

# **SUNGOLD CAPITAL LIMITED**



**18<sup>TH</sup> ANNUAL REPORT 2009-10**

SUN GOLD  
સુન ગોલ્ડ સેરિસ નેચર



# ધ્રુવ પ્રમી વં.૧

કાર્યકરો નિર્માતા: રાજીવ કોટીયા કથા-પટકથા-સંવાદ અને દિગ્દર્શક: રફિક પઠાણી

સંગીત: મૌલિક મેહતા ગીત: રફિક ડનગરી કબીલો: દિલેશ બેલદાર સંસ્કરણ: અશોક રૂમાડે અંગ્રજી: જહોની માસ્ટર નૃત્ય: સરોજબાન, મહેશ બલરાય, રામદેવન, હેતલ યાદવ, સફિ શેખ, હર્ષદ ગઢવી

## **BOARD OF DIRECTORS**

Mr. Rajiv Kotia – Chairman & Managing Director

Mr. Sharad Gandhi.

Mr. Ashok G. Modi.

Mr. Hemant Shah.

Ms. Anoma Contractor.

Mr. D. S. Sharma.

## **BANKERS**

The Bhuj Mercantile Co. Operative Bank Limited

Bank of Baroda

The Kalupur Commercial Co-Operative Bank Limited

## **AUDITORS**

**M/s. Samria & Co**

Chartered Accountant

2/E, Court Chambers

35-New Marine Lines

Mumbai - 400 020.

## **CONSULTING COMPANY SECRETARY**

**SG & Associates**

Suhas Ganpule,

Mumbai – 400 062

Membership No - 5722

## **REGISTERED OFFICE**

205, Jeet Complex, Near Jain Temple

C G Road, Navarangpura

Ahemdabad, 380 009 (Gujarat)

Tel: +91-079-2656 5441, Fax: +91-079-2646 4441

Email ID - sungold2006@gmail.com

## **REGISTRAR AND SHARE TRANSFER AGENT**

**Satellite Corporate Services Pvt. Ltd.**

B - 302, Sony Apartment,

Opp. St. Jude's High School,

Off Andheri-Kurla Road,

Jarimari, Sakinaka,

Mumbai - 400072

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## CHAIRMAN'S STATEMENT

**Dear Shareholder,**

Today, SUNGOLD CAPITAL LIMITED is confidently marching ahead to reach the next level of success. In our Expedition, we abide by the axiom, "To be prepared is half the victory". We believe that careful and conscientious planning is the precursor to swift, unwavering action. Today, we are planning that our business moves not only to face the challenges, but also to avail of the opportunities that the future offers.

The world, at lightning speed, continues to globalize and become interdependent. This has been a landmark year for us in redefining the industry and the value behind your company's micro & macro economics within a global scenario. The last five years have been very significant in terms of growth and presence and the year 2009-2010, in particular, has been significant increase in profitability.

Growth, however, is achieved in the true sense only when it is for everyone. Only when the lowest common denominator of the society benefits from the dividends of growth does it reach its true objectives. Only when development reduced the divide between the various strata that exist in society is it considered beneficial. A country progresses only when its constituents are upwardly mobile. In short, true growth includes one and all.

However, for the Indian film industry, it was the year of refreshing mindsets. In the last 2-3 years, of the film industry witnessed a transformation. The foray of multiplexes witnessed demand of niche cinema as well as higher realization for the main stream cinemas. The multiple modes of broadcasting led to the origination of various rights, resulting in greater avenues of revenue-creation. The Indian cinema and its talent won global recognition at renowned platforms and that also opened a lot doors for partnering with the best studios in the world.

### **Tough times are good times**

It has been a tough time for business in almost all sector and all segments of industry. Although some believe that the entertainment industry is recession proof, this is not fully true. The financial cycle of film production has been affected and has led to a slow down at the trade level, although consumer confidence in good films continue unabated. The spiraling costs of stars and related production costs have resulted in margins being completely eroded with greatly increased risks of film making.

The year 2009- 2010 also witnessed a global slowdown, originating from liquidity pressures, resulting in lower demand. In such challenging times, the impact was visible in the real economy, the financial markets and the policy options available to the regulators as well as on the Indian film industry with budge-cuts, introduction of stringent cost controls and above all, the project quality reviewed by each of the player. As the global economic growth gradually slowed to near zero levels, the hardest hit was the advanced economics.

However, it is not the sole responsibility of the government or policy makers to drive the engine of growth. Industry needs to be an equal participant in creating an atmosphere of opportunity and economic self dependence for all. It is imperative that an increase in prosperity levels be facilitated through the creation of industrial infrastructure, service opportunities and a broad based entrepreneurial culture that spurs further growth.

**The Macro Perspective**

It says, true navigator is the one who navigates successfully through the toughest of terrains. We at SUNGOLD CAPITAL LIMITED have always believed in creating a company that would not only withstand challenges but also grow in such times. Our focus on providing meaningful content and a culture of cost efficiency enabled us emerge a stronger company. I am happy to say that we have not yet faced any significant difficulties in making and completing our projects because of our pre- production planning.

In the Media & Entertainment industry the indicators continue to be very positive and the opportunities inherent in this rise have driven us to look forward to making your company a complete entertainment organization, inclusive of film distribution and exhibition. We have moved forward in providing technological support to theatres who wish to move to newer digital technologies in the exhibition space. We have already made inroads in creating quality TV content which we hope to capitalize sooner than later.

As we continue to succeed in your company's entertainment division, we wish to grow in your NBFC initiative. Since the financial markets have been uncertain in the past few months we have been very cautious in moving further. However caution is prudence in such times and we hope that we will take your company to a respectable position in this initiative.

**Appreciation**

I would like to end my statement by thanking all the Shareholders, Investors and Customers for their continuous support in inspiring us to define a fresh perspective everyday through the art of film-making. The future remains promising, thanks to the consistent efforts of our employees in creating new frontiers in entertainment. The film has just begun, and let the experience grow on you. I leave you with this positive thought.

**Best regards,**

**Rajiv Kotia**  
**Chairman**



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## NOTICE

NOTICE is hereby given that the **18<sup>TH</sup> Annual General Meeting of M/s Sungold Capital Limited** will be held on Thursday, 30<sup>th</sup> September, 2010 at 9.30 A.M. at the "3<sup>rd</sup> Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad - 382 480" to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2010 and Audited Balance Sheet as on that date together with the Reports of the Board of Directors and the Auditors report and notes thereon.
2. To re-appoint Mr. Sharad Gandhi, Director of the Company who is liable to retire by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Samria & Co. Chartered Accountants ,Mumbai be and are hereby re-appointed to act as a Statutory Auditor of the Company to hold the office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting , on such remuneration in addition to the reimbursement of traveling and other out of pocket expenses incurred/ may be incurred which are ancillary or incidental to their functions, as may be agreed between the Board of Directors of the Company and the Auditors and that the Board of Directors of the Company be and are hereby authorized to make any alteration in the remuneration as may be required.

### SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 16, 31, 94 and other applicable provisions, if any of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 7,00,00,000 (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lacs only ) Equity Shares of Rs. 10 (Rupees Ten Only) each to Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores Only ) Equity Shares of Rs. 10 each."

**"RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following clause:

"Clause V: The Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crores Only) Equity shares of Rs. 10 (Rupees Ten only) each."



**5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED FURTHER THAT** Article 2 of the Articles of Association of the Company be and is hereby substituted as follows:

"Article 2 : The Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores Only) Equity Shares of Rs. 10 (Rupees Ten Only) each with a power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Article or Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by these Articles of Association."

**6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 for Preferential Issue and other existing guidelines/regulations/ rules issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, and other applicable laws (including any statutory modification or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and in terms of the agreements dated 3<sup>rd</sup> September, 2010 entered into by and between the Company and the various persons listed below, who are the shareholders of Shree Krishna Infrastructure Limited, and Shree Krishna Holiday Home and Farms Limited (both are unlisted public companies), and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committee constituted for the time being in force, thereof to which all or any of the powers hereby conferred on the Board by these resolutions, have been delegated) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board, and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 2,88,085 [Two Lacs Eighty Eight Thousand Eighty-five] fully paid up equity shares of Rs. 10/-(Rupees Ten only) each of the Company at an exercise price of Rs. 20/- ( Rupees Twenty only) including premium of Rs. 10/- (Rupees Ten only) per equity share determined in accordance with the SEBI (ICDR) Regulation, aggregating to Rs. 57,61,700/- (Rupees Fifty-seven Lacs Sixty-one Thousand Seven Hundred only), which is not paid in cash but full consideration of the amount which the Company owned to the persons listed below as purchase price of 1,48,818 ( one Lacs forty eight thousand eight hundred eighteen only fully paid up equity shares of Rs.10/- (Rupees Ten only) each to the Shareholders of Shree Krishna Infrastructure Limited based on the workings by a Chartered Accountant who has exercised the swap ratio between the two companies, and 1,39,267 ( One lacs thirty nine thousand two hundred and sixty seven only ) fully paid up equity shares of Rs. 10/-( Rupees Ten only) each of the shareholders of Shree Krishna Holiday Home and Farms Limited based on the workings by a Chartered Accountant who has exercised the swap ratio between the two companies aggregating to Rs. 57,61,700/- (Rupees Fifty-seven Lacs Sixty-one Thousand Seven Hundred only), to the following allottees, enabling the Company to

acquire upto 51% equity shares of both the companies, viz, Shree Krishna Infrastructure Limited, and Shree Krishna Holiday Home and Farms Limited, from them, details whereof have been incorporated in the agreements and on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution. The details of allottees are given below:

SR. NO.	NAME OF THE ALLOTTEE	NO. OF EQUITY SHARES TO BE ALLOTTED
A.	Shareholders of Shree Krishna Holiday Home and Farms Limited	
1.	Prajakta Giri	6105
2.	Meghana S. Wani	23131
3.	Suhas Sridev	6686
4.	Rohini R. Vani	31977
5.	Suriya S. Dayma	5378
6.	Sikandar Dayma	5814
7.	Shital Wani	35902
8.	Harsh Mehta	6018
9.	Tanvi Sinha	6657
10.	Chittubha Rathod	6948
	Sub- Total	1,39,267
B	Shareholders of Shree Krishna Infrastructure Limited	
11.	Vandesh Wani	39986
12.	Nazraben S. Dyama	4716
13.	Shital Wani	21185
14.	Rohini Wani	17427
15.	Makbulhusen Rathod	6834
16.	Jitendra Patel	34170
17.	Priyaben Soni	14591
18.	Suriya S. Dayma	5809
19.	Matin S Dayma	4100
	Sub Total	1,48,818
	<b>TOTAL</b>	<b>288085</b>

**All the above mentioned proposed allottees are not promoters or the persons acting in concert of the company.**

“The Equity Shares will be issued at Rs. 20/- per share, which includes Rs.10/- as premium and It is an exercise price decided by the Board of Directors which is not lower than minimum price specified in the Clause 76(1) of Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as stated below:

- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during six months preceding the relevant date or

➤ Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during two weeks preceding the relevant date and at any other price above exercise price, as may be finalized by the Board on the following terms and conditions.

(a) The Equity Shares shall be allotted subject to the Memorandum and Articles of Association of the Company.

