

20TH ANNUAL REPORT

2011 – 2012



SUNGOLD CAPITAL LIMITED

SUNGOLD CAPITAL LIMITED

20TH ANNUAL GENERAL MEETING

DATE : 11TH AUGUST, 2012

DAY : SATURDAY

TIME : 9.30 AM

**VENUE : 3rdFloor, Ganesh Plaza,
Near Mahavir Nagar, Ranip,
Ahmedabad – 382 480**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajiv Kotia – Chairman & Managing Director

Mr. Ashok G. Modi

Mr. Sharad Gandhi.

Mr. Rafiullahkhan Pathan

Mr. Keyur Gandhi

Mr. Naresh Kumar Modi

AUDITORS

R.K. Somani & Associates (Chartered Accountants)
Shop no. 9, Gr. Floor Ambaji Darshan,
Near National School, Bhattipada Cross road,
Bhandup (W), Mumbai- 400078

COMPLIANCE & LEGAL DEPARTMENT

Mr. Uday Sawant Company Secretary
Ms. Bhumika Sidhpura Compliance Officer
Ms. Snehal Rembalkar Assistant Compliance Officer

BANKERS

The Bhuj Mercantile Co. Operative Bank Limited

Bank of Baroda

The Kalupur Commercial Co-Operative Bank Limited

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

CONSULTANT COMPANY SECRETARY

SG & Associates
Company Secretaries
Room no. 8, 2nd Floor,
New Vora House,
Gram panchayat Road
Above Kajol Jewellers, Goregoan(W),
Mumbai – 400062

REGISTERED OFFICE

205, Jeet Complex, Near Jain Temple
C G Road, Navarangpura
Ahmedabad- 380 009 (Gujarat)
Email ID – sungold2006@gmail.com
Web site – www.sungoldcapitallimited.com
www.sungoldentertainment.in



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CHAIRMANS' STATEMENT

Dear fellow shareholders,

Today, SUNGOLD CAPITAL LIMITED is confidently marching ahead to reach the next level of success. The last five years have been very significant in terms of growth and presence and the year 2011-2012, in particular, has been noteworthy for the company.

Financial Performance:

The company has significantly increased its revenue and there has been tremendous growth in the overall financial performance. The balance sheet remains strong and liquid, enhancing investors value and confidence.

The equity of the company has grown; there has been overall increase in the capital. With the infused capital we plan to carry out new aspiring initiatives and undertake expansion & Diversification. Our various investments in different segments have given healthy returns.

Operational Performance:

The Entertainment segment (SunGold Entertainment) continues to give positive results. The picturisation of the movie is been completed and also the dubbing in Hindi. The division has successfully produced and presented the play "Gulam raja ne hu" which was appreciated by the audiences open heartedly.

In coming year SunGold Entertainment is going to produce 3 films in Hindi, Gujarati and Telugu. Also launch its midyear calendar for 2012-2013. SunGold Entertainment is poised for stupendous growth in the areas of Media & Entertainment.

Mergers & Acquisitions:

We have successfully accomplished the Merger with Magic Touch Infotech Limited. The Hon'ble High Court of Gujarat by its Order dated 20th March, 2012 has approved Scheme of Merger of Magic Touch Infotech Limited with the company. Merger has strengthen and consolidated the position of the Company to develop, concentrate on core competency and expand its business.

With Merger the company has entered into new line of business .i.e. Software development leading to higher revenues & profitability. It has created synergy to grow and prosper at a faster pace. The combined managerial and financial resources have enhanced the capability to invest in larger and sophisticated projects to ensure rapid growth and will consolidate the strategic strength.

Our company is in process of acquisition of new Pharmaceutical business by acquiring proprietary firm "Onix Pharmaceuticals" and brings a new invention in pharmaceutical business.

On behalf of the Board, I would like to thank our entire employee & other stakeholders for their contribution to these excellent results. Their commitment and hard work are critical to our performance and ensures we deliver the quality that underpins our reputation.

Rajiv Kotia

Chairman & Managing Director



CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is:

- An obligation, beyond that required by the law and economics, for a firm to pursue long term goals that are good for society.
- The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large.
- About how a company manages its business process to produce an overall positive impact on society.

