up scaling in the value chain. Where earlier only postproduction work outsourced from Hollywood studios used to be sent to India, Indian studios are now looking to create their own IP through innovative business models.

India continues to remain an important outsourcing destination offering significant cost arbitrage to countries in North America and Europe. Moreover, growing presence of Indian studios in international markets has enabled them to capitalize on synergy across various offices, locations, talent and projects.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Pant Raj Sachdev is liable to retire by rotation as Director at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Brief resume of the Directors proposed to be appointed and re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees and number of shares held in the company, as stipulated under Clause 49 of Listing Agreement entered into with Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report.

**PREFERENTIAL ALLOTMENT**

The Company had approved issuance of 4026000 fully convertible warrants to allottee by obtaining the approval from the shareholders vide Special Resolution passed at the Extra Ordinary General Meeting held on March 18, 2013. The allottee has refused to infuse funds in the Company due to the existing market conditions which they feel are not conducive for investment at present. Accordingly, Company has cancelled the proposed preferential allotment of convertible warrants in the share capital of the Company.

**CORPORATE GOVERNANCE**

Corporate Governance Report and Management Discussion and Analysis statement are attached to this Report.

**FIXED DEPOSITS**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**DIVIDEND**

Your directors have not recommended any dividend to the equity shareholders of the Company for the financial year 2012-13.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013, and of the profit of the Company for the year;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis.

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed on Bombay Stock Exchange.

The annual listing fees of Bombay Stock Exchange for the year 2013-14 have been paid.

**OBSERVATION ON AUDITORS REPORT**

The Observations of the Auditors in their report read together with the Notes on Accounts are self explanatory and therefore in the opinion of the Directors, do not call for any further explanation.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies' (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, the Company has neither earned nor used any foreign exchange.

**PARTICULARS OF EMPLOYEES**

There is no employee in the company whose particulars are required to be given under section 217 (2A) of the Companies Act, 1956.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the stakeholders and business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by staff at all levels of the Company. We look forward for your continued support in the future.

By the order of the board  
**For CDI International Limited**

Sd/-

**Suresh Kumar**  
(Chairman & Managing Director)

Place : Chandigarh  
Date : May 30, 2013

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Media and entertainment Industry grew from INR 728 billion in 2011 to INR 820 billion in 2012, registering growth of 12.6 percent. While, 2012 was challenging year for the industry, with some improvement likely in the global economy in 2013 and India real's GDP expected to be in the region of 6.1% to 6.7%, the prognosis for the industry look much better going forward. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, continues strength in the film sector and fast increasing new media business, the industry is estimated to achieve a growth of 11.8 percent in 2013 to touch INR 917 billion. Going forward, the sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 by 2017. Now big Indian Giants like Tata, Reliance, Yash Raj Productions, Dharma Production are in the Animation Market. International Companies like Sony Pictures, Dream Works, Disney Studios, Paramount, CAE, EA Sports, Warner Bro's etc are continuing its impressive financial run.

### OVERALL INDUSTRY SIZE AND PROJECTIONS:

Overall Industry size (INR Billion) (For calendar Years)	2007	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013P	2014P	2015P	2016P	2017P	CAGR (2012-2017)
TV	211	241	257	297	329	370.1	12.50%	419.9	501.4	607.4	725	847.6	18%
Print	160	172	175.2	192.9	208.8	224.1	7.30%	241.1	261.4	285.6	311.2	340.2	8.70%
Films	92.7	104.4	89.3	83.3	92.9	112.4	21%	122.4	138.3	153.6	171.7	193.3	11.50%
Radio	7.4	8.4	8.3	10	11.5	12.7	10.40%	14	15.4	18.7	22.7	27.4	16.60%
Music	7.4	7.4	7.8	7.8	9	10.6	18.10%	11.6	13.1	15.3	18.3	22.5	16.20%
OOH	14	16.1	13.7	16.7	17.8	18.2	2.40%	19.3	21.1	23	25	27.3	8.40%
Animation and VFX	14	17.5	20.1	23.6	31	35.3	13.90%	40.6	46.9	54.2	63.1	73.5	15.80%
Gaming	4	7	8	10	13	15.3	17.70%	20.1	23.8	30.9	36.2	42.1	22.40%
Digital Advertising	4	6	8	10	15.4	21.7	40.90%	28.3	37.1	48.9	65.1	87.2	32.1%
<b>Total</b>	<b>514.5</b>	<b>579.8</b>	<b>587.4</b>	<b>651.9</b>	<b>728.4</b>	<b>820.5</b>	<b>12.60%</b>	<b>917.4</b>	<b>1059</b>	<b>1238</b>	<b>1438</b>	<b>1661</b>	<b>15.20%</b>

Source: FICCI KPMG 2013 report.

### KEY TRENDS

The significant changes which shaped the industry in the last few years were:

- ❖ The shift from a pure offshoring services industry to the growth of domestic consumer market. In gaming, the mobile and console segments contributed to domestic consumption and animation entertainment segment took early steps towards domestic box office success.
- ❖ The services market, on the back of successful project deliveries moved up the value chain especially in animation with end to end animation movies being produced in India.
- ❖ Growth of sub sectors like custom content development where animation is used for education, training and simulation purposes and also the console gaming market with the entry of global majors like Sony & Microsoft.

**OPPORTUNITIES**

In this era of globalization, crossover movies emerge. Indian animation and entertainment industry move towards the foreign companies for making movies. Popularity of the mall concept ensuring steady footfalls to theatres/multiplexes located within, increasing the demand of animated movies (Children films), increasing the demand of India-oriented entertainment in abroad, huge overseas box office collections. Looking beyond the obvious, discovering new ways of doing things and finding new distribution channels is essential in today's fluctuating economic climate. New distribution channels observe for providing services in better way like mobiles and internet have opened up the doors of new opportunities in the sector. Rise in the viewership and advertising expenditure also considerable in entertainment and animation sector.