(b) The Equity Shares shall be allotted within a period of 15 days of the passing of the resolution at the General Meeting held to consider and approve the issue of equity shares. Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

(c) The relevant date for the purpose of calculating the minimum exercise price for the equity shares under Chapter VII of SEBI (ICDR) Regulations, 2009 is 31<sup>st</sup> August, 2010 being 30 days prior to 30<sup>th</sup> September, 2010 (i.e., 30 days prior to the date on which Meeting of General body of shareholders is held in terms of Sec. 81(1A) of the Companies Act, 1956, to consider this proposed issue.)

(d) The Equity Shares so allotted shall have the same rights of voting as the existing equity shares and be treated for all other purpose *pari passu* in all respects with the existing Equity Shares of the Company.

(e) The Equity Shares to be allotted shall be locked in for a period of one year from the date of their allotment as specified in the SEBI (ICDR) Regulations, 2009, except to the extent and in the manner permitted there under.

**“RESOLVED FURTHER THAT** the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do deeds, acts and things as the Board may, in absolute discretion, enter into any agreement or other instruments, and take action on matters, give such directions or instructions as may be necessary and desirable and to obtain any approval, permissions and sanctions which may be necessary and desirable as may they deem fit for the settling any question, doubt or difficulty which may arise with regard to the offer, issue or allotment of the said shares and to take appropriate actions to bring into effect the above decision.

**“RESOLVED FURTHER THAT** the company do apply for listing of the new equity shares as may be issued with the Stock Exchange, where the shares of the company are listed.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for this purpose or to any individual so authorized by the Board of Directors of the Company”.

**7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 for Preferential Issue and other existing guidelines/regulations/ rules issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, and other applicable laws, (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions in the

Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include and committee constituted for the time being in force, thereof to which all or any of the powers hereby conferred on the Board by these resolutions, have been delegated) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 10,00,000 (Ten Lacs Only) Convertible Equity warrants of Rs.20/- (Rupees Twenty Only) each aggregating to Rs. 2, 00,00,000 (Rupees Two Crores only) convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment into 1 (One) fully paid up Equity Share of the company of Rs 10/- each to following allottees :

SR. NO.	NAME OF THE ALLOTTEE	NO. OF CONVERTIBLE EQUITY WARRANTS TO BE ALLOTTED
	Promoter & Promoters' Group	
1	Mr. Rajiv Kotia	10,00,000
	<b>TOTAL</b>	<b>10,00,000</b>

"The warrants will be issued at Rs. 20/- per warrants. It is an exercise price decided by the Board of Directors which is not lower than minimum price specified in the Clause 76(1) of Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as stated below and 25 % of the exercise price shall be payable before the allotment of warrants by the allottees and balance on or before 18 months from the date of allotment or else the money received for the allotment shall be forfeited by the Company:

- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during six months preceding the relevant date or
- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during two weeks preceding the relevant date and at any other price above exercise price, as may be finalized by the Board on the following terms and conditions.

(a) The warrants shall be converted within 18 months from the date of allotment. The Equity shares so to be issued on conversion shall be subject to the Memorandum and Articles of Association of the Company.

(b) The amount to be paid up for the warrants at the time of allotment shall not be less than 25% of the exercise price and other such terms and conditions of the warrants may be decided in accordance with SEBI Regulations and other provisions of applicable law, by the "Board".

(c) The Convertible Warrants shall be allotted within a period of 15 days of the passing of the resolution at the General Meeting held to consider and approve the issue of Convertible Warrants. Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

(d) The relevant date for the purpose of calculating the minimum exercise price for the Warrant under Chapter VII of SEBI (ICDR) Regulations, 2009 is 31<sup>st</sup> August, 2010 being 30 days prior to 30<sup>th</sup> September, 2010 (i.e., 30 days prior to the date on which Meeting of General body of shareholders is held in terms of Sec. 81(1A) of the Companies Act, 1956, to consider this proposed issue.)

(e) The Equity Shares so to be allotted on conversion shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.

(f) The Convertible Warrants and the Equity Shares allotted on the conversion of such Convertible Warrants shall be locked in for a period of Three years from the date of their allotment as specified in the SEBI (ICDR) Regulations, 2009, except to the extent and in the manner permitted there under.

**“RESOLVED FURTHER THAT** the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do deeds, acts and things as the Board may, in absolute discretion, enter into any agreement or other instruments and take action on matters, give such directions or instructions as may be necessary and desirable and to obtain any approval, permissions and sanctions which may be necessary and desirable as may they deem fit for the settling any question, doubt or difficulty which may arise with regard to the offer, issue or allotment of the said shares and to take appropriate actions to bring into effect the above decision.

**“RESOLVED FURTHER THAT** the company do apply for listing of the new equity shares as may be issued on conversion of the warrants, with the Stock Exchange, where the shares of the company are listed.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for this purpose or to any individual so authorized by the Board of Directors of the Company”.

**8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :**

**“RESOLVED THAT** pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and/ or sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Listing Agreement entered by the Company with the Stock Exchanges and other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and are hereby authorized on behalf of the Company to issue/ offer and allot Global Depository Receipts (GDR’s)/ American Depository Receipts (ADR’s)/ Euro Convertible Bonds (ECB’s)/ Foreign Currency Convertible Bonds (FCCB’s)/ Secured Premium Notes (SPN), any Securities convertible into, Equity shares whether optionally or otherwise (hereinafter referred to as “Securities”) for an aggregate amount not exceeding US \$ 10 million or in equivalent Indian and/or any other currency(ies) (inclusive of premium, as may be fixed on such Equity shares to Indian or Foreign Investors (Whether Institutions, Incorporated Bodies, Mutual Funds and/ or Individuals or otherwise and whether or not such Investors are members of the Company) through Offer documents at such time or times in such tranche(s), at such prices either with or without premium to market price or prices in such manner and on such terms and conditions as may be decided by the Board from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby also authorized to issue/ offer and allot Global Depository Receipts (GDR’s)/ American Depository Receipts (ADR’s)/ Euro Convertible Bonds/ Foreign Currency Convertible Bonds (FCCB’s)/ Secured Premium Notes (SPN), any other Securities convertible into, Equity shares whether

optionally or otherwise (hereinafter referred to as "Securities") or at a price not lower than determined as per any statutory authorities or otherwise which the Board may decide to Institutional Investors/ Corporate bodies/ Financial Institutions/ Pension/ Pension funds/ Private Equity funds/ Mutual Funds/ Banks etc. on private placement and /or preferential basis to facilitate the above said purpose."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do act and deeds necessary thereto including security, rate of interest etc. as may be decided and deemed appropriate at the time of such allotment considering the prevailing market conditions and other relevant factors in consultation with the Lead Managers and Underwriters or through the Subsidiaries by way of private placement or by Initial Public Offer in US or overseas, so as to enable the Company to get listed at NASDAQ and / or New York Stock Exchange or London Stock Exchanges or Luxembourg Stock Exchange an/ or any of the Overseas Stock Exchanges."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/ GOI/RBI or such appropriate authorities may impose at the time of their approval and as agreed to by the Board."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities."

**"RESOLVED FURTHER THAT** the Directors of the Company are entitled to enter into and to execute all such arrangements/ agreement with any Lead Manager/ Underwrites/ Guarantors/ Depositors/ Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment or commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the likes."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby also authorized subject to approval of the Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of the mortgage/ charge on the Company's immovable and movable properties present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages/charges created/ to be created by the Company for all existing and future borrowing and facilities whatsoever."

**"RESOLVED FURTHER THAT** the Company and/ or agency or body authorized by the Company may issue Global Depository Receipts and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international market."

**"RESOLVED FURTHER THAT** the Securities issued in international offering shall be deemed to have been made abroad in the markets and /or at the place of issue of the Securities in international markets and shall be governed by English or American Law, as the case may be."

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offerings and all such shares rank pari passu with the existing equity share of the Company in all respects, excepting such rights as to dividend as may be provided under the terms of issue and in the offer Document.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any issue of allotment of equity shares or securities or instruments or American Depository Receipts/ Global Depository Receipts or Securities representing the same, the Board be and is hereby authorized to do all such acts, deeds, matter and things as it may, in its absolute discretion, deem, necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper.”

**9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :**

**“RESOLVED That** pursuant to section 81(1A) and any other applicable Provisions of the Companies Act, 1956, Provisions of SEBI guideline for “Qualified Institutions Placement” - as introduced under Chapter VII of SEBI (ICDR) Regulations, 2009, and the listing agreements entered into by the Company Subject to any necessary approval, consent, Permission and/or sanction of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and any other appropriate authorities, institutions or bodies, and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, Permission, or sanction, the Board of Directors of the Company (hereinafter referred to as “ the Board”, which term shall be deemed to include any committee referred to below) and duly authorized committee thereof for the time being exercising the powers conferred on the Board by this resolution be and is hereby authorized on behalf of the Company to issue and allot, equity shares and/or any securities convertible into equity shares at the option of the company and/ or holder of the securities representing either Equity shares or convertible securities representing either Equity shares or convertible into equity shares (hereinafter referred to as “Securities”) to Qualified Institutional Buyers (whether or not such investors are members of the Company), for (or which, upon conversion of all securities so issued or allotted, could give rise

to the issue of) an aggregate number of equity shares or such receipts or instruments equivalent to Rs. 50.00 Crores but not exceeding five times of the net worth of the issuer at the end of the previous financial year as decided by the company, such issue and allotment to be made at such time or times, in such tranche or tranches, at such Price or Prices as may be decided as per SEBI Pricing Guideline as applicable.”

**“RESOLVED FURTHER THAT** the Company and /or any agency or body authorized by the Company may issue Securities representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in domestic Capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the domestic practices and regulation, and under the forms and practices prevalent in the domestic markets.”

**“RESOLVED FURTHER THAT** in case of any Equity Linked Securities Issue/ Offer, the Board be authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offer, all such shares would rank pari passu inter se, with the then existing Equity Shares of the Company in all respects inclusive of dividend.”



**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s) including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of securities / exercise of warrants/ redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or aboard as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).”

**“RESOLVED FURTHER THAT** the Board of Directors or Committee thereof be and is hereby authorised to fix differential pricing on different mode of issue.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board and the committee thereof be and is hereby authorized on behalf of the Company to do all or any of such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose including but without limitation to enter into under-writing, marketing, depository, custodian and any other arrangements or agreements and to remunerate all other agencies by way of commission, Brokerage, fees or the like and also to seek the listing of such securities in any one or more of the International/Indian Stock Exchanges with power to act on behalf of the Company and to settle such questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.”

**“RESOLVED FURTHER THAT** in case of any over subscription of the issue, the Board, be and is hereby authorized to retain such of the amount and issue and allot Securities, as may be permitted in accordance with applicable laws, rules, and provisions in consultation with the Stock Exchanges.”

**“RESOLVED FURTHER THAT** the Board be entitled to vary, modify alter any of the foregoing terms and conditions to conform with those as may be approved by SEBI, RBI or any other appropriate authorities and department.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above the Board be and is hereby authorized to do all things necessary for the purpose of giving effects to the issue and allotment of said Securities/ Equity Shares and to take such action or give such directions as may be necessary or desirable and to accept any modifications in the proposal and terms of the issue including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered which may result in a change in the total amount of the issue as may be considered necessary by the Board or as may be prescribed in granting approvals to the issue and which may be acceptable to the Board and to decide the Basis of Allotment and to settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities or on conversion of said Securities into Shares or on issue of Shares against such Securities.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary actions to give effect to this resolution and to delegate to a Committee of Directors or any one of the Director, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by Law.”