Corporate social responsibility also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

CSR behaviour benefits the firm in following manner:

- It aids the attraction and retention of staff
- It attracts green and ethical investment
- It attracts ethically conscious customers
- It can lead to a reduction in costs through re-cycling
- It differentiates the firm from its competitor and can be a source of competitive advantage
- It can lead to increased profitability in the long run

SUNGOLD FOUNDATION

Your Company is of the view to establish a charitable trust named as SUNGOLD FOUNDATION (subject to the name availability at Ministry of Corporate Affairs) to encourage Corporate Social Responsibility. The Managing Director, Mr. Rajiv Kotia and the Director Mr. Ashok Modi will contribute their valuable efforts towards this nonprofit organization. The foundation will carry out the various kind of activities related to charitable activities relating to the development of Rural and Community Development Activities and Empowerment of Women, Primary and Secondary Education, Economic Development, Special programmes on health related issues and HIV/AIDS were organized for adolescent boys and girls in the schools, Primary Health Care.

As part of its Corporate Social Responsibility the company has initiated development of a Non- Profit Company to be referred as “ Sungold Foundation”. The Proposed Company aims in promoting social and cultural welfare within as well as beyond the organizational environment.

Sungold Foundation shall focus on different elements such as education, health, rural development, arts, culture and heritage. It would thrive to implement new programmes and charitable activities to fulfill its objective. It shall address the constraints of poverty and its adversities.



NOTICE

NOTICE is hereby given that the **20th Annual General Meeting of Sungold Capital Limited** will be held on Saturday, 11th of day August, 2012 at 9.30 A.M. at the 3rdFloor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480 to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1

To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2012 and Audited Balance Sheet as on that date together with the Reports of the Board of Directors and the Auditors report and notes thereon.

ITEM NO. 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.

ITEM NO. 3

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 Section 224(1) of the Companies Act, 1956 M/s. R. K. Somani & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company to hold office, from the conclusion of ensuing Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board with the mutual consent of the auditors.”

SPECIAL BUSSINESS:

ITEM NO. 4

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

“RESOLVED that registered office of the company be shifted from 205, Jeet Complex , Near Jain temple, C.G. Road, Ahmedabad - 380009 to 41, Green Villa Complex, Near H.B. Kapadia School, Gurukul Road, Ahmedabad - 380052 effective from 11th August, 2012.”

“RESOLVED FURTHER that the Managing Director, Mr. Rajiv Kotia of the company be and is hereby authorized to file the necessary return with the Registrar Of Companies, Gujarat In Form no 18 pursuant to section 146(2) of the companies Act, 1956.”

“RESOLVED FURTHER that change in the place of the registered office be made in the name plates or board affixed at the registered office as also in letterheads, official publications, documents, etc. pursuant to the provisions contained in section 147 of the companies Act, 1956.”



ITEM NO.5

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

“RESOLVED THAT “Sungold Entertainment” (A Division of Sungold Capital Limited) be demerged subject to compliances of various provisions of the Companies Act, 1956, Listing agreement, BSE/ CDSL / NSDL, High Court approval and any other statutory permissions / approval as the case may be including Members’ approval for such demerger.”

“RESOLVED FURTHER THAT Mr. Rajiv Kotia, Managing Director of the Company be and is hereby authorized to draft such scheme for demerger including all relevant papers / documents including valuation / swap ratio and for that purpose to hire services of any legal firm / advocates/ accountants as the case may be.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized on behalf of the Company to do all such act, deeds and things to give effect to such resolution including convening of postal ballot, Extra-ordinary general meeting and any other thing as may be required to give effect to such demerger.”

ITEM NO. 6

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

“RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and / or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis to the following proposed allottees:

Sr. No	Name of the Proposed Allottee Preferential Convertible Warrants	No. of Convertible Warrants [Face Value/Issue Price (Rs.10/-)]
1.	Mr. Ashok Modi	20,00,000
2.	Mr. Raj Kotia	18,00,000



On such terms and conditions and in such manner as the Board may think fit, without offering the same to any other person, whether or not they are members of the Company; The pricing of the Equity shares to be allotted on preferential basis shall not be lower than the price determined in accordance with SEBI (ICDR) Regulation 2009 which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the six months preceding the relevant date;

OR

2. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date.”

“RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum price for the issuance of the Convertible Warrants on a preferential allotment basis and conversion thereof into equity shares of Rs.10/- each at par is 30 days prior to the passing of resolution i.e. 10th July, 2012. Hence the relevant date is 10th July, 2012.”

“RESOLVED FURTHER THAT the aforesaid Equity Shares and Convertible Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of right attached to such Convertible Warrants shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI Regulations.”