**THREATS**

Capital continues to remain the primary challenge for most animation companies in India. While a high quality animated production is far more expensive to create than a live action film, given the wider appeal of the genre, it has the potential to be monetized not only in India, but across several international markets as well. However, there is a significantly high cost involved in promoting and distributing this content across multiple markets. Also, post the economic slowdown, many of the projects were green lit with limited funding options resulting in such projects either being delayed or shelved. Persistent escalations in the cost of production further drives up break even points and studios therefore find it difficult to find distribution partners.

**OUTLOOK**

Indians are likely to spend more on entertainment in the coming years with a steady growth in their disposable income. And as per the combined survey report by KMPG and FICCI, the entertainment industry in India is expected to expand by 12.5% every year and is likely to reach US\$ 20.09 billion by the year 2013. India is fast emerging as an ideal hub for graphics industries such as graphic designing and animation. With the emergence of hi-tech games incorporating 3D effects, companies like Intel and Advanced Micro Devices (AMD) are revising their marketing strategies in India to expand their operations in computing sector. By 2013, the Indian animation industry is likely to grow from the present US\$ 362 million to US\$ 811.2 million.

**RISKS & CONCERNS**

Despite the significant progress made by the industry the growth is shackled by many issues and challenges. In the animation sector prominent challenges are:

- ❖ Lack of quality resources, limited training institutions and non standardization of curriculum resulting in talent crunch.
- ❖ Limited domestic demand for animation due to limited promotional budgets and restricted theatrical distribution.
- ❖ Lack of funding for the sector and scarcity of long-term project financing for animated movies.
- ❖ High infrastructure costs for studio layout, pipeline setup, render farms etc. restricting scale of animation companies.
- ❖ Lack of incentive to develop local IP with the economics favoring offshore development versus investments in indigenous IP creation.
- ❖ Majority of the animated content in television is adapted foreign animation leading to low uptake of domestic TV animated serials
- ❖ Lack of wider distribution and retail points for animated home video /DVD content.
- ❖ Relatively smaller VFX budgets and restricted use of VFX in Bollywood and regional cinema.

Timely and effective risk management is of prime importance to our continued success. The risk for the Company arises mainly out of the risks associated with the operations we carry. Experienced professionals



review and monitor risks in our Company. We have comprehensive risk management policies and processes to mitigate the risks that are encountered in conducting business activities. The management also periodically reviews the policies and procedures and formulates plans for control of identified risks and improvements in the systems.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal controls in place. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well. The Audit Committee of the Board reviewed issues raised by Auditors.

**HUMAN RESOURCE**

Your Company takes pride in the commitment, competence and dedication shown by its employees (including outsourced) in all areas of business. Various Human Resource initiatives are taken to align the HR policies to the growing requirements of the business of the Company. Your Company has the credit of having produced high “Value Human Asset” during the last decade up to this period.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE & SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.**

The market condition and various factors have affected the Company Operations and have hugely suffered the performance of the Company.

The Company is yet to make significant recovery. However as the entire industry is dealing with similar problems, it is expected that progress shall be made once the problems faced by the industry are resolved.

**CAUTIONARY STATEMENT**

The Statements in this Management’s Discussion and Analysis Report describing the Company’s objectives, Projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual Results might differ materially from those expressed or implied.

The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

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## REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the report containing the details of corporate governance systems and processes at CDI International Limited (“CDI”) is as under:

### I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically long term wealth and create value for all its stakeholders.

The Company’s philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

Corporate Governance at CDI International Limited is an ongoing process and the Company continuously strives to improve upon its practices in line with the changing demands of the business environment. These governance structures and systems are the foundation that provides adequate empowerment across the organization helping leverage opportunities for rapid sustainable growth of the Company. The Company’s essential character revolves around values based on transparency, integrity, professionalism and accountability.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices.

### II. BOARD OF DIRECTORS

- (i) The Board has an optimum combination of Executive and Non-Executive Directors. Currently, the Board of the Company consists of four (4) Directors comprising of one (1) Managing Director and three (3) Non-Executive Directors. The Non-Executive Directors comprises of two (2) Independent Directors and one (1) Non-Independent Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (ii) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of Director	Category	Number of Board Meetings during the year 2012-2013		Whether attended last AGM held on September 30, 2012	No. of Directorships on March 2013 in other Public Companies	No. of Committee Positions held in other Public Companies*	
		Held during the tenure	Attended during the tenure			Chairman	Member
Mr. Suresh Kumar	Managing Director	8	8	Yes	5	NIL	NIL
Ms. Rashmee Seengal	Non-Execuive Director	8	8	Yes	3	NIL	NIL
Ms. Santosh Grover	Independent Director	8	8	Yes	1	NIL	NIL
Mr. Pant Raj Sachdev	Independent Director	8	8	Yes	NIL	NIL	NIL

\* excludes position held in CDI International Limited

- (iv) Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and Clause 49 of Listing Agreement.

During the financial year 2012-13; Eight (8) Board Meetings were held on 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 3<sup>rd</sup> September 2012, 5<sup>th</sup> October 2012, 12<sup>th</sup> November 2012, 14<sup>th</sup> February 2013, 19<sup>th</sup> February 2013, 18<sup>th</sup> March 2013.

The necessary quorum was present for all the meetings.