**By Order of the Board**

**Place: Ahmedabad**

**Date: 3<sup>rd</sup> September, 2010**

**Registered Office:**

205, JEET COMPLEX, NR. JAIN TEMPLE,

C. G. ROAD, NAVRANGPURA,

AHMEDABAD - 380 009

**Mr. Rajiv Kotia**

**Chairman & Managing Director**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The explanatory statement setting out the material facts concerning the special business mentioned under item No. 4 to 9 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Shares Transfer Books of the Company will be closed from 24<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (Both Days Inclusive).
4. The members are requested to:
  - (a) Intimate to the Company's Registrars and Share Transfer Agents, M/s. Satellite Corporate Services Pvt. Ltd.(for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
  - (b) Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
6. Members / Beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the company.
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. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NOS. 4 TO 9 OF THE NOTICE:**

**ITEM NO. 4 & ITEM NO. 5:**

The present Authorised Share Capital of the Company is Rs. 7,00,00,000 divided into 70,00,000 Equity Shares of Rs. 10 each. The present Issued Subscribed & Paid up capital of the company is Rs. 6,12,04,000 Equity shares of Rs. 10 each.

Having regard to the anticipated growth of the company in future, it is proposed to increase the authorized Share Capital of the Company. Hence the resolution at Item No. 4 is accompanying notice.

The resolution at Item No. 4 & Item No. 5 requires alteration in the Memorandum of Association and Article 3 of the Company's Articles of Association for setting out increased authorized share Capital of the Company.

None of the Directors of the Company are interested in the resolution, in any manner whatsoever.

**ITEM NO. 6**

The Board, in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders.

The Current business activity of the company is to finance and to act as NBFC, advisors, to advance, deposit and lend money with or without securities. So the company is intended to raise funds for its expansion of business and to increase an investment in media and entertainment projects.

The shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and in terms of the agreements dated 3<sup>rd</sup> September, 2010 entered into by and between the Company and the representatives of various persons, who are the shareholders of Shree Krishna Infrastructure Limited, and Shree Krishna Holiday Home and Farms Limited (both are unlisted public companies). The equity shares referred to in Clause (i) & Clause (ii) above and the underlying equity shares of the Company issued shall rank *pari Opassu* with all the existing shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further equity shares may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting.

The proposed Special Resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue and allotment of equity shares.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and in terms of the provisions of the Listing Agreement to issue and allot Warrants and Equity Shares as stated in the Special Resolution and on the following terms as stated here in below:

### I. The object of the issue through preferential offer:

As mentioned above, the company has made an investment in two unlisted companies for future business plans as well as it will be benefited company to use these companies' resources as well as assets of this companies for our future projects related to media and entertainment industry, and it can be termed as a great boom to our Company overall.

### II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors / Key Management of the Company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons are intend to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting.

### III. Shareholding pattern before and after the Preferential Allotment:

Shareholding pattern before and immediately upon the allotment of 2,88,085 Equity shares pursuant to the offer.

Shareholding Pattern (Number of Shares):

Sr. No.	Particulars	Existing shareholding		Shareholding After Proposed allotment of Equity Shares	
		No. of shares	%	No. of shares	%
<b>A.</b>	<b>Shareholding of Promoters and Promoters Group</b>				
1.	Indian Promoters	1178200	19.25	1178200	18.38
2.	Foreign Promoters	0	0	0	0
	<b>Sub- Total (A)</b>	<b>1178200</b>	<b>19.25</b>	<b>1178200</b>	<b>18.38</b>
<b>B.</b>	<b>Public Shareholding</b>				
3.	<b>Institutions</b>				
A.	Financial Institutions/ Banks	0	0	0	0
B.	Mutual Funds	0	0	0	0
C.	Venture Capital Funds	0	0	0	0
D.	FII's	0	0	0	0
E.	Foreign Venture Capital Funds	0	0	0	0
	<b>Sub Total (B1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4.	<b>Non - Institutions</b>				
A.	Private Corporate Bodies	1030964	16.84	1030964	16.09
B.	Indian Public	3749260	61.26	4037345	63.00
C.	NRIs	10500	0.17	10500	0.16
D.	ClearingMembers	114121	1.86	114121	1.78
E.	Others	37355	0.61	37355	0.59
	<b>Sub Total (B2)</b>	<b>4942200</b>	<b>80.75</b>	<b>5230285</b>	<b>81.62</b>
	<b>Sub Total (B= B1+B2)</b>	<b>4942200</b>	<b>80.75</b>	<b>5230285</b>	<b>81.62</b>
C	Shares held by Custodian and against Depository Receipts, FCCBs. Etc.	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>6120400</b>	<b>100</b>	<b>6408485</b>	<b>100</b>

The above table has been prepared on the basis of the shareholding pattern as on 27<sup>th</sup> August, 2010.

The Post-issue shareholding pattern in the above table has been prepared on the basis that the -

- (1) all equity shares offered pursuant to the aforesaid resolution have been fully subscribed and allotted;
- (2) the equity shares are held by the aforesaid allottees at the time of exercise of the option and
- (3) the option are exercised by them in full.

**IV. Proposed time within which the allotment shall be completed:**

The allotment of Equity Shares are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at this General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

**V. Auditor Certificate:**

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's guidelines for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 by the proposed issue shall be laid before the shareholders at their proposed General Meeting.

**VI. Lock-in:**

The Equity Shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in Regulation Clause 78(1) of SEBI (ICDR) Regulations, 2009.

**VII Change in Management:**

The proposed preferential allotment of Equity Shares will not result in any change in the management and control of the company. Voting right shall change according to the change in shareholding pattern mentioned above.

**VII Pricing**

The Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 2,88,085 [Two Lacs Eighty Eight Thousand Eighty-five] fully paid up equity shares of Rs. 10/-(Rupees Ten only) each of the Company at an exercise price of Rs. 20/- ( Rupees Twenty only) including premium of Rs. 10/- (Rupees Ten only) per equity share determined in accordance with the SEBI (ICDR) Regulation, 2009 of Preferential Issues.

**VIII. Identity of the proposed Allottees and the percentage of post preferential issue capital that may be held by it:**

ALLOTTEES	Existing shareholding		Shareholding after proposed allotment of equity shares	
	No. of shares	%	No. of shares	%
<b>A. Allottee of Shree Krishna Holiday Home and Farms Limited</b>				
Prajakta Giri	0	0	6105	0.10
Meghana S. Wani	0	0	23131	0.36
Suhas Sridev	0	0	6686	0.10
Rohini R. Vani	0	0	31977	0.50
Suriya S. Dayma	0	0	5378	0.08
Sikandar Dayma	0	0	5814	0.09
Shital Wani	0	0	35902	0.56
Harsh Mehta	0	0	6018	0.09
Tanvi Sinha	0	0	6657	0.10
Chittubha Rathod	0	0	6948	0.18
<b>Total A</b>			<b>139267</b>	<b>2.18</b>
<b>B. Allottee of Shree Krishna Infrastructure Limited</b>				
Vandesh Wani	0	0	39986	0.62
Nazraben S. Dyama	0	0	4716	0.07
Shital Wani	0	0	21185	0.33
Rohini Wani	0	0	17427	0.27
Makbulhusen Rathod	0	0	6834	0.11
Jitendra Patel	0	0	34170	0.53
Priyaben Soni	0	0	14591	0.23
Suriya S. Dayma	0	0	5809	0.09
Matin S Dayma	0	0	4100	0.06
<b>Total B</b>			<b>148818</b>	<b>2.32</b>
<b>Total [A+B]</b>			<b>2,88,085</b>	<b>4.50</b>

**Assumptions:**

- (1) All the shares, as are offered to the proposed allottees, are fully subscribed to and allotted to them.
- (2) all equity shares offered pursuant to the aforesaid resolution have been fully subscribed and allotted;
- (3) the equity shares are held by the aforesaid allottees at the time of exercise of the option and
- (4) the option are exercised by them in full.

**IX. Interest of Promoter/Directors:**

Mr. Rajiv Kotia, Managing Director and Promoter of the Company , nor any of the Directors of the Company are concerned or interested in the resolution.

The members are, therefore, requested to accord their approval authorising the Board to go for the proposed private placement and / or preferential issue as set out in the special resolution.

The Board of Directors recommends the said resolutions for your approval.



**ITEM NO. 7**

The Board, in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders.

The Current business activity of the company is to finance and to act as NBFC, advisors, to advance, deposit and lend money with or without securities. So the company is intended to raise funds for its expansion of business and to increase an investment in media and entertainment projects.

The warrants to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The warrants referred to in Clause (i) & Clause (ii) above and the underlying equity shares of the Company issued on conversion of warrants shall rank *pari Opassu* with all the existing shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further convertible equity warrants may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting.

The proposed Special Resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue and allotment of warrants.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and in terms of the provisions of the Listing Agreement to issue and allot Convertible Equity Warrants as stated in the Special Resolution and on the following terms as stated here in below:

**I. The object of the issue through preferential offer:**

As mentioned above, it is intended to raise funds for its expansion of business and acquisition of various things online and in future in particular and to increase the base in order to take care of our future projects as decided by the company Management.

Further the promoter may convert the warrants in one or more tranches such that he/they shall not acquire the voting rights so as to attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

**II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:**

The Promoters/Directors / Key Management of the Company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons are intend to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting.

**III. Shareholding pattern before and after the Preferential Allotment:**

Shareholding pattern before and immediately upon the allotment of 10,00,000 Equity share Warrants pursuant to the offer.

Shareholding Pattern (Number of Shares):

Sr. No.	Particulars	Existing shareholding*		Shareholding After proposed full allotment of equity shares but without Full Conversion of Warrants*		Shareholding After Proposed allotment of Equity Shares after full conversion of warrants	
		No. of shares	%	No. of shares	%	No. of shares	%
<b>A.</b>	<b>Shareholding of Promoters and Promoters Group</b>						
1.	Indian Promoters	1178200	18.38	1178200	18.38	2178200	29.40
2.	Foreign Promoters	0	0		0	0	0
	<b>Sub- Total (A)</b>	<b>1178200</b>	<b>18.38</b>	<b>1178200</b>	<b>18.38</b>	<b>2178200</b>	<b>29.40</b>
<b>B.</b>	<b>Public Shareholding</b>						
3.	<b>Institutions</b>						
A.	Financial Institutions/ Banks	0	0	0	0	0	0
B.	Mutual Funds	0	0	0	0	0	0
C.	Venture Capital Funds	0	0	0	0	0	0
D.	FIIIs	0	0	0	0	0	0
E.	Foreign Venture Capital Funds	0	0	0	0	0	0
	<b>Sub Total (B1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4.	<b>Non - Institutions</b>						
A.	Private Corporate Bodies	1030964	16.09	1030956	16.09	1030964	13.92
B.	Indian Public	4037345	63.00	4037345	63.00	4037345	54.50
C.	NRIIs	10500	0.16	10500	0.16	10500	0.14
D.	ClearingMembers	114121	1.78	114121	1.78	114121	1.54
E.	Others	37355	0.59	37355	0.59	37355	0.50
	<b>Sub Total (B2)</b>	<b>5230285</b>	<b>81.62</b>	<b>5230285</b>	<b>81.62</b>	<b>5230285</b>	<b>70.60</b>
	<b>Sub Total (B= B1+B2)</b>	<b>5230285</b>	<b>81.62</b>	<b>5230285</b>	<b>81.62</b>	<b>5230285</b>	<b>70.60</b>
C	Shares held by Custodian and against Depository Receipts, FCCBs, Etc.						
	<b>Grand Total (A+B+C)</b>	<b>6408485</b>	<b>100</b>	<b>6408485</b>	<b>100</b>	<b>7408485</b>	<b>100</b>

\* The Share holding is considered after approval of previous resolution which is related to preferential allotment to non-shareholders.