“RESOLVED FURTHER THAT the Convertible Warrants shall be issued by the Company on the following terms and conditions:

- (i) An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Convertible Warrants shall be payable at the time of making the application for Convertible Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option.
- (ii) The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
- (iii) In the event the Warrant Holder does not exercise the option of conversion within 18 months from the date of allotment of Convertible Warrants, the Convertible Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company.
- (iv) The issue of the Convertible Warrants as well as the Equity Shares, arising from the exercise of the option under the Convertible Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Convertible Warrants and the resultant equity shares to the holders of the Convertible Warrants upon exercise of right to subscribe the shares and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said



Convertible Warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) or officer(s) of the Company to give effect to the resolution”

ITEM NO.7

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the re-appointment of Mr. Rajiv Kotia as Managing Director of the Company for period of three years with effect from 30th June, 2012 on the terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Rajiv Kotia remuneration and perquisites not exceeding the ceiling limit laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and/ or the provisions of law as may be applicable thereto from time to time.”

ITEM NO. 8

To consider, and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

RESOLVED THAT Mr. Raj Kotia, be and is hereby appointed as the Creative Head of the Entertainment Division of the Company i.e. Sungold Entertainment (A Division of Sungold Capital Limited). The board hereby authorized him to settle all matters arising out of and incidental thereto and to sign, executes any deeds, agreement, enter into any contract, documents, writing, scrutinization of any project related thereto”

By Order of the Board

**Place: Ahmedabad
Date: 17th July, 2012**

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

**Registered Office:
205, Jeet Complex,
Nr. Jain Temple, C. G. Road,
Navrangpura, Ahmedabad – 380 009**



NOTES:

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.

1. The relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting is annexed hereto.
2. The Register of Members and the Shares Transfer Books of the Company will be closed from Sunday, 5th August, 2012 to Saturday, 11th August, 2012 (Both Days Inclusive).
3. 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;
4. 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.
5. 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.
6. 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.
7. 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 8 OF THE NOTICE:

ITEM NO. 4

The company has merged Magic Touch InfoTech Limited with your company and for the purpose of business expansion and core competency the company has decided to shift the registered office for the company from 205, Jeet Complex, Near Jain temple, C.G. Road, Ahmedabad - 380009 to 41, GreenVilla Complex, Near H.B. Kapadia School, Gurukul Road, Ahmedabad - 380052 effective from 11th August, 2012.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the members.



ITEM NO. 5

Your Company is considering demerger of its division viz: Sungold Entertainment, as a separate resulting Company from “Sungold Capital Limited”. This decision at this juncture is very primitive in nature and depends on various factors including valuation, approvals of the authorities including SEBI, BSE, ROC and approvals of the Members and so on and so forth.

Management is looking for expansion of its division into a separate company which will focus only in the Media & Entertainment. This decision if approved by the Members will give a thrust and boost to the Company as a whole and to its shareholders.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of the members.

ITEM NO. 6

Your Company has expansion plans as per the objects of the Company, which would call for infusion of funds. The Board is of the opinion that the required funds shall be raised by way of Convertible Warrants with the option to the warrant holder to acquire for every warrant one fully paid up equity share of Rs 10/- each at par each on preferential basis of the Company. It is thought prudent to obtain shareholders’ approval for issue of securities through Convertible Warrants to the Promoters to enable the Company to raise a part of this fund requirement for the said growth plans as set out in the above Draft Resolution. Accordingly, in terms of Section 81(1A) of the Companies Act, 1956, the Members are requested to accord their approval to the Special Resolution for raising further capital by preferential issue as proposed in the resolution set out in the notice. Hence the consent of shareholders is being sought for the Special Resolution as proposed in the Notice.

A. Objects of the Issue

To augment the long term resources of the Company for meeting the fund requirements for growth plan, to supplement the working capital resources and for general purposes.

B. Intention of Subscribers to the offer:

The Promoters has conveyed to the Company in writing of their respective intention to subscribe /to acquire Convertible Warrants of the Company on preferential basis as proposed under the Special Resolution of the Notice.

C. Proposed time within which the allotment shall be completed

As required under the SEBI Regulations, the allotment Convertible Warrants shall be completed within 18 months. The holder of warrants will be entitled to apply for and be allotted, in one or more tranches, 1 (one) equity share of the Company per warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment. Upon exercise of the right to subscribe for equity shares, the warrant holders shall be liable to make the payment of balance sum per warrant (being 90% or less as the case may be of the issue price) towards subscription to each equity share, as may be applied. The amount paid against warrants shall be adjusted/set off against the issue price of the resultant equity shares.