- (v) During the year, all the relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement are considered and taken on record/approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

### III. COMMITTEES OF THE BOARD

During the year under review, your Board had two (2) Board level Committees – Audit Committee and Investor's Grievances & Securities Transfer Committee. All decisions pertaining to the constitution of Board Committees, appointment(s) of members and fixation of terms of service for members of Committees are taken by the Board of Directors.

#### A. Audit Committee

- (i) The composition of the committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Company Secretary of the Company acts as the Secretary of the Committee. A representative of Statutory Auditors is invited as required. All the members of the committee possess financial and accounting knowledge. The minutes of meetings of Audit Committee are placed before the Board.
- (ii) The terms of reference of the Audit Committee are broadly as under:
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  - Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate. Further, the Committee also discharges such other roles/functions as may be specifically referred to the Committee by the Board of Directors and/or other committees of Directors of the Company.
- (iii) The composition of the audit committee, the details of meetings held and attended during the financial year under review are as follows:

Name of Members	Category	No. of Meetings during the year 2012-2013	
		Held during the tenure	Attended during the tenure
Ms. Santosh Grover(Chairperson)	Independent, Non-Executive	4	4
Mr. Suresh Kumar(Member)	Executive	4	4
Ms. Rashmee Seengal(Member)	Non- Executive	4	4
Mr. Pant Raj Sachdev(Member)	Independent, Non-Executive	4	4

- (iv) The previous Annual General Meeting of the Company was held on September 29, 2012 and was attended by Chairperson of the Audit Committee.
- (v) During the financial year 2012-2013, Four (4) Meetings of the Audit Committee were held on 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 12<sup>th</sup> November 2012 and 14<sup>th</sup> February, 2013. The necessary quorum was present for all the meetings.

**B. Investor’s Grievances and Securities Transfer Committee**

- (i) The Company has an Investor’s Grievances and Securities Transfer Committee of Directors.
- (ii) The Committee oversees and reviews all matters connected with securities of the Company including transfer and transmission of shares etc. The Committee also looks into redressal of shareholders’/ investors’ complaints/queries related to transfer/transmission/ consolidation/splitting of shares, non-receipt of Balance Sheet, etc. The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.
- (iii) The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name of Members	Category	No. of Meetings during the year 2012-2013	
		Held	Attended
Ms. Santosh Grover(Chairperson)	Independent, Non-Executive	24	24
Mr. Suresh Kumar(Member)	Executive	24	24
Ms. Rashmee Seengal(Member)	Non-Executive	24	24

- (iv) During the financial year 2012-2013, Twenty Four (24) meetings of the Committee were held on 20<sup>th</sup> April 2012, 10<sup>th</sup> May 2012, 30<sup>th</sup> May 2012, 20<sup>th</sup> June 2012, 10<sup>th</sup> July 2012, 20<sup>th</sup> July 2012, 11<sup>th</sup> August 2012, 31<sup>st</sup> August 2012, 1<sup>st</sup> October 2012, 10<sup>th</sup> October 2012, 20<sup>th</sup> October 2012, 31<sup>st</sup> October 2012, 5<sup>th</sup> December 2012, 10<sup>th</sup> December 2012, 14<sup>th</sup> December 2012, 21<sup>st</sup> December 2012, 28<sup>th</sup> December 2012 , 14<sup>th</sup> January, 2013, 21<sup>st</sup> January 2013, 14<sup>th</sup> February 2013, 21<sup>st</sup> February 2013, 7<sup>th</sup> March 2013, 21<sup>st</sup> March 2013, 26<sup>th</sup> March, 2013

**IV GENERAL BODY MEETINGS**

Details of the AGM/EGM held in the last three years along with Special Resolution passed thereat :

Financial Year	Date	Time	Venue	Special Resolution Passed
2011-2012	29.09.2012	10:30 A.M.	SCO 856, NAC Manimajra, Chandigarh-160101	NIL
2011-2012	19.11.2012	11:30 A.M	SCO 856, NAC Manimajra, Chandigarh-160101	1
2011-2012	18.03.2013	11:30 A.M	SCO 856, NAC Manimajra, Chandigarh-160101	1
2010-2011	30.09.2011	10:30 A.M	SCO 856, NAC Manimajra, Chandigarh-160101	NIL
2009-2010	30.09.2010	10.30 A.M	SCO 856, NAC Manimajra, Chandigarh-160101	NIL

**V DISCLOSURES**

- (i) The Company has not entered into any transaction of material nature with promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company.

- (ii) The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines issued by SEBI. Hence, neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets, during the last three years.
- (iii) The Company has fully complied with the mandatory requirements of Clause 49 of the Listing Agreement of the Stock Exchanges relating to Corporate Governance.
- (iv) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

## VI. MEANS OF COMMUNICATION

The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board.

## VII. SHAREHOLDERS INFORMATION

### A. Annual General Meeting

The Annual General Meeting of the company will be held on Monday, 30<sup>th</sup> September, 2013 at 11.00 A.M. at registered office of the company at SCO 856, NAC Manimajra, Chandigarh-160101

### B. Directors

#### Appointment/Re-appointment of Directors

In terms of the provisions of the Companies Act, 1956 (Act) and the Articles of Association of the Company, Mr. Pant Raj Sachdev will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Brief Profiles of the above named directors seeking appointment/re-appointment are given below:

#### Mr. Pant Raj Sachdev

##### Profile

**Mr. Pant Raj Sachdev**, Director, has vast experience in varied areas. He is known for his business foresight, strategizing abilities and business development skills and brings his invaluable experience and creative ideas to the Company.

#### No Directorships in any other Companies (Public and Private) as on 31.03.2013

### C. Financial Calendar (tentative)

The financial year covers the period starting from 1st April and ending on 31st March.