The above table has been prepared on the basis of the shareholding pattern as on 27<sup>th</sup> August, 2010.

The Post-issue shareholding pattern in the above table has been prepared on the basis that the -

- (1) all warrants offered pursuant to the aforesaid resolution have been fully subscribed and allotted;
- (2) the warrants are held by the aforesaid allottees at the time of exercise of the option and
- (3) the option are exercised by them in full.

**V. Proposed time within which the allotment shall be completed:**

The allotment of Convertible Equity Warrants are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at this General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

**V. Auditor Certificate:**

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's guidelines for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 by the proposed issue shall be laid before the shareholders at their proposed General Meeting.

**VI. Lock-in:**

The Convertible Equity Warrants Shares allotted on preferential basis shall be locked in from the date of their conversion for such periods as prescribed in Regulation Clause 78(1) of SEBI (ICDR) Regulations, 2009.

**VII Change in Management:**

The proposed preferential allotment of Convertible Equity Warrants will not result in any change in the management and control of the company. Voting right shall change according to the change in shareholding pattern mentioned above.

**VII Pricing**

The issue of Equity Shares on preferential basis shall be at a price of Rs. 20/-

The price is determined in compliance with SEBI (ICDR) Regulations, 2009 for Preferential Issues.

**VIII. Identity of the proposed Allottees and the percentage of post preferential issue capital that may be held by it:**

	Existing shareholding		Shareholding after proposed allotment of equity shares but without full conversion of warrants		Incremental shareholding of proposed allottees assuming full conversion of warrants		Shareholding after proposed allotment of equity shares after conversion of warrants	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<b>ALLOTTEES</b>								
<b>PROMOTERS</b>								
Mr. Rajiv Kotia	1142000	19.66	1142000	19.66	2142000	28.91	2142000	28.91

**Assumptions:**

- (1) All the warrants, as are offered to the proposed allottees, are fully subscribed to and allotted to them.
- (2) all warrants offered pursuant to the aforesaid resolution have been fully subscribed and allotted;
- (3) the warrants are held by the aforesaid allottees at the time of exercise of the option and
- (4) the option are exercised by them in full.

**X. Interest of Promoter/Directors:**

Mr. Rajiv Kotia, Managing Director and Promoter of the Company is therefore concerned or interested in the resolution.

None of the other directors are in anyway, directly or indirectly concerned or interested in the above referred resolutions except Mr. Rajiv Kotia since an allotment is made to him.

The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed private placement and /or preferential issue as set out in the special resolution.

The Board of Directors recommends the said resolutions for your approval.

**ITEM NO. 8:**

In order to finance the Company's expansion plans due to anticipated growth of the company and for production of films, the Company at appropriate time proposes to raise capital in Indian and/or International Market in one or more trenches by issue of any one or more kinds of shares/securities as detailed in the resolution. This requirement of funds is sought to be met through the most efficient mechanism of issue of appropriate approved instruments. In order to meet its working capital requirement for the production of movies, the Company is considering raising of funds in the form Global Depository Receipts (GDR's)/American Depository Receipts (ADR's)/ Euro Convertible Bonds)/ Foreign Currency Convertible Bonds (FCCB's)/Secured Premium Notes (SPN), any other Securities convertible into, Equity shares whether optionally or otherwise.

The proposed issue will be placed abroad giving the Company access to international markets and will provide long term low cost funds to the Company.

The Directors, therefore, recommend the resolution for the approval of the shareholders.

None of the Directors of the Company are interested in the resolution, in any manner whatsoever.

**ITEM NO. 9**

The Company is planning to make offering of shares by way of a QIP (Qualified Institutional Placement) issue. It is also proposed to increase the authorized share capital of the Company from Rs. 7 Crores to Rs. 10 Crores to accommodate issue of new shares for QIP allotment which the Company proposes to float. The resolution u/s 81(1A) is to enable the issue of equity shares to the non-members.

The purpose of the aforesaid issue is to augment resources for part financing the Company's modernization and expansion plans for expansion of its business operations and also to augment resources for new business and other corporate growing needs, including working capital requirements of the Company.

The detailed terms and conditions of the offerings will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters experts and any other agencies as may be required and in accordance with the terms and conditions of approval, if any, of Government of India (GOI)/Reserve Bank of India (RBI)/ Securities & Exchange Board of India (SEBI) or other authorities as may be applicable.

Hence the Special Resolution also seeks the consent of the shareholders authorizing the Board of Directors to issue Securities as may be required to be issue in accordance with the terms of the offering.

None of the Directors of the Company are interested in the resolution, in any manner whatsoever.

**By Order of the Board of Directors**

**Place: Ahmedabad**

**Date: 3<sup>rd</sup> September, 2010**

**Mr. Rajiv Kotia  
Chairman & Managing Director**

**Registered Office:**

205, JEET COMPLEX, NR. JAIN TEMPLE,  
C.G. ROAD, NAVRANGPURA,  
AHMEDABAD - 380 009

#### **ANNEXURE TO NOTICE**

##### **Information pursuant to Clause 49 of the Listing Agreement:-**

Brief details in respect of the Directors seeking re-appointment at the Annual General Meeting:

<b>Names of Directors</b>	<b>Mr. Sharad Gandhi</b>
Date of Birth	29/01/1944
Date of Appointment	30/05/1997
Qualifications	B.A.
Profession	Business
Other Directorships	NIL

*Information under Clause 49 of the Listing Agreement with respect to Directors seeking appointment/re-appointment in this Annual General Meeting.*

##### *Item No. 2 and 3*

Name	Date of Birth	Profession	Qualification	List of other Directorship Held excluding Private companies	Chairman/M ember of the Committee of Board of Directors of the company	Chairman / Member of the Committee of Board of Directors of other Companies
Mr. Sharad Gandhi	29/01/1944	Business	B.A.	NIL	0	NIL
Mr. Hemant Shah	10/07/1956	Consultant	B.com	NIL		NIL
Ms. Anoma Contractor	16/11/1984	Actress	Diploma in Fashion Texture Design	NIL	0	NIL

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## MANAGEMENT DISCUSSION AND ANALYSIS

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This Management Discussion and Analysis report forms a part of the Annual Report. It indicates the company's movement in the external environment vis-à-vis its own strengths and resources.

### I. INDUSTRY STRUCTURE & DEVELOPMENT

In India the Media and Entertainment Industry, that painted rewarding performances since past few years, pictured a relatively grim scenario in 2009. Pressured by challenges elicited within the industry and the turbulence in global economy, the industry registered a dismal growth for the year gone by. It however picked up reigns in the second half of 2009 mainly owing to the release of several of good films. This acceleration is expected to run incessantly in the next five years. India is among the largest media consuming and content creating industries. Despite this exciting profile of the Media and Entertainment Industry, it constitutes only around 1% of the global industry. Despite these constraints, Indian Media and Entertainment industry is expected to consolidate its position in the global Media and Entertainment space.

Indian filmed entertainment industry is currently estimated to be at Rs.95 billion in 2009 slipping from Rs. 107 billion in 2008 showing a decline - growth of 11.3% from 2008 to 2009. This negative growth was primarily due to economic recession and impact of swine flu which kept audience away from theatres. According to study, the recreation sector is in its growth phase in India, though the market is still not fully explored. Still the overall macroeconomics and sectoral trend indicates towards the industry's healthy growth prospects, as a result of which the recreation sector is expected to remain a high growth sector for the next five years, with its shares in services set to rise further.

#### **Film Entertainment**

The Indian Entertainment & Media Outlook, the full extent of the impact of the international financial crisis on the economy, the credit crunch and cutbacks in consumer spending are yet to be determined. The Indian Entertainment & Media industry is more interrelated than ever to the global economy and that developments globally can quickly affect the this industry. India's Entertainment & Media industry has witnessed remarkable buoyancy in growth in recent years and has consistently outpaced growth in domestic GDP. While annual average growth in nominal GDP was 14.48% over the period 2004-09, the Entertainment & Media industry grew by 16.6% over this period.

The Indian Film Industry is expected to grow by 13% over the next 3 years that is Rs, 176 billion in 2012. Investment level in 2007 was in the order of 10,000 crores and 19% p.a. growth is projected during the period 2007-2012. The increase in multiplex culture and viewership continuous to drive the growth of Indian film Industry rise of similar auditoria is changing the entire complexion of Indian films - The budget they are made with, the way they are made and the kind of audience they are made for. Satellite television and emerging home video segment are the other distribution formats expected to help expand the Indian Film market.

Indian film industry is also going digital. With more than 120 digital cinemas in the country, it is believed that digital projection will significantly lower cost of distributing films to theatres, which in turn will boost box office revenues. The increase in Multiplex culture and viewership continues to drive the growth of Indian Film Industry. The rise of smaller auditoria is changing

the entire complexion of Indian films – the budgets they are made with, the way they are made and the kind of audience they are made for.

## II. BUSINESS OPERATION

Sungold having noticed such strong indicators has positively taken a step further from its earlier success of its first feature film release, “Kya Hum Zinda Hain? –The heartless life”.

Sungold Entertainment [A Division of Sungold Capital Limited] has completed Gujarati Feature Film “HUN PREMI NO.1”. The Movie will be releasing soon. At present, it is in post-production stage & the concept of Movie is unique in various aspects. Mr. Raajiv Kotia [Executive Producer] & Mr. Rafique Pathan [Director] has chosen a totally different & untouched subject to attract the Gujarati audience, who generally don't prefer to see the Gujarati Movies. Its **romantic & comedy kind of movie** but at the same time it also give message to our youth to understand their parents love & do not get confuse between the necessity of life & the goal of life. It gives a very **emotional & social Message to our youngsters** which could **stop old age home practice**.

Your Company also planning to acquire magazine company, called **Film/TV & Theatre Trade Preview Magazine** and very soon it will start publishing magazine, which is related to news of movies, television shows as well as plays. The Company also planning to start new activity called “**THINK GUJARAT, LEADERSHIP AWARD**”. It is also planning to provide Equipment Rental House for Rendering Video Equipment Services to Television.

The Company also planning to construct a studio complex at Mira Road, Mumbai. The studio Complex is going to construct for the purpose of shooting facilities, which includes canteen facility, conference room, production workshop, and other related facilities for media. It will be having 20 floors in studio complex, which is centralized air-conditioned. It is proposed to make 100 x 100 sq. ft. x 40 ft. height of studio complex.

The company would like to inform you that, it is also planning to acquire Registrar & Transfer Agent business, which will includes share transfer, maintaining the shares of companies with the depositories like CDSL, NSDL, etc. The Company has various plans for its growth and these plans will be taken into consideration by Board of Directors. The company will start these plans with the availability of funds which is required for every project.

Due to the financial uncertainties the financial division is cautious of its NBFC business. There are huge opportunities in this area and also the satisfaction of serving the country at its most grass-root level. We are confident that we will uncover the potential in the fullness of time.