D. Lock-in

The Equity Shares (including those arising out of exercise of right attached to the Convertible Warrants) to be allotted to Promoters pursuant to the proposed special resolution shall be subject to lock-in for a period of 3 years from the date of allotment, consistent with SEBI ICDR Regulations 2009. Further, the entire pre-preferential



allotment shareholding of the proposed allottee, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of preferential allotment.

E. Other terms of Issue of Convertible Warrants

- a. The proposed allottee of the Convertible Warrants shall on or before the date of allotment of Convertible Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
- b. The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
- c. If the entitlement against the Convertible Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Convertible Warrants shall stand forfeited.
- d. Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share against each Warrant by appropriating Rs.10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the securities premium amount.
- e. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of the shareholders of the Company.
- f. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company.

F. Consequential Changes in the Voting Rights

Voting rights will change in tandem with the shareholding pattern however there shall not be any change in the management control of the Company.

G. Auditors' Certificate:

A Certificate from M/s. R. K. Somani, Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2009 shall be placed before the meeting of the shareholders.

H. Change in Management:

The issue of the Convertible Warrants and their conversion into equal number of equity shares will not result in any change in the management or control of the Company. In terms of provisions of the Companies Act, 1956, approval of the members is sought under Section 81(1A) of the Companies Act, 1956, for the offer, issue and allotment of the said securities, as detailed in the resolutions. The Board may be authorized to issue the Convertible Warrants/ Equity shares, in accordance with the terms of offer, as detailed in the resolution and to take necessary actions without any limitation for implementation of the resolution. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 2.00 p.m. and 4.00 p.m. upto the date of the Annual General Meeting and will also be placed before the Extraordinary General Meeting.



Your Directors recommend the resolution for your approval as Special Resolution.

None of the Directors of the Company is except Mr. Rajiv Kotia & Mr. Ashok Modi directly or indirectly concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the members.

ITEM NO: 7

The Board of Director at the meeting held on 29th June, 2012 has resolved to re- appoint Mr. Rajiv Kotia as the Managing Director of the Company and approve the managerial remuneration payable to him based on the approval accorded by a resolution passed by the Remuneration Committee, subject to the approval of the members of the Company at the General meeting. The board particulars of the remuneration and perquisites payable to and other principal terms and conditions of his appointment as contained in the draft Agreement to be entered into between the Company and Mr. Rajiv Kotia, are as under:

- I. Tenure of Appointment:** 3 (three) years with effect from 30th June, 2012 to 29th June, 2015.
- II. Remuneration:**
 1. **Basic Salary :** Rs. 2,50,000/- (Rupees Two Lac Fifty Thousand only) per month.
 2. **Perquisites and allowances :** In addition to the Basic Salary and Special Allowance as outlined above, the Management shall be entitled to perquisites and allowance as under:
 - 1) **Medical Benefits:** Payment/ reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.
 - 2) **Leave Travel allowance /assistance:** For Self and his family in accordance with the Rules of the Company.
 - 3) **Club Fees:** Payment/ reimbursement of club fees for not more than one club in India, excluding admission and life membership fees.
 - 4) **Personal Accident Insurance premium:** As per the Rules of the Company.
 - 5) **Contribution to Provident Fund and Superannuation or Annuity Fund:** As per the Rules framed under the Company's relevant scheme and applicable statutory provisions, if any, from time to time.
 - 6) **Gratuity:** As per the Rules of the Company and the applicable statutory provisions, if any, from time to time.
 - 7) **Leave Encashment:** Leave with full pay and allowances with all benefits and amenities as per Rules of the Company. Accumulation/encashment of unavailed earned privileges leave will be permissible in accordance with the Rules specified by the Company.



- 8) **Retirement and other benefits/Privileges:** As per rules of the Company as may be available to other senior executives of the Company. The nomenclature of the allowances (s)/reimbursements and corresponding amounts thereof can be revised or modified as per Rules of the Company in vogue.
- 9) **Car/Communication Facilities:** The following shall not be included in the computation of perquisites:
- a) Provision of Company's car(s) with driver for official use.
 - b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distances official calls.
- 10) **Other Perquisites:** Notional Interest/Interest free loans or Advances given by the Company from time to time subject to the condition that maximum amount of such loan or advances sanctioned and outstanding at point in time shall not exceed Rs. 15 Lacs.