#### Adoption of Quarterly Results

Board meeting to take on record	Schedule
Financial results for the quarter ending on 30th June, 2013	announced on 13th August, 2013
Financial results for the quarter ending on 30th September, 2013	Will be announced by 14th November, 2013
Financial results for the quarter ending on 31st December, 2013	Will be announced by 14th February, 2014
Financial results for the quarter and year ending 31 March, 2014	Will be announced by 30 May, 2014

### D. Listing

The Equity Shares of the Company are listed on Bombay Stock Exchange and Ludhiana Stock Exchange.

E. Scrip Symbol/Code: - COMDI (526141)

F. Shareholding pattern as on March 31, 2013

Category of Shareholder	Total No. of Shares	Total Shareholding as a % of total No. of Shares
<b>Shareholding of Promoter and Promoter Group</b>		
Individuals / Hindu Undivided Family	615404	4.83
Bodies Corporate	2534596	19.88
<b>Public Shareholding</b>		
Financial Institutions / Bank	2100	0.02
Bodies Corporate	4278381	33.56
Individual shareholders holding nominal share capital up to Rs. 1 lakh	3520299	27.61
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1360153	10.67
Any Others	439067	3.44
<b>Total</b>	<b>12750000</b>	<b>100</b>

G. Market Price Data

The yearly high and low quotations of shares, face value of which is Rs. 10 per Equity Share, traded on the Bombay Stock Exchange Limited during the last financial year are as follows:

(April 2012 to March 2013)

Month	High Price (Rs.)	Low Price(Rs.)
Apr 12	30.95	23.35
May 12	24.60	20.05
Jun 12	20.20	17.30
Jul 12	19.90	15.75
Aug 12	19.45	15.00
Sep 12	29.55	14.90
Oct 12	24.80	17.00
Nov 12	19.40	16.00
Dec 12	18.90	15.50
Jan 13	19.80	15.70
Feb 13	16.90	12.40
Mar 13	14.68	8.60

H. Registrar & Transfer Agent

Beetal Financial & Computer Services Private Limited  
Beetal House, 3rd Floor, 99, Madangir,  
Behind Local Shopping Centre  
New Delhi-110062

I. Share Transfer System

The Company's share being in compulsory Demat list, are transferable through the depository system.

However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Investor's Grievances and Securities Transfer Committee. The share transfer process is reviewed by the said Committee.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges on or before the due date.

#### J. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose favor the shares shall be transferable in case of death of the registered shareholder. Nomination forms can be obtained from the company's registrar and share transfer agent. The nomination facility in respect of shares in electronic form is also available with depository participants.

#### K. Dematerialization of Shares and Liquidity

Company has entered into an agreement with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialization of equity shares of the company. Approximately 10113445 (79.32%) of the equity shares of the company have been dematerialized as on 31st March 2013.

**The ISIN No. of the Company is INE821B01019**

#### L. Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2013.

A declaration to this effect, duly signed by company's managing director is annexed and forms part of this report.

#### M. Address for Investors Correspondence

In case of any query or assistance, the investors may contact or write to:

**Registered Office**

SCO 856, NAC Manimajra,  
Chandigarh-160101  
E-mail: corp.relations@compactdisc.co.in

**Registrar and Share Transfer Agent**

Beetal Financial & Computer Services Private Limited  
Beetal House, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre  
New Delhi- 110062

**Detail of shares of the Company held by the Directors as on March 31, 2013 is given below:**

Name of Director	No. of shares held
Mr. Suresh Kumar	6,15,404
Ms. Rashmee Seengal	NIL
Ms. Santosh Grover	NIL
Mr. Pant Raj Sachdev	NIL



**DECLARATION BY THE MANAGING DIRECTOR REGARDING  
COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the company has adopted a code of conduct for its Board members and Senior Management of the company.

I hereby confirm that the Board Members and Senior Management team of the company have affirmed the compliance of the Code of conduct as applicable to them in respect of the financial year ended March 31, 2013.

**CDI INTERNATIONAL LIMITED**

Sd/-

**Suresh Kumar**

(Chairman & Managing Director)

Place : Chandigarh  
Date : May 30, 2013

**CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
The Members  
CDI International Limited  
*(Formerly Compact Disc India Limited)*

We have examined all relevant records of **CDI INTERNATIONAL LIMITED (Formerly Compact Disc India Limited)**, ("the Company") for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange and Ludhiana Exchange Limited for the Financial Year ended March 31, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said Clause 49 of the Listing Agreement.

**For Om Harendra & Company**  
Chartered Accountant

Place : Chandigarh  
Date : May 30, 2013

Sd/-  
**Harendra Kumar**  
Partner  
M.No. 518078

**CERTIFICATION BY DIRECTOR OF THE COMPANY**

We hereby certify that:

- a.** We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2013 and that to the best of their 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 present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b.** To the best of their knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violating of the company's code of conduct.
- c.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d.** We 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.

**CDI INTERNATIONAL LIMITED**

Sd/-

**Suresh Kumar**

(Chairman & Managing Director)

Place : Chandigarh  
Date : May 30, 2013

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**CDI INTERNATIONAL LTD.**

### REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **CDI International Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Companies internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Om Harendra & Company**  
Chartered Accountant

Place : Chandigarh  
Date : May 30, 2013

Sd/-  
**Harendra Kumar**  
Partner  
M.No. 518078

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORTS**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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, the fixed assets are physically verified by the management during the year and 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 and for sale of goods & services. 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 31<sup>st</sup> March, 2013. The Company has incurred cash losses during the financial year covered by our audit.
11. In our opinion and according to information and explanation given to us, the Company has disputes with the banks on repayment of its dues.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and 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. According to the information and explanations given to us, the company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. According to the information and explanations 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.
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 Om Harendra & Company**  
Chartered Accountant  
FRN: 024307N

Place : Chandigarh  
Date : May 30, 2013

Sd/-  
**Harendra Kumar**  
Partner  
M.No. 518078

**BALANCE SHEET AS AT MARCH 31, 2013**

(Amount in Rs.)