## III. OPPORTUNITIES & THREATS, RISKS & CONCERNS

Like any booming industry the Media & Entertainment industry has tremendous opportunities but is loaded with lots of downside, especially for mid-sized companies. The quality of work force in the industry is a big issue and the better known technicians and artists tend to incline themselves towards big production houses as they pay better. The budgets of films tend to go higher. Right now however, the company is looking at talented newcomers who are looking for a platform to prove their worth. The newer technology is making things much easier and cheaper in both productions as well as in the distribution arena.



The Entertainment Division, is made Gujarati Feature Film “HUN PREMI NO. 1”, which is yet to release. The success of movie is totally depending upon public. The Big budget movies also could not succeed because there were no positive responses of public. We have made this film with newcomers & we are also hoping that, people will like the subject so it will be successful in the industry.

#### **IV. SEGMENT-WISE PERFORMANCE**

The company has started with its two other productions after its first Hindi feature film “Kya Hum Jinda Hain? - The heartless Life”. The post-production work has kicked off well with rushes being performed for the Gujarati Feature film. The company is confident that the film will be releasing by August End. After releasing first film, the company will be starting with pre- production of another film.

#### **V. INTERNAL CONTROLS AND THEIR ADEQUACY**

The company has adequate internal control systems, commensurate with the size and operations of the company. The scope of the internal audit is to ensure the control systems established by the management are correctly implemented and to suggest any additional changes required to strengthen the existing systems. These systems and procedure are reviewed at regular intervals through internal audits, statutory audits and audit committee.

#### **VI. CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing the Company’s Objectives, Projections, estimates, expectation may be ‘forward looking statements’ with the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

## DIRECTORS' REPORT

Your Directors have pleasure in submitting their 18<sup>th</sup> Annual Report and Accounts for the year ended on 31st March, 2010.

## FINANCIAL RESULTS

(Rs in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
Sales & Other Income from Operation	15.07	56.75
Other Income	18.25	54.00
Total Expenditure	30.75	56.74
Profit before Depreciation	2.57	56.38
Depreciation	0.22	0.87
Profit before Tax	2.35	55.51
Provision for Taxation	(4.81)	6.37
Net Profit after Tax	7.16	48.76

## PERFORMANCE

During the year under review, the company has earned a Net Profit after Tax Rs. 7.16 Lacs.

## DIVIDEND

With a view to conserve the financial resources for the future operation and proposed expansion activities of the company, the directors have thought it prudent not to recommend any dividend for the year ended 31<sup>st</sup> March, 2010.

## EMPLOYEES

Information on particulars of Employees' Remuneration as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable to the company as there were no employees drawing a Salary of Rs. 2,00,000 or more per month.

## DIRECTORS

Mr. Sharad Gandhi is eligible to retire by rotation and being offered himself for re-appointment.

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## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, the Directors report that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the Profit of the company for that 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;
- iv) The Directors have prepared the annual accounts on a going concern basis.

## FIXED DEPOSITS

The company has not accepted any fixed deposits from general public within the purview of Section 58A, of the Companies Act, 1956, during the year under review.

## AUDITORS

M/s Samria & Co., Chartered Accountants, Mumbai, the Statutory Auditor of the Company, retires at the conclusion of the ensuring Annual General Meeting and has expressed their willingness for re-appointment. M/s. Samria & Co., Chartered Accountants, Mumbai have confirmed that the appointment, if made, will be with in accordance with the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

## LISTING OF EQUITY SHARES:

The equity shares of your Company are listed on the Bombay Stock Exchange, Mumbai (BSE) and Ahmedabad Stock Exchange Limited.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGOINGS:**

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matters is given hereunder.

a) Conservation of energy	Nil
b) Technology absorption, research & development	Nil
c) Foreign Exchange earning & outgoings	Nil

**NEW INITIATIVE:**

You're Company, as mentioned in Management Discussion and Analysis Report has started filming of two new movies.

**SHCHEME OF AMALGAMATION:**

Your Directors at a Board meeting passed a resolution and by which it was approved the exchange Ratio, proposed by independent valuer, M/s. Lunia & Co., Chartered Accountant. The value of Sungold Capital Limited (Transferee Company) has 1(one) equity share of Rs. 10/- each will be given to transferor company for every 10 shares of Rs. 1/- each held by shareholders of Magic Touch Infotech Limited(Transferor Company).

**RBI GUIDELINES:**

Your Company has complied with all the RBI guidelines and norms, as applicable.

**For and on behalf of the  
Board of Directors**

Place : Ahmedabad

Date : 31<sup>st</sup> July, 2010

Mr. Rajiv Kotia  
**Chairman & Managing Director**

## CORPORATE GOVERNANCE

Your Company's philosophy on corporate Governance is attainment of the higher level of transparency, accountability and equity in all spheres of operations, interactions with the shareholders, employees, government and others.

### **ACKNOWLEDGEMENT:**

Your Directors express their gratitude toward the Company's customer, shareholders, and business partners' viz. distributors for their understanding and support.

Your Directors also record their appreciation and gratitude to Financial Institutions and Bankers for their continual and timely assistance. Finally, your Directors acknowledge the dedicated services rendered by all employees of the Company.

**For and on behalf of the  
Board of Directors**

**Place: Ahmedabad,  
Date: 31<sup>st</sup> July, 2010**

**Rajiv Kotia  
Chairman & Managing Director**

## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance, for the Financial year April 1, 2009 to March 31, 2010 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

### 1. Company's Philosophy on the Code of Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in widest sense and meet up its stakeholder's aspirations and societal expectations.

The Company has always endeavored to implement the Corporate Governance process in the most democratic form as maximization of shareholders wealth is cornerstone of your company. For the Company the advent of the revised Clause 49 of the Listing Agreement has paved way for sharing with the stakeholders, the corporate governance practices, which are deeply rooted in the corporate culture of the Company. Your Company has been committed in adopting and adhering to global recognized standards of corporate conduct towards its employees, clients and the society at large. The management team of your Company exerts the strict adherence to corporate governance practices in order to cover the entire spectrum of governance activities and benchmark its practices with the prevailing guidelines of Corporate Governance.

### 2. Board of Directors

The Board of Company consists of seven Directors with a fair representation of executive, non-executive and independent directors. The Chairman being Executive, as per Listing Agreement, the Company should have minimum three Independent Directors. Accordingly the Company has four independent Directors. There is no institutional nominee on the Board. Details of Directors retiring by rotation and their brief are provided in the notice to Annual General Meeting.

#### 2.1. Composition and category of Directors

Pursuant to the provisions of the Companies Act 1956, Mr. Ashok Modi, retires by rotation and being eligible, offers himself for re-appointment.

<i>Category</i>	<i>Name of Director</i>
Promoter / Executive Director	Mr. Rajiv Kotia
Non Executive Director	Mr. Sharad Gandhi Mr. Ashok G. Modi
Non Executive and Independent Director	Ms. Anoma M. Contractor Mr. Hemant S. Shah Mr. D. S. Sharma

## 2.2. Board Meetings

### Attendance of each Director at the Board meetings and the last Annual General Meeting:

The Company holds regular Board Meetings. The detailed agenda along with the explanatory notes is circulated to the Directors well in advance. The Directors can suggest inclusion of any item(s) in the agenda at the Board Meeting.

The Company Held 5 (five) Board Meetings during the year ended 31<sup>st</sup> March, 2010. These were held on, 30<sup>th</sup> April, 2009, 31<sup>st</sup> July, 2009, 31<sup>st</sup> October, 2009, 31<sup>st</sup> January, 2010 and 26<sup>th</sup> February, 2010

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year ended 31<sup>st</sup> March 2010 was as follows

Directors	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships	Board Committee Membership/ (Chairmanship)
Mr. Rajiv Kotia	5	YES	-	-
Mr. Sharad Gandhi	5	YES	-	-
Mr. Ashok G. Modi	4	YES	-	-
Ms. Anoma Contractor	5	YES	-	-
Mr. Hemant Shah	4	YES	-	-
Mr. D. S. Sharma	4	YES	-	-

## 2.3 Information provided to the Board:

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are surmised either as part of the agenda will in advance of the Board Meetings or are tabled in the course of the Board Meetings. This, inter-alia, include:

1. Annual operating plans of businesses, capital budgets, updates.
2. Quarterly results of the Company and its operating divisions or business segments.
3. Minutes of the Audit Committee and other committees.
4. Information on recruitment and remuneration of senior officers just below the Board level.
5. Materially important litigations, show cause, demand, prosecution and penalty notices.
6. Fatal or serious accidents.
7. Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
8. Details of any joint venture or collaboration agreement or new client win.
9. Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

10. Transactions had involved substantial payments towards good-will, brand equity, or intellectual property.
11. Significant development in the human resources front.
12. Sale of material, nature of investments, subsidiaries, assets which is not in the normal course of business.
13. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
14. Quarterly update on the return from deployment of surplus funds.
15. Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services as non-payment of dividend and delays in share transfer.

#### **2.4. Brief resume of Directors who will be retiring by rotation at this Annual General Meeting of the Company**

Mr. Sharad Gandhi, aged 66 years, residing at Ahmedabad has been the Director of Sungold Capital Limited since 1993. He has the experience of more than 38 years in the business of Petroleum Products.

### **3. Audit Committee**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

#### **3.1 Brief description of the terms of reference**

The terms of reference of the Audit Committee are as follows:

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
- (b) To recommend the appointment / removal of external auditors, fixing auditors fees and to approve payments for any other services.
- (c) To review with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any change in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management Qualifications in the draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with the accounting standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interests of the Company at large.



- (d) To review and approve annual accounts of the Company and recommended to the Board for consideration or otherwise.
- (e) To review with Management; external and internal auditors, and review the efficacy of internal control systems.
- (f) To review the adequacy of internal audit function, 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.
- (g) To discuss with internal auditors about any significant findings and follow - up thereon.
- (h) To review 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.
- (i) To discuss with external auditors before the audit commences the nature and scope of audit as well as have post - audit discussions to ascertain any area of concern.
- (j) To review the Company's financial and risk management policies.
- (k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.

### 3.2 Composition, Name of Members and Chairman:

The Audit Committee of the Company consists of three Directors as under.

1. Mr. Rajiv Kotia - Chairman
2. Mr. Ashok Modi - Member
3. Mr. Sharad Gandhi - Member

### 3.3 Meetings and Attendance during the year 2009-10

The Audit Committee met 6 (Six) times during the year and the attendance record is as per the table given below

Date of Meeting	Mr. Rajiv Kotia	Mr. Ashok Modi	Mr. Sharad Gandhi
30/04/2009	√	√	√
30/06/2009	√	√	√
29/07/2009	√	√	√
31/07/2009	√	√	√
31/10/2009	√	√	√
29/01/2010	√	√	√
<b>Total Meetings attended</b>	<b>6</b>	<b>6</b>	<b>6</b>

#### 4. Remuneration Committee

The remuneration committee determines and recommends to the Board of Directors, the remuneration payable to the Executive Directors. The Board of Directors approved the remuneration to the Executive Directors on the basis of the performance as well as Company's performance, subject to consents as may be required.

The Non Executive Directors are not paid any remuneration. The resolution for the appointment and remuneration payable to the Executive Director is approved by the shareholders of the company.