Your Directors recommend the resolution for your approval as Special Resolution.

None of the Directors of the Company except Mr. Rajiv Kotia is directly or indirectly concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of the members.

ITEM NO. 8

Your company has decided to appoint Mr. Raj Kotia, as the Creative Head of the Entertainment Division of the Company. Mr. Raj Kotia is appointed for Sungold Entertainment (A Division of Sungold Capital Limited). The board hereby authorized him to settle all matters arising out of and incidental thereto and to sign, executes any deeds, agreement, enter into any contract, documents, writing, scrutization of any project related to the entertainment field and for its expansion , diversification.

Your Directors recommend the resolution for your approval as Special Resolution.

None of the Directors of the Company except Mr. Rajiv Kotia is directly or indirectly concerned or interested in this resolution.

The Board of Directors recommends the resolution for approval of the members.

By Order of the Board

Place: Ahmedabad
Date: 17th July, 2012

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:

Names of Directors	Mr. Sharad Gandhi
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/ Member of the Committee of Board of Directors of the company	Chairman / Member of the Committee of Board of Directors of other Companies
Mr. Ashok Modi	12/01/1959	Business	S.S.C.	NIL	0	NIL
Mr.Rafiullah Khan	06/07/1976	Writer& Film Director	M.A	NIL	0	NIL
Mr.Keyur Gandhi	17/07/1974	Graphics Designer	B.Com	NIL	0	NIL
Mr.Naresh Kumar Modi	04/11/1956	Business	S.S.C	NIL	0	NIL



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Company's operations are predominantly classified into Media & Entertainment (M&E) industry and NBFC business.

In Media & Entertainment industry the company is involved in Production, Distribution, Marketing and digitalization. The company also undertakes sponsorship of events & Awards Functions, advertisements and other forms of Media.

Indian Media & Entertainment industry is the ever growing industry with tremendous growth in each upcoming year. It is one of the biggest industry in the world. There is huge growth opportunity and potential in this Industry. In Global World the scenario of Indian industry plays an important role.

Traditionally, India's total media spend has been significantly lower compared to other countries globally. In fact, at 0.40%, the media spend, as a percentage of GDP, is almost half of the world's average of 0.80%, and is much lower compared to developed countries like the US and Japan. Even a country like China with the world's largest population, enjoys a media spend ratio at 0.75%, in line with the world average. This indicates the potential India holds for growth in spends, going forward. Even though it is challenging to reach the levels of countries like the US, Japan and UK, due to a very large population base and lower spending power per capita, there is an ample scope to follow China and enhance this ratio.

In NBFC Business the company undertakes expansion & diversion activities. Various fruitful investments are made giving positive results. The company indulges in strategic planning and restructuring to strengthen the financial backbone and lay strong capital foundation.

Non-Banking Financial Companies (NBFC) have rapidly emerged as an important segment of the Indian financial system. Moreover, NBFCs assume significance in the small business segment as they primarily cater to the credit requirements of the un organized sector such as wholesale & retail traders, small-scale industries and small borrowers at the local level.

The segment has witnessed considerable growth in the last few years and is now being recognized as complementary to the banking sector due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc.

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.



II. BUSINESS OPERATION

Segment-Wise Performance:

1. Entertainment Division:

Sungold Entertainment [A Division of Sungold Capital Limited] has completed and released Gujarati Feature Film “HUN PREMI NO.1”. The concept of Movie is unique in various aspects. Mr. Rajiv Kotia [Executive Producer] & Mr. Rafique Pathan [Director] has chosen a totally different & untouched subject which has attracted the Gujarati audience. Its romantic & comedy movie but at the same time it gives message to our youth to understand their parents love & do not get confuse between the necessity of life & the goal of life. It has given a very emotional & social Message to our youngsters which could stop old age home practice. The Movie has achieved great success in Cities as well as small towns in Gujarat. The film has already successfully completed 25 weeks.

The movie is highly appreciated by many production houses. As such the Movie also won Awards for “Best Supporting Actress” to Mrs. Minal Karpe and “Best Choreography” to Saroj Khan. The movie is also set to be released by worldwide premier at DD girnar in the coming year.

Sungold Entertainment [A Div. of Sungold Capital Limited] had tie – up with Big 92.7 FM of Reliance Broadcast Network Limited. The Company made an agreement for next 5 years to provide Sponsorship for Award Function, which will be organized by Big 92.7 FM.