Particulars	Schedule	As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	127,205,000	127,205,000
(b) Reserves and surplus	2	1,017,079,086	1,020,766,028
<b>Non- Current Liabilities</b>			
Long- term borrowings	3	177,502,907	177,502,907
Deferred Tax Liabilities		923,360	792,226
<b>Current liabilities</b>			
Trade Payables	4	56,445,964	56,445,964
Other Current Liabilities	5	65,423,655	61,011,296
Short Term Provisions	6	35,019,419	36270847
<b>TOTAL</b>		<b>1,479,599,391</b>	<b>1,479,994,268</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	7	20,066,026	22,389,493
Capital work in progress		5,004,172	2,763,078
Non Current Investment	8	17,818,940	17,818,940
Long Term Loan & Advances	9	810,090,767	809,987,923
<b>Current Assets</b>			
Trade Receivable	10	145,963,212	145,963,212
Cash & Cash Equivalents	11	3,827,397	4,114,138
Other Current Assets	12	476,828,877	476,957,484
<b>TOTAL</b>		<b>1,479,599,391</b>	<b>1,479,994,268</b>

Significant Accounting Policies & Notes to Accounts form an integral part of the financial Statement

1-22

**AUDITORS REPORT**

As per our report of even date attached

**For Om Harendra & Company**  
Chartered Accountants

**For and on behalf of the board**

Sd/-  
**Harendra Kumar**  
Partner  
M.No. 518078

Sd/-  
**Suresh Kumar**  
(Managing Director)

Sd/-  
**Santosh Grover**  
(Director)

Place : Chandigarh  
Date : May 30, 2013



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2013**

(Amount in Rs.)

Particulars	Schedule	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<b>Revenue from operations</b>			
Revenue from operations		—	—
Other income	13	—	16,895,311
<b>Total Revenue</b>		—	16,895,311
<b>Expenses:</b>			
Cost of Material Consumed		—	—
Change in Inventories of Finished goods, work in progress and Stock in trade		—	—
Employee benefits expense	14	622,508	5,419,624
Financial Cost	15	20,397	6,489,959
Depreciation & Amortization Expense	7	576,467	1,080,440
Other Expenses	16	2,336,436	4,431,802
<b>Total Expenses</b>		3,555,808	17,421,825
<b>Profit before exceptional and extraordinary items and tax</b>		(3,555,808)	(526,514)
Exceptional items		—	—
<b>Profit before extraordinary items and tax</b>		(3,555,808)	(526,514)
Extraordinary Items		—	—
<b>Profit before tax</b>		(3,555,808)	(526,514)
Tax expense:			
(1) Current tax		—	—
(2) Deferred tax		131,134	201,103
<b>Profit/(Loss) for the period from continuing operations</b>		(3,686,942)	(727,617)
Profit/(loss) from discontinuing operations		—	—
Tax expense of discontinuing operations		—	—
<b>Profit/(loss) from Discontinuing operations (after tax)</b>		—	—
<b>Profit/(Loss) for the period</b>		(3,686,942)	(727,617)
Earnings per equity share:			
(1) Basic		(0.29)	(0.04)
(2) Diluted		(0.29)	(0.05)

Significant Accounting Policies & Notes to Accounts 1-22  
form an integral part of the financial Statement  
As per our report of even date attached

**For Om Harendra & Company**

Chartered Accountants

Sd/-

**Harendra Kumar**

Partner

M.No. 518078

Place : Chandigarh

Date : May 30, 2013

**For and on behalf of the board**

Sd/-

**Suresh Kumar**  
(Managing Director)

Sd/-

**Santosh Grover**  
(Director)

**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 recognized only on accrual basis unless referred otherwise.
- (c) **Fixed Assests**: 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 s per rates prescribed in schedule XIV of the Companies Act, 1956.
- (e) **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 reviwed only if there is reasonable certainty that they will be realised and are reviewed for there respective carrying value at each balance sheet date.
- (f) **Contigent Liabilities**: Contigent Liabilities are not provided and are disclosed in the notes to accounts.
- (g) **Inventories**: There are no inventories
- (h) **Foreign Currency Transactions**: Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction.

**NOTES ON FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31ST MARCH, 2013**

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

**1. SHARE CAPITAL**

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
<b>AUTHORISED</b> Equity Shares of 'Rs. 10/- each	15,000,000	150,000,000	15,000,000	150,000,000
<b>ISSUED</b> Equity Shares of 'Rs. 10/- each	12,750,000	127,500,000	12,750,000	127,500,000
<b>SUBSCRIBED &amp; PAID UP</b> Equity Shares of ' Rs. 10/- each fully paid Less: Calls unpaid by others	12,750,000 29,500	127,500,000 295,000	12,750,000 29,500	127,500,000 295,000
<b>Total</b>	<b>12,720,500</b>	<b>127,205,000</b>	<b>12,720,500</b>	<b>127,205,000</b>

## i. The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Rs.	Number	Rs.
Equity Shares outstanding at the beginning of the year	12,750,000	127,500,000	12,750,000	127,500,000
Equity Shares Issued during the year	–	–	–	–
Equity Shares outstanding at the end of the year	12,750,000	127,500,000	12,750,000	127,500,000