The Remuneration Committee was re-constituted by the Board of Directors at their meeting held on 29<sup>th</sup> September, 2009 in accordance with the requirements of Schedule XIII to the Companies Act, 1956, and Clause 49 of the Listing Agreement with the Stock Exchanges, the Remuneration Committee was constituted comprising of:

1. Mr. Hemant Shah - Chairman
2. Ms. Anoma Contractor - Member
3. Mr. Ashok Modi - Member

The details of remuneration of Whole-time Directors for the financial year 2009-2010 are given below:

<i>Particulars</i>	(Rupees in Lacs)		
	2008-09	2007-08	2006-07
Salary and Allowances (Rs.)	96,000/-	96,000/-	96,000/-
Contribution to PF, Superannuation and Gratuity Funds (Rs.)	-	-	-
Commission (Rs.)	-	-	-
Total (Rs.)	96,000/-	96,000/-	96,000/-

The Chairman and Managing Director's compensation has been set at Rs. 96,000 as against Rs. 24 Lacs that he is eligible as per the shareholder's approval, reflecting his desire to set a personal example for moderation in managerial compensation levels.

#### 5. Shareholders' Grievance Committee

The Shareholders Committee looks after requests for share transfers, issue of duplicate share certificates, splitting of shares; transmission of shares Demat requests and remat requests of the shareholders. The Committee comprises of the following directors.

- Mr. Ashok G Modi - Chairman
- Mr. Rajiv Kotia - Member
- Mr. Hemant Shah - Member

#### 5.1 Scope of the Committee

The scope of the Shareholders Grievance Committee is to review and address the grievance of the shareholders in respect of share transfers, transmission, non-receipt of annual report, non-receipt of dividend etc, and other related activities. In addition, the Committee also looks into matters which can facilitate better investor's services and relations.

## 5.2 Composition of the Committee

- The Committee is headed by Mr. Ashok G Modi, (Non-Executive Director).
- Other members of the Committee includes
  1. Mr. Rajiv Kotia
  2. Mr. Hemant Shah

## 5.3 Compliance Officer

<b>NAME OF THE COMPLIANCE OFFICER</b>	Ms. Rameshwari Kalse.
<b>CONTACT DETAILS</b>	205, Jeet Complex, Nr. Jain Temple, C. G. Road, Navrangpura, Ahmedabad - 380 009

## 6. General Body Meetings

### 6.1 Location and time, where last three AGMs were held

Following table details the particulars of the last Three Annual General Meetings of the Company

<b>Financial Year</b>	<b>Date &amp; Time</b>	<b>Venue</b>
2006- 2007	30 <sup>th</sup> September, 2007 at 10.00 a.m.	Registered Office
2007- 2008	30 <sup>th</sup> September, 2008 at 10.00 a.m.	Registered Office
2008 - 2009	27 <sup>th</sup> August, 2009 at 9.30 a.m.	Registered Office

### 6.2 Details of the Special Resolutions passed in the previous three AGMs

No special resolution was passed in the previous 3 AGMs held on 30-09-07, 30-09-08 and 27-08-09.

## 7. Disclosures

### 7.1 Disclosures regarding materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters or Directors or management or relatives etc. that may have potential conflict with the interest of the Company.

All transactions with the Related Parties were in the ordinary course of business and at arms length.

## **7.2 Disclosure of non-compliance by the Company**

There was no non-compliance during the year and no penalties were imposed on the Company by the Stock Exchange, SEBI or any other statutory authority. The Company obtained a certificate from the statutory auditor of the Company with respect to compliance with the conditions of corporate governance and annexed the certificate with the Directors' Report and sent the same to all the shareholders of the Company and to all the concerned Stock Exchanges alongwith the annual reports filed by the Company.

## **7.3 Prevention of Insider Trading**

In compliance With the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date on prevention of Insider Trading, the Company has a comprehensive code of conduct and the same is being strictly adhered by its management staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made while dealing with shares of the company and cautioning them on the consequences on non-compliance thereof.

The Company follows quiet periods (closure of trading window) prior to its publication of unpublished price sensitive information. During the quiet period, the Company has set up a mechanism where the management and relevant staff and business associates of the Company are informed not to trade in Company's securities.

The company also affirms that no personnel have been denied access to the audit committee.

## **7.4 Code of conduct**

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. The Declaration by the Chairman and Managing Director of the Company forms part of this Report.

## **7.5 Details of Compliance with Clause 49 of the Listing Agreement**

The Company has complied with the provisions of Clause 49 of the Listing Agreement.

## **8 Means of Communication**

(a) The Company placed all the quarterly results and annual result in daily newspaper in Gujarati and English.

(b) The Management Discussion and Analysis (MD&A) report has been included in this Annual Report.

## **9.1 Forth Coming Annual General Meeting**

The forthcoming Annual General Meeting of the Company is scheduled to be held on Thursday, the 30<sup>th</sup> September, 2010. at the 3<sup>rd</sup> Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad - 382 480 at 9.30 a.m.

## 9.2 Financial Year of the Company

1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010

## 9.3 Date of Book Closure

24<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive)

## 9.4 Listing on Stock Exchange

The Bombay Stock Exchange Limited, Mumbai  
The Ahmedabad Stock Exchange Limited, Ahmedabad

## 9.5 Stock Code

531433 The Bombay Stock Exchange Limited, Mumbai

38315 The Ahmedabad Stock Exchange, Ahmedabad

## 9.6 The ISIN NO. NSDL and CDSL: INE271D01013

## 9.7 NBFC Registration No. 01-00174

## 9.8 IMMPA Membership No. 8368

## 9.9 Market Price Data:

High Low during each month in Financial Year i.e. April 2009 to March 2010

Months	BSE	
	High	Low
April 2009	20.69	9.55
May 2009	22.95	21.70
June 2009	16.95	16.00
July 2009	16.75	13.85
August 2009	11.86	8.20
September 2009	9.10	9.10
October 2009	8.12	7.00
November 2009	7.74	6.15
December 2009	10.73	6.90
January 2010	18.40	11.05
February 2010	15.90	15.62
March 2010	11.18	8.75

**9.10 Registrar and Share Transfer agents**

**Satellite Corporate Services Pvt. Ltd.**  
 B-302, Sony Apartment, Opp. St. Jude's High  
 School, Off Andheri-Kurla Road,  
 Jarimari, Sakinaka, Mumbai -400072.

**9.11 Share Transfer System**

Shares sent for transfer in physical form are registered and returned by Registrar and Share transfer agents within 30 days from the date of receipt of documents, provided the documents are found in order. Share under objection are returned within 21 days. There have been no instances if transfer of shares in the physical form during the financial year 2009-10

**9.12 Distribution of shareholding and shareholding pattern as on March 31, 2010**

**Distribution of shareholding**

SHARES Category	SHARE HOLDERS		SHARE AMOUNT	
	No of share holders	% to total share holders	Total Equity	% to total equity
Up to - 5000	2802	89.89	3482660	5.69
5001 - 10000	125	4.01	1085690	1.77
10001 - 20000	51	1.64	831350	1.36
20001 - 30000	36	1.15	932220	1.52
30001 - 40000	14	0.45	496770	0.81
40001 - 50000	5	0.16	244000	0.40
50001 - 100000	24	0.77	1875000	3.06
100001 and Above	60	1.92	52256310	85.38
<b>T O T A L</b>	<b>3117</b>	<b>100.00</b>	<b>61204000</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2010

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
<b>(1) Indian</b>							
Individuals / Hindu Undivided Family	5	1,178,200	1,007,900	19.25	19.25	-	-
<b>Sub Total</b>	<b>5</b>	<b>1,178,200</b>	<b>1,007,900</b>	<b>19.25</b>	<b>19.25</b>	<b>-</b>	<b>-</b>
<b>(2) Foreign</b>							
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>5</b>	<b>1,178,200</b>	<b>1,007,900</b>	<b>19.25</b>	<b>19.25</b>	<b>-</b>	<b>-</b>
<b>(B) Public Shareholding</b>							
<b>(1) Institutions</b>							
<b>(2) Non-Institutions</b>							
Bodies Corporate	96	962,265	618,765	15.72	15.72	-	-
<b>Individuals</b>							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	3,384	1,263,407	487,907	20.64	20.64	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	50	2,648,585	2,146,085	43.27	43.27	-	-
<b>Any Others (Specify)</b>	<b>30</b>	<b>67,943</b>	<b>67,143</b>	<b>1.11</b>	<b>1.11</b>	<b>-</b>	<b>-</b>
Non Resident Indians	4	11,550	10,750	0.19	0.19	-	-
Hindu Undivided Families	13	29,108	29,108	0.48	0.48	-	-
Clearing Members	13	27,285	27,285	0.45	0.45	-	-
<b>Sub Total</b>	<b>3,560</b>	<b>4,942,200</b>	<b>3,319,900</b>	<b>80.75</b>	<b>80.75</b>	<b>-</b>	<b>-</b>
<b>Total Public shareholding (B)</b>	<b>3,560</b>	<b>4,942,200</b>	<b>3,319,900</b>	<b>80.75</b>	<b>80.75</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>3,565</b>	<b>6,120,400</b>	<b>4,327,800</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Total (A)+(B)+(C)	3,565	6,120,400	4,327,800	-	100.00	-	-
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**9.13 Dematerialization of Shares**

As on 31<sup>st</sup> March, 2010, 31,38,106 equity shares of Rs.10/- each were in dematerialized form with NSDL and 11,89,694 equity shares of Rs. 10/- each were in dematerialized form with CDSL constituting 51.27 % and 19.44 % respectively of the paid-up capital.

**9.14 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

Not issued

**9.15 Address for correspondence**

**For any Query relating to the Shares of the Company**

Satellite Corporate Services Pvt. Ltd.  
B-302, Sony Apartment,  
Opp. St. Jude's High School,  
Off Andheri-Kurla Road,  
Jarimari, Sakinaka,  
Mumbai - 400072

**Any other Query**

**Secretarial Department**

**Sungold Capital Limited**

205, Jeet Complex, Near Jain Temple  
C G Road, Navrang Pura,  
Ahmedabad - 380 009 (Gujarat)  
Tel: +91-079-2656 5441, Fax: +91-079-2646 4441  
Email: sungold2006@gmail.com

**9.15 (B) ADOPTION OF NEW CORPORATE GOVERNANCE  
CLAUSE**

**Compliance with mandatory and non mandatory list of items**

The company has adopted non-mandatory requirement relating to the setting up of a remuneration committee the board may consider adoption of the other non-mandatory requirements, when considered appropriate.



**CEO / CFO CERTIFICATION**

**To,  
The Board of Directors,  
SUNGOLD CAPITAL LIMITED.**

We hereby certify to the Board that:

- a. We have reviewed the Financial Statements and the Cash Flow Statements and the Cash Flow Statements for the year 2009 - 2010 and that to the best of our knowledge and belief :
  - i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
  - ii) These statements together present a true and fair view of Companies affair and are in Compliance with existing Accounting Standards, Applicable Laws and Regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, 2009 - 2010 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility for establishing and maintaining the internal controls for the Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee :
  - i) Significant changes in internal controls over financial reporting during the year 2009 - 2010.
  - ii) Significant changes in the accounting policies during the year 2009 - 2010 and that the same have been disclosed in the notes to financial statements; and
  - iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the Management or an Employees having a significant role in Companies internal control system over financial reporting.