## ii. Shareholders holding more than 5% shares :

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Naksh Media Pvt. Ltd.	3,150,000	24.71%	3,150,000	24.71%
Pariscope Financial Advisors Pvt. Ltd.	898,000	7.04%	450,000	3.53%
Global Resort & SPA Ltd.	964,356	7.56%	687,834	5.39%

Particulars	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
<b>SCHEDULE – 2 RESERVES &amp; SURPLUS</b>		
<b>Share Premium</b>	<b>105,052,500</b>	105,052,500
<b>General Reserve</b>		
Balance as per Last Financial Statement	111,809,465	124,409,465
Add: Amt. Transferred from surplus balance in the statement of profit and loss	–	–
Convertible Warrants	–	–
Less T/f during the year	–	12,600,000
<b>Closing Balance</b>	<b>216,861,965</b>	216,861,965
<b>Surplus/Deficit in the statement of Profit and Loss</b>		
Opening balance	803,904,063	804,631,680
(+) Net Profit/(Net Loss) for the current year	(3,686,942)	(727,617)
(+) Transfer from Reserves	–	–
(–) Proposed Dividends	–	–
(–) Interim Dividends	–	–
(–) Transfer to Reserves	–	–
<b>Closing Balance</b>	<b>800,217,121</b>	803,904,063
<b>Total</b>	<b>1,017,079,086</b>	1,020,766,028

Particulars	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
<b>SCHEDULE – 3 LONG TERM BORROWINGS</b>		
Packing Limit	160,926,596	160,926,596
Term Loan	16,576,311	16,576,311
<b>Total</b>	<b>177,502,907</b>	<b>177,502,907</b>
<b>SCHEDULE – 4 TRADE PAYABLES</b>		
Sundry Creditors	56,445,964	56,445,964
<b>Total</b>	<b>56,445,964</b>	<b>56,445,964</b>
<b>SCHEDULE – 5 OTHER CURRENT LIABILITIES</b>		
Advance Against Property	7,600,000	2,600,000
Audit Fee Payable	70,000	35,000
Gurpal Singh Jhandi	7,500,000	7,500,000
Beetal Fin. & Computer Services Pvt. Ltd.	80,752	60,319
Capital Book Depot	14,200	14,200
Chandra & Associates	28,090	–
Dividend & Dividend Tax Payable	44,788,026	44,788,026
Expenses Payable	577,391	687,484
International Travel House	–	43,569
Jain Sons	12,043	9,583
Jai Durga Enterprises	5,017	–
Listing Fee Payable	414,900	373,708
Mr. Manish Miglani	31,500	–
Peco Printing Press	–	13,295
Rent Payable	1,319,625	1,319,625
Salary & Wages Payable	1,006,077	1,594,153
Unpaid Dividend	1,972,034	1,972,334
Mr. Sanjeev Sharma	4,000	–
<b>Total</b>	<b>65,423,655</b>	<b>61,011,296</b>
<b>SCHEDULE – 6 SHORT TERM PROVISION</b>		
Provision for taxation	35,019,419	36,270,847
<b>Total</b>	<b>35,019,419</b>	<b>36,270,847</b>

**SCHEDULE – 7 FIXED ASSETS** (Amount in Rs.)

Particulars	Depreciation Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01.04.2012	Additions in 2012-13	Sale/Adj in 2012-13	Total cost as on 31.03.2013	Provided upto 31.03.2012	Sale/Adj	During the yr. 31.03.2013	Total upto 31.03.2013	W.D.V as on 31.03.2013	W.D.V as on 31.03.2012
Land	0%	18,760,566	0	0	18,760,566	0	0	-	0	18,760,566	18,760,566
Office Machinery & Equipments	4.75%	1,461,575	0	0	1,461,575	1,148,023	0	69,425	1,217,448	244,127	313,552
Furniture & Fixtures	6.33%	2,324,672	0	0	2,324,672	2,324,672	0	-	2,324,672	0	0
Vehicles	9.50%	12,640,624	0	12,640,624	0	6,271,719	6,271,719	0	0	0	1,747,000
Animation/Computer											
Software	7.07%	7,151,157	0	0	7,151,157	5,595,949	0	505,587	6,101,536	1,049,621	1,555,208
Camera	6.33%	22,990	0	0	22,990	9,823	0	1,455	11,278	11,712	13,167
<b>Total</b>		<b>42,361,584</b>	<b>0</b>	<b>12,640,624</b>	<b>29,720,960</b>	<b>15,350,186</b>	<b>6,271,719</b>	<b>576,467</b>	<b>9,654,934</b>	<b>20,066,026</b>	<b>22,389,493</b>

Particulars	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
<b>SCHEDULE – 8 NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Shares, At Cost</b>		
993000 Equity Shares of Senfra Ltd.	9,930,000	9,930,000
699300 Equity Shares of Laser Infomedia Ltd.	6,993,000	6,993,000
39600 Equity Shares in CDI Movies Ltd.– Subsidiary	396,000	396,000
49994 Equity Shares in CDI Media Ltd.–Subsidiary	499,940	499,940
<b>Total</b>	<b>17,818,940</b>	<b>17,818,940</b>
<b>SCHEDULE – 9 LONG TERM LOANS AND ADVANCES (Refer Note 22)</b>		
Security Deposits	2,385,775	2,385,775
<b>Secured, considered good</b>		
<b>Loans and advances to related parties</b>		
<b>Unsecured, considered good</b>		
CDI Movies Ltd	673,338,147	673,338,147
Radiant Films Ltd	60,800,260	60,800,260
Global Resorts & SPA Ltd	570,400	570,400
Kanta Seengal Education Foundation	620,000	620,000
Kanta Seengal Memorial Charitable Trust	1,500,000	1,500,000
Laser Infomedia Ltd	19,330,787	19,330,787
Premier Brands Pvt. Ltd.	885,011	885,011
Senfra Ltd	4,680,665	4,577,821
<b>Other</b>		
Celluoid Dreams Pvt. Ltd.	44,479,722	44,479,722
VC Hunt Advisors Pvt. Ltd.	1,500,000	1,500,000
<b>Total</b>	<b>810,090,767</b>	<b>809,987,923</b>
<b>SCHEDULE – 10 TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date, they are due for payment	145,963,212	145,963,212
<b>Total</b>	<b>145,963,212</b>	<b>145,963,212</b>
<b>SCHEDULE – 11 CASH AND CASH EQUIVALENTS</b>		
(a) Cash in Hand	3,812,663	4,098,607
(b) Balances with Bank	14,734	15,531
<b>Total</b>	<b>3,827,397</b>	<b>4,114,138</b>

Particulars	As at 31 March 2013 Rs.	As at 31 March 2012 Rs.
<b>SCHEDULE – 12 OTHER CURRENT ASSET</b>		
CDI Media LLC USA	91,352	91,352
HDFC– Unpaid Dividend	1,972,034	1,972,334
Imprest– Directors	4,102,491	4,207,491
Films Rights in Stock	460,663,000	460,663,000
Prepaid Expenses	–	23,307
Other	10,000,000	10,000,000
<b>Total</b>	<b>476,828,877</b>	<b>476,957,484</b>
<b>SCHEDULE – 13 OTHER INCOME</b>		
Other Income	–	16,895,311
<b>Total</b>	<b>–</b>	<b>16,895,311</b>
<b>SCHEDULE – 14 EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	589,680	5,387,100
Staff Welfare	32,828	32,524
<b>Total</b>	<b>622,508</b>	<b>5,419,624</b>
<b>SCHEDULE – 15 FINANCE COSTS</b>		
Inetrest	6,553	6,485,805
Bank Charges	13,844	4,154
<b>Total</b>	<b>20,397</b>	<b>6,489,959</b>
<b>SCHEDULE – 16 OTHER EXPENSE</b>		
Advertisement Expenses	2,058	50,838
Annual Listing/Membership Fee	183,206	141,146
Auditor Remuneration–As Statutory Auditor	35,000	35,000
Business Promotion	29,641	47,790
Car Running & maintenance	199,882	165,948
Depository Expenses	107,864	86,034
Electricity & Water Charges	48,060	42,672
Rate Fee & taxes	40,974	165,943
Insurance Premium	23,307	93,908
Legal & professional Charges	537,680	1,197,680
Loss on Sale of Cars	647,000	1,346,905
Newspaper/Book & Peridicals	2,851	2,707
Office Expenses	66,544	13,373
Postage & Courier	17,504	273,709
Printing & Stationery	53,748	186,088
Rent	–	229,500
Telephone Expenses	82,814	78,903
Traveling Expenses	258,304	273,658
<b>Total</b>	<b>2,336,436</b>	<b>4,431,802</b>

- 17 The current assets and loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business
- 18 Income tax Demand against the company of Rs. 183,19,67,316/- out of Rs. 39,42,17,900/ pertains to AY 2007-08 & Rs. 24,12,60,919/- pertains to AY 2008-09 & Rs. 15,07,23,180/- pertains to AY 2009-2010 & Rs. 104,57,65,317 pertains to AY 2010-11. The cases against these demands are pending with CIT (Appeal).
- 19 Earning and Expenditure in foreign currency is NIL
- 20 In respect of Long Term borrowings, the cases are pending in court and will be settled soon.
- 21 The balances of sundry debtors and sundry creditors are subject to confirmation by the respective parties the figures included in the financial statements are as certified by the management.

**22 Related Party Disclosure**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Name of Related Parties	Relationship
Radiant Films Limited	Enterprises owned or significantly influenced by key management personnel or their relatives
CDI Movies Limited	Subsidiary Company
Global Resorts & Spa Limited	Enterprises owned or significantly influenced by key management personnel or their relatives
Kanta Seengal Education Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives
Kanta Seengal Memorial Charitable Trust	Enterprises owned or significantly influenced by key management personnel or their relatives
Laser Infomedia Limited	Enterprises owned or significantly influenced by key management personnel or their relatives
PBPL , Mumbai	Enterprises owned or significantly influenced by key management personnel or their relatives
Senfra Limited	Enterprises owned or significantly influenced by key management personnel or their relatives



**Transaction with Related Party**

A sum of Rs. 102844/- paid on behalf of Senfra Ltd.

**Due from Related Parties:**

<b>Particulars</b>	<b>As at 31-Mar-13</b>	<b>As at 31-Mar-12</b>
Radiant Films Limited	<b>60,800,260</b>	60,800,260
CDI Movies Limited	<b>673,338,147</b>	673,338,147
Global Resorts & Spa Limited	<b>570,400</b>	570,400
Kanta Seengal Education Foundation	<b>620,000</b>	620,000
Kanta Seengal Memorial Charitable Trust	<b>1,500,000</b>	1,500,000
Laset Infomedia Limited	<b>19,330,787</b>	19,330,787
PBPL , Mumbai	<b>885,011</b>	885,011
Senfra Limited	<b>4,680,665</b>	4,577,821
<b>Total</b>	<b>761,725,270</b>	<b>761,622,426</b>

Balances of parties are subject to confirmation.