**Place :** Ahmedabad  
**Date :** 31<sup>st</sup> July, 2010

For, **SUNGOLD CAPITAL LIMITED**

**Rajiv R Kotia  
Chairman & Managing Director**

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:**

**TO THE MEMBERS OF SUNGOLD CAPITAL LIMITED**

We have examined the compliance conditions of Corporate Governance by Sun Gold Capital Limited (the Company) for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 Samria & Co.,  
Chartered Accountants,**

**Place : Mumbai  
Date 31<sup>st</sup> July, 2010**

**(Shivraj Rathi)  
Partner  
Membership No: 112376**

## AUDITORS' REPORT

### Auditors Report to the members of Sungold Capital Limited

1. We have audited the attached Balance-Sheet of Sungold Capital Limited Ahmedabad as at 31st March, 2010 and relative Profit & Loss Account of the Company for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 misstatements. 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 presentation of the financial statements. We believe that our audit provided a 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:
  - i. 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;
  - ii. 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;
  - iii. The Balance-Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Accounts of the Company.
  - iv. In our opinion, the Profit & Loss Account and Balance Sheet comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
  - v. Based on the representation received from the Directors of the Company as on 31st March, 2010, and taken on record by the Board of Directors of the Company, we report that none of the Directors of the Company are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act. 1956.

- vi. 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 ('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 Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010 and
- b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

**For Samria & Co.,  
Chartered Accountants,**

**Place : Mumbai  
Date : 31<sup>st</sup> July, 2010**

**(Shivraj Rathi)  
Partner  
Membership No : 112376**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010 OF M/S SUN GOLD CAPITAL LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of its fixed assets.
  - b) The fixed assets have been physically verified during the year by the management in accordance with a program of verification, the frequency of which is reasonable. According to the information given to us, no material discrepancies were noticed on such verification.
  - c) The Company has not disposed off any substantial part of its fixed assets.
  - d) During the year Company has written off leased assets appearing in the balance sheet in which case no lease rent was received for many years and no assets was traceable.
2. In respect of the inventories:
  - a) The company does not have any inventory at the end of the year.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has neither granted not taken unsecured loans to/from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls and there is no continuing failure for the same.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls and there is no continuing failure for the same.

6. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need be entered into the register maintained under Section 301 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year are reasonable having regard to the prevailing market price at the relevant time.
7. The Company has not accepted any deposits from the public during the year.
8. The Company has an internal audit system commensurate with the size and nature of the Company's business.
9. The maintenance of the cost records has not been prescribed by the Central Government Under Section 209 (1) (d) of the Companies Act, 1956, for the year under review.
10. Statutory and other dues:
  - a) According to information and explanations given to us Provident Fund and Employee's State Insurance Scheme are not applicable to the Company.
  - b) According to the information and explanations given to us and the records examined by us, the company is regular in depositing undisputed statutory dues including Income-Tax, Sales-Tax, Custom Duty and Excise Duty and there were no undisputed statutory dues outstanding as on 31st March, 2010 for a period of more than six months.
11. The company does not have accumulated losses at the end of the year. The company has not incurred any cash loss during the financial year.
12. Based on the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions and banks.
13. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other similar securities.
14. To the best of our knowledge and belief and according to the information and explanations given to us, the company has maintained proper records of the transactions for dealing in shares, securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
15. The company is not a chit fund, nidhi, mutual benefit fund or a society.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

17. According to the information and explanations given to us, the company has not raised any working capital loan. Therefore, the question of its use does not arise.
18. 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 by the company or vice-versa.
19. The Company has not made any preferential allotment of shares during the year.
20. During the year covered under the audit report the company has not issued any secured debentures.
21. The company has not raised any money by public issue during the year covered by our report.
22. As per the information given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**Place : Mumbai**  
**Date : 31<sup>st</sup> July, 2010**

**For Samria & Co.,**  
**Chartered Accountants,**

**(Shivraj Rathi)**  
**Partner**  
Membership No: 112376

# ANNUAL REPORT 2009 -2010

## SUNGOLD CAPITAL LIMITED

### Balance Sheet As at 31st March, 2010

	Schedules	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	A	61,204,000	61,204,000
Reserves & Surplus	B	6,619,248	5,902,858
Deferred Tax Liability		0	515,486
		<u>67,823,248</u>	<u>67,622,486</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	C	1,021,090	3,866,261
Less: Depreciation		613,040	2,010,200
Net Block		<u>408,050</u>	<u>1,856,061</u>
INVESTMENTS	D	19,237,212	20,057,211
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Inventory - Films		3,120,903	0
Sundry Debtors	F	12,450,000	12,364,757
Cash & Bank Balances	G	206,607	1,446,000
Loans, Advances & Deposits	H	30,979,091	33,735,926
		<u>46,756,601</u>	<u>47,546,683</u>
<b>LESS:CURRENT LIABILITIES &amp; PROVISIONS :</b>			
Current Liabilities & Provisions	I	130,520	3,362,986
		<u>130,520</u>	<u>3,362,986</u>
<b>NET CURRENT ASSETS</b>		46,626,081	44,183,697
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Preliminary Expenses	J	1,525,375	1,525,375
Deferred Tax Assets		26,530	0
		<u>67,823,248</u>	<u>67,622,344</u>
<b>Notes on Accounts</b>	L	0	0
As per our separate report of even date, For Samria & Co. Chartered Accountants,			
Shivraj Rathi Partner			
Mumbai The 31 <sup>st</sup> July, 2010			
			For Sungold Capital Limited,  Mr. Raajiv Kotia, Managing Director  Mr. Ashok G. Modi, Director



**SUNGOLD CAPITAL LIMITED**

**Profit & Loss Account for the year ended 31st March, 2010**

Schedule	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
<b>INCOME :</b>		
Entertainment Division Income	1,507,631	5,857,000
Profit on Sale of Investments	330,000	5,400,000
Other Income	1,494,596	125
	3,332,227	11,275,125
<b>EXPENDITURE :</b>		
Entertainment Division Exp.	437,220	4,337,611
Administrative Expenses	K 845,167	1,336,320
Depreciation	22,024	86,935
Fixed Assets W/off	1,792,752	0
	3,097,163	5,760,866
Profit Before Tax	235,064	5,514,259
Provision For Tax	60,690	625,000
Deferred Tax	(542,016)	3,818
Fringe Benefit Tax	0	9,194
Profit After Tax	716,390	4,876,247
Prior Period Items - MAT Tax Provision	0	0
Balance Brought Down	4,706,807	751,635
	5,423,197	5,627,882
Less; Transferred to Special Reserve Fund	0	941,815
Add: Excess provision of Income Tax adjusted	0	20,740
	5,423,197	4,706,807
Balance Carried to Balance Sheet	5,423,197	4,706,807
Notes on Accounts - "L"		

**As per our separate report of even date,  
For Samria & Co.  
Chartered Accountants,**

**Shivraj Rathi  
Partner**

**Mumbai  
The 31<sup>st</sup> July, 2010**

**For Sungold Capital Limited,**

**Mr. Raajiv Kotia,  
Managing Director**

**Mr. Ashok G. Modi,  
Director**

## ANNUAL REPORT 2009 -2010

### SUNGOLD CAPITAL LIMITED

Schedules attached to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date

	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
<b>SCHEDULE `A` : SHARE CAPITAL</b>		
AUTHORISED :		
70,00,000 Equity Shares of Rs. 10 each	70,000,000	70,000,000
	<u>70,000,000</u>	<u>70,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
61,20,400 Equity Shares of Rs. 10 each, Fully Paid	61,204,000	61,204,000
	<u>61,204,000</u>	<u>61,204,000</u>
<b>SCHEDULE `B` : RESERVES &amp; SURPLUS</b>		
General Reserves	66,326	66,326
Special Reserve Fund	1,129,725	1,129,725
Profit & Loss Account	5,423,197	4,706,807
	<u>6,619,248</u>	<u>5,902,858</u>
<b>SCHEDULE `D` : INVESTMENTS :</b>		
Quoted Equity Shares	0	0
Unquoted Equity Shares	19,237,212	20,057,111
	<u>19,237,212</u>	<u>20,057,111</u>
<b>SCHEDULE `F` : SUNDRY DEBTORS</b> (Unsecured, considered good)		
Outstanding for more than six months	0	0
Others	12,450,000	12,364,757
	<u>12,450,000</u>	<u>12,364,757</u>
<b>SCHEDULE `G` : CASH AND BANK BALANCES :</b>		
Cash in Hand	37,469	1,441,669
Bank Balances	169,138	4,331
	<u>206,607</u>	<u>1,446,000</u>

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**SUNGOLD CAPITAL LIMITED**

	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
<b>SCHEDULE 'H' : LOANS, ADVANCES &amp; DEPOSITS</b>		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	30,979,091	33,735,926
	30,979,091	33,735,926
<b>SCHEDULE 'I' : CURRENT LIABILITIES :</b>		
Sundry Creditors	69,830	2,640,544
Provision for Income Tax	60,690	625,000
MAT Tax Payable-(Ass.Year-2007/08)	0	88,248
Fringe Benefit Tax Payable	0	9,194
	130,520	3,362,986
<b>SCHEDULE 'J': MISCELLANEOUS EXPENDITURE :</b>		
(To the extent not written off)		
Preliminary Expenses	1,525,375	1,525,375
Less: Written off during the Year	0	0
	1,525,375	1,525,375

# ANNUAL REPORT 2009 -2010

## SUNGOLD CAPITAL LIMITED

### SCHEDULE 'C': Fixed Assets & Depreciation

Description	Rate	GROSS BLOCK			Lease Adjust- ment	DEPRECIATION			NET BLOCK	
		Opening Balance as on 01/04/09 Rs.	Addition During the Year Rs.	Closing Balance as on 31/03/2010 Rs.		Opening Balance as on 01/04/2009 Rs.	For the Year Rs.	Closing Balance as on 31/03/09 Rs.	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Computer	16.21	284,542	36,500	321,042	0	263,364	3,433	266,797	254,245	21,178
Typewriter	10.34	15,000	0	15,000	0	14,999	0	14,999	1	1
Air-Cooler	10.34	5,000	0	5,000	0	5000	0	5,000	0	0
Cycle	7.07	1,375	0	1,375	0	1,375	0	1,375	0	0
Air- Conditioner	10.34	37,515	80,520	118,035	0	37,514	6,569	44,083	73,952	1
Furniture	6.33	222,895	208,387	431,282	0	180,768	9,172	189,940	241,342	42,127
Electrical Installation	10.34	53,798	12,658	66,456	0	53,797	509	54,306	12,150	1
Fax Machine	10.34	34,200	0	34,200	0	34,199	0	34,199	1	1
Refrigerator	10.34	0	5,200	5,200	0	0	424	424	4,776	0
LCD Television	10.34	0	23,500	23,500	0	0	1,917	1,917	21,583	0
		654,325	366,765	1,021,090	0	591,016	22,024	613,040	408,050	63,309
<b>Leased Assets</b>										
Coal Fired vapour Absorption	10.34	3,211,936	(3,211,936)	0	0	0	0	0	0	1,792,752
		3,211,936	(3,211,936)	0	0	0	0	0	0	1,792,752
Grand Total		3,866,261	(2,845,171)	1,021,090	0	591,016	22,024	613,040	408,050	1,856,061