**For Om Harendra & Company**

Chartered Accountants

Sd/-  
**(Harendra Kumar)**  
Partner

M.No. 518078

Place : Chandigarh  
Date : May 30, 2013

**For and on behalf of the board**

Sd/-  
**Suresh Kumar**  
(Managing Director)

Sd/-  
**Santosh Grover**  
(Director)

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	March 2013 Amount in Rs.	March 2012 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and Extraordinary Items	(3,556)	(527)
Adjustments for:		
Depreciation	576	1,080
Dividend cum Dividend Tax Paid	-	-
Preoperative Expenditure	-	-
<b>Profit/(Loss) before working capital changes</b>	<b>(2,980)</b>	<b>553</b>
<b>Adjustment For:</b>		
Net Changes in Operating Assets & Liabilities		
Trade & other Receivables	129	18,509
Trade & other Payables	3,161	3,858
Cash flow from operating activities	310	22,920
<b>B. Cash flows from Lending and Investing Activities</b>		
Sale of Fixed Assets	1,747	-
Purchase of Fixed Assets	(2,241)	(132,456)
Long term Loans and Advances	(103)	-
<b>Net cash used in Lending And Investing Activities</b>	<b>(597)</b>	<b>(132,456)</b>
<b>C. Cash flows from Financing Activities</b>		
Increase in Share Capital	-	31,500
Borrowings (Net of Repayments)	-	(11,208)
Share Premium	-	105,052
Other receipt	-	(12,600)
Share Warrants'	-	(1,400)
<b>Net cash (used in)/generated from financing activities</b>	<b>-</b>	<b>111,344</b>
<b>Net increase in cash and cash equivalents</b>	<b>(287)</b>	<b>1,808</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,114</b>	<b>2,306</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,827</b>	<b>4,114</b>

**Note:**

The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard – 3 on Cash Flow Statements of the Companies (Accounting Standard) Rules, 2006.

This is the Cash flow statement referred to in our report of even date.

**For Om Harendra & Company**

Chartered Accountants

Sd/-

**(Harendra Kumar)**

Partner

M.No. 518078

Place : Chandigarh

Date : May 30, 2013

**For and on behalf of the board**

Sd/-

**Suresh Kumar**  
(Managing Director)

Sd/-

**Santosh Grover**  
(Director)

# CDI INTERNATIONAL LIMITED

(FORMERLY COMPACT DISC INDIA LIMITED)

Regd: -SCO 856, NAC Manimajra, Chandigarh-160101

## ATTENDANCE SLIP

21<sup>st</sup> ANNUAL GENERAL MEETING – SEPTEMBER 30, 2013

Ledger Folio/DP & Client ID No.:
No. of Shares held:

I certify that I am a member/ proxy of the member of the company.

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company at SCO 856, NAC Manimajra, Chandigarh-160101, at 11:00 A.M. on Monday, September 30, 2013.

.....  
Name of member/ proxy  
(In BLOCK letters)

.....  
Signature of member/ proxy

**Note:** Please complete this Attendance Slip and hand it over at the entrance of the meeting hall

# CDI INTERNATIONAL LIMITED

(FORMERLY COMPACT DISC INDIA LIMITED)

Regd: -SCO 856, NAC Manimajra, Chandigarh-160101

## PROXY FORM

21<sup>st</sup> ANNUAL GENERAL MEETING –SEPTEMBER 30, 2013

Ledger Folio/DP & Client ID No.:
----------------------------------

I/We ..... of .....being a member/members of CDI INTERNATIONAL LIMITED, 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 21st Annual General Meeting of the Company to be held on **Monday, the 30<sup>th</sup> day of September, 2013 at 11:00 A.M. at Registered Office of the Company at SCO 856, NAC Manimajra, Chandigarh-160101**, and at any adjournment thereof.

Signed this ..... day of ....., 2013

Affix  
Re. 1/-  
Revenue  
Stamp

.....  
(Signature of the member)

**Note:** The Proxy in order to be effective must be deposited at the Registered Office of the Company duly stamped and signed, at least 48 hours before the time for holding of meeting. The Proxy need not be a member of the Company.

## BOOK POST

*If undelivered, please return to:*

**CDI INTERNATIONAL LIMITED**

*(FORMERLY COMPACT DISC INDIA LIMITED)*

**Corp. Office** : SCO 856 NAC Manimajra,  
Chandigarh-160101

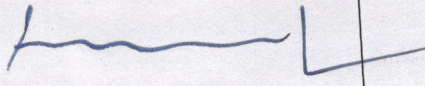
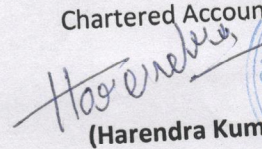
# CDI INTERNATIONAL LIMITED

(Formerly Compact Disc India Limited)

FORM A

## Clause 31(a) of Listing Agreement

Format of Covering Letter of the Annual Audit Report to be filed with Stock Exchanges

1.	Name of the Company:	CDI International Limited (Formerly Compact Disc India Limited)
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency Observation	Not applicable
5.	To be signed by:-	
	<ul style="list-style-type: none"><li>CEO/Managing Director</li></ul>	 (Suresh Kumar)
	<ul style="list-style-type: none"><li>CFO</li></ul>	Santosh Grover. (Santosh Grover)
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	Santosh Grover. (Santosh Grover)
	<ul style="list-style-type: none"><li>Auditor of the Company</li></ul>	For Om Harendra & Company Chartered Accountant  (Harendra Kumar) Partner Membership No. 518078

Registered Office SCO: 856, NAC Manimajra, Chandigarh 160101, India  
Tel: +91 172-2734331 / 5076870 Fax: +91 172 2733014  
Email: [info@compactdisc.co.in](mailto:info@compactdisc.co.in)