**SUNGOLD CAPITAL LIMITED**

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
<b>SCHEDULE 'K' : ADMINISTRATIVE EXPENSES :</b>		
Accounting Charges	0	60,000
Interest on Paid	65,364	910
Salary	149,599	476,000
Bank Charges	9,226	9,958
Audit Fees	27,575	27,575
<b>Conveyance</b>	2,269	75,200
Repair and Maintenance	16,397	12,100
General Expenses	7,505	65,750
Petrol Expenses	51,114	0
<b>Sales Promotion Expenses</b>	15,802	27,705
Packing Expenses	0	1,750
Stationery & Printing	20,352	14,780
Advertisement Expenses	16,020	0
Electricity Expenses	10,340	14,630
Membership Expenses	10,900	0
Registrar Fees	26,300	21,907
Rent Expenses	163,900	170,900
Listing Fees	18,170	16,925
Office Expenses	48,282	102,200
Post & Telegram	2,862	7,952
Professional Charges	66,089	87,687
NSDL-CDSL Fees	38,478	22,473
<b>Telephone Expenses</b>	19,656	70,720
<b>Travelling Expenses</b>	40,233	47,998
Zerox Expenses	0	1,200
Stamp Expenses	18,734	0
	845,167	1,336,320

Notes on Accounts

**As per our separate report of even date,  
For Samria & Co.  
Chartered Accountants,**

**Shivraj Rathi  
Partner**

**Mumbai  
The 31<sup>st</sup> July, 2010**

**For Sungold Capital Limited,**

**Mr. Raajiv Kotia,  
Managing Director**

**Mr. Ashok G. Modi,  
Director**

SUNGOLD CAPITAL LIMITED

Cash Flow for the year ended 31st March, 2010

	Rs.	Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit/Loss before Tax & Extraordinary items	2,027,816	
Adjustments for :		
Depreciation	22,024	
Operating Profit before Working Capital Changes	2,049,840	
Adjustments for :		
Trade and Other Receivables	(85,243)	
Inventories	(3,120,903)	
Loans and Advances	2,756,835	
Trade Payables	(3,232,466)	
Cash Flow from Operations	(1,631,937)	
Direct Tax Paid	60,690	
Net Cash Flow From Operating Activities		(1,692,627)
<b>B. Cash Flow From Investing Activities :</b>		
Sale of Investments	819,999	
Purchase of Fixed Assets	366,765	
Net Cash Flow From Investing Activities		453,234
<b>C. Cash Flow from Financing Activities :</b>		
Repayment of Share Application Money	0	
Repayment of Long Term Borrowings	0	
Net Cash Flow From Financing Activities		0
Net Decrease in Cash and Cash Equivalent		(1,239,393)
Opening Cash Balance		1,446,000
Closing Cash Balance		206,607

As per our separate report of even date,  
For Samria & Co.  
Chartered Accountants,

Shivraj Rathi  
Partner

Mumbai  
The 31<sup>st</sup> July, 2010

For Sungold Capital Limited,

Mr. Raajiv Kotia,  
Managing Director

Mr. Ashok G. Modi,  
Director

**SUNGOLD CAPITAL LIMITED**

**SCHEDULE 'L' NOTES ON ACCOUNTS:**

1. Contingent Liabilities not provided for: Nil
2. Estimated amounts of contracts remaining to be executed on Capital Account, not provided for Rs. Nil (previous year Rs. Nil).
3. Previous year figures have been regrouped/ rearranged, whenever necessary.
4. Related Party Disclosures as per AS-18 issued by the Institute of Chartered Accountants of India, for the year ended 31st March, 2010.

(A) Relationship

- (i) Key Management Personnel and Relatives  
Mr. Rajiv Kotia, Managing Director

- (ii) Associates  
Nil

- (iii) Enterprises over which key management personnel and/or their relatives have significant influence - Nil

5. Statement showing calculation of Earning per Share, as per AS-20 issued by the Institute of Chartered Accountants of India.

	2009-10	2008-09
Profit After Tax (Rs. In Lacs)	7.16	48.76
Weighted Average Number of Equity Shares of Rs. 10 each fully paid up	6120400	6120400
Earning Per Share	0.12	0.80

**6) SIGNIFICANT ACCOUNTING POLICIES**

1. System of Accounting -

- (i) The company generally follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- ii) The financial statements are prepared on historical cost basis and as a going concern, in accordance with normally accepted Accounting principles and the provisions of the Companies Act, 1956 as followed consistently by the company.

2. Fixed Assets and Depreciation

- A. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. No revaluation has been made in any fixed assets.

B. Depreciation is charged on fixed assets on following basis:

- i) On straight line method applying rates as per schedule XIV of the Companies Act, 1956 for the assets in use for full year.
- ii) On the assets added during the year, on pro-rata basis with reference to the date of addition.

3. Investment

All investments are held as Long Term Investments, unless otherwise mentioned and are stated at cost, unless there is a permanent fall in the value of investments.

4. Inventories

- i) The Company does not have any inventory at the end of the year.

5. Taxation:

- (i) Provision for current tax is made on the assessable income computed for the accounting period in accordance with the Income Tax Act, 1961.
- (ii) Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, calculated by applying tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of business losses and capital losses under tax laws are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.



**AUDITORS'S CERTIFICATE**

We have examined the attached Cash Flow Statement of Sun Gold Capital Limited for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirements of Clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the company.

**For Samria & Co.,  
Chartered Accountants,**

**Place : Mumbai  
Date : 31<sup>st</sup> July, 2010**

**(Shivraj Rathi)  
Partner  
Membership No : 112376**

SUNGOLD CAPITAL LIMITED

9. Additional Information as required under Part IV Of Schedule VI To The Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No.	04-18956
State Code	04
Balance Sheet Date	31.03.2010

II.Capital raised during the year

(Rupees In Thousands)

Public Issue (and Promoters)	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III.Position of Mobilisation and Deployment of Funds

(Rupees In Thousands)

Total Liabilities	67,823
Total Assets	67,823

Sources of Funds :

Paid Up Capital	61,204
Reserves & Surplus	6,619
Deferred Tax Liability	0
Secured Loans	0
Unsecured Loans	0
	67,823

Application of Funds :

Net Fixed Assets	408
Investments	19,237
Net Current Assets	46,626
Misc Expenditure	1,525
Deferred Tax Assets	27
	67,823

IV.Performance of Company

(Rupees In Thousands)

Income from Operations	3,332
Total Expenditure	3,097
Profit Before Tax	235
Profit After Tax	716
Earning Per Share	0.12
Dividend Rate	0.00

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item code No. - NIL  
Product Description : N.A.  
As per our seperate report of even date

For Samria & Co.  
Chartered Accountants,

Shivraj Rathi  
Partner  
Mumbai  
The 31<sup>st</sup> July, 2010

For Sungold Capital Limited

Mr. Raajiv Kotia  
Managing Director

Mr. Ashok G. Modi  
Director

If Shares held in demat Mode

DPID	
CLID	
No. of Shares	

**PROXY FORM**  
**SUN GOLD CAPITAL LIMITED**  
 Regd office : 205, Jeet Complex,  
 Near Jain Temple,  
 C.G.Raod, Navrangpura,  
 Ahmedabad - 380009

If Shares held in Physical Mode

Reg Folio No	
No. of. Shares	

I/We.....of.....  
 Being a member/members of **SUNGOLD CAPITAL LIMITED** hereby appoint.....  
 .....of.....or failing him/her.....of.....  
 as my/our proxy to vote for me/us and on my/our behalf at the **18<sup>th</sup> ANNUAL GENERAL MEETING**  
 of the company to be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 9.30 A.M. at “3<sup>rd</sup> Floor,  
 Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480”, at any adjournment thereof.

Signed this..... day of.....2010.

Affix 1.00 Re. Revenue Stamp
---------------------------------------

(Signature of the Shareholder(s) )

**NOTE : THE PROXY FORM COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LOSS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING**

**ATTENDANCE SLIP**  
**SUN GOLD CAPITAL LIMITED**

Regd office : 205, Jeet Complex, Near Jain Temple, C.G. Road, Navrangpura, Ahmedabad - 380009  
**18<sup>th</sup> Annual General Meeting on Thursday, the 30<sup>th</sup> day of September, 2010 at 9.30 A.M.**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
joint Shareholders may obtain additional Slips on request.

NAME & ADDRESS OF THE SHAREHOLDER(S)

DPID	
CLID	

Reg. Folio No	
No. of. Shares	

I here by record my presence at the 18<sup>th</sup> Annual General Meeting of the Company held at the 3<sup>rd</sup> Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480, Thursday, the 30<sup>th</sup> day of September, 2010.

**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

If Shareholder, Please Sign here

If Proxy, Please Sign her

.....
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.....
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**Note:** Your copy of Annual Report may please be brought along with you to the meeting hall.

Well Wisher:

SUN GOLD  
ENTERTAINMENT

મનહર ગઢિયા  
પ્રોડક્શન

લેખકનું સપનું જયારે નાટકની વાસ્તવિકતા બને છે :



સાત તરી એકવીસ

(ભાગ-૨) ફરી એકવીસ !

કલા: સુભાષ આશર

પ્રકાશ: નિતીન ભારદ્વાજ

સંગીત: આલાપ દેસાઈ

નિર્માણ નિયામક: મેહુલ જોષી

નેપથ્ય: સાગર, જિગ્નેશ કારિયા

કાર્યકારી નિર્માત્રી: કાજલ ગઢિયા

‘તપ્તાપર મેઘધનુષી વૈભવ’

ચંદ્રકાંત શાહ  
પ્રિતેશ સોઢા  
લીના પગારે

હિતેત આનંદપરા  
પરેશ ગણાત્રા  
જિમીત પ્રિવેદી

ઉત્તમ ગડા  
કમલેશ મોતા  
પ્રતિક ગાંધી

મોના કાણકિયા  
હોમી વાડિયા  
કૃતિકા દેસાઈ

પ્રકાશ કાપડિયા  
તુષાર જોષી  
નેહા મહેતા

સંજય છેલ  
મનોજ શાહ  
શ્યામ પાઠક

વિપુલ મહેતા  
વિપુલ મહેતા  
સ્નેહા દેસાઈ



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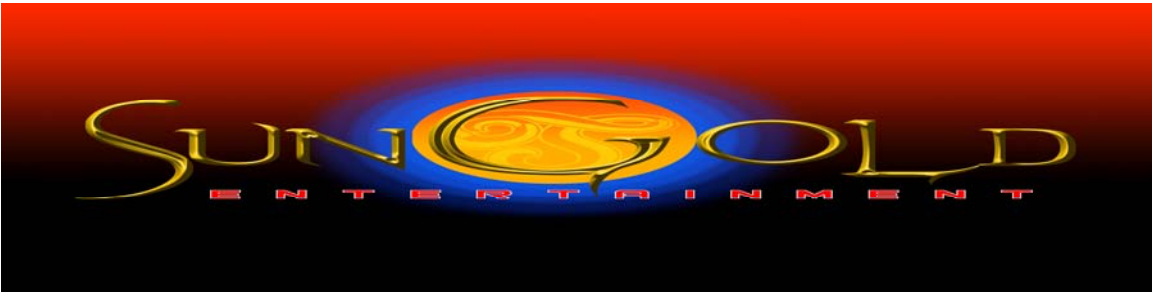


તમે જે મા બાપ ના પ્રેમ ને સમજશો...  
...તો ઘરતી પર વૃદ્ધાશ્રમ નહીં બને

હું પ્રેમી નં.૧

Hun  
**PREMI**  
No.1

Directed by Rafique Pathan



[A Division of Sungold Capital Limited]

REGD. OFF. : 205, JEET COMPLEX, NR. JAIN TEMPLE, C.G. ROAD, NAVARNGPURA,  
AHMEDABAD - 380 009