The division launched their first Gujarati play “Gulam Raja Ne Hu” in association with prestigious theatre group ‘SHIVAM’ RUN BY Shri. Rajendra Butala and Smt. Sheela Butala acted by various talented Theatre Artists.

In near future Sungold Entertainment is going to produce three films in Telgu, Hindi and Gujarati Movies based on suspense thriller, drama, comedy etc.

Sungold Entertainment is also moving forward in this direction and making its space in Gujarati as well as Hindi Television. Sungold Entertainment proposes to work on two Daily soaps in Hindi & Gujarati based on different two different and new subjects.

2. NBFC Business :

As a NBFC Company has been growing day by day and also performing well in various sectors. Sungold Capital Ltd. had taken 51% stake in two Unlisted Public Companies i.e. Shree Krishna Infrastructure Limited and Shree Krishna Holiday Home and Farms Limited.

Shree Krishna Infrastructure is engaged in business of Infrastructure, which will beneficial to the company for the entertainment division And Shree Krishna Holiday Home and Farms Limited is engaged in business of construction and acquisition of resorts, hotels, etc which can benefit company for the film location purposes.

The Company has received the approval for the Scheme of Amalgamation of Magic Touch Infotech limited with Sungold Capital Limited. The Hon’ble High Court of Gujarat at Ahmedabad sanctioned the Scheme of Amalgamation of Magic Touch Infotech with your Company as on 20th day of March, 2012. Merger has subsequently enhanced the strengthen and consolidated the position of the Company to develop, concentrate on core competency and expand its business.



In order to focus on its NBFC Business and expand its entertainment operations the company proposes to demerge its entertainment division into separate entity. With Demerger the business and functions of entertainment division would be improvised and lead to optimum utilization of resources.

III. INTERNAL CONTROLS AND THEIR ADEQUACY

The Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that the assets and interests of the Company are safeguarded and reliability of accounting and its accuracy are ensured with proper checks and balances.

The Company has strong internal audit programme, which examines and evaluates the adequacy and effectiveness of Internal Control Systems. The internal audit ensures that the systems designed and implemented, provide adequate internal control, commensurate with the size and operations of the Company. An effective budgetary control on all capital expenditure ensures that the actual spends are in line with the capital budget.

The Audit committee on the Board, Statutory Auditors and the Top Management are regularly apprised of internal audit findings. The Audit Committee of the Company consisting of Non-Executive Independent Directors, periodically reviews and recommends the financial statements of the Company. The Shareholder grievance committee and Remuneration Committee undertakes the function to monitor investor grievances and director remuneration respectively.

IV. 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.

For and on behalf of the Board of Directors

Place: Ahmedabad
Date: 17th July, 2012

Mr. Rajiv Kotia
Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance, for the Financial year April 1, 2011 to March 31, 2012 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 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 six 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 three 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. Sharad Gandhi retires by rotation and being eligible, offers himself for re-appointment.

Category	Name of Director
Promoter / Executive Director	Mr. Rajiv Kotia
Non Executive Director	Mr. Ashok G. Modi Mr. Sharad Gandhi
Non Executive and Independent Director	Mr. Rafiullahkhan Pathan Mr. Keyur Gandhi Mr. Nareshkumar Modi



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 10 (Ten) Board Meetings during the year ended 31st March, 2012. These were held on 1st April, 2011, 10th May, 2011, 15th July, 2011, 9th August, 2011, 11th August, 2011, 22nd August, 2011, 13th February, 2012, 29th March, 2012, 30th March, 2012, 31st March, 2012.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year ended 31st March 2012 was as follows:

Directors	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorship	Board Committee Membership/ (Chairmanship)
Mr. Rajiv Kotia	10	YES	-	-
Mr. Ashok G. Modi	10	YES	-	-
Mr. Sharad Gandhi	10	YES	-	-
Mr. Rafiullahkhan Pathan	6	YES	-	-
Mr. Keyur Gandhi	8	YES	-	-
Mr. Nareshkumar Modi	7	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 68 years, residing at Rajpipla 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 and Business Administration.

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. NareshKumar Modi - Chairman
2. Mr. Keyur Gandhi - Member
3. Mr. Ashok Mody - Member

3.3 Meetings and Attendance during the year 2011-12

The Audit Committee met 5 (Five) times during the year and the attendance record is as per the table given below:

Date of Meeting	Mr. Nareshkumar Modi	Mr. Keyur Gandhi	Mr. Ashok Mody
03/05/2011	√	√	√
09/08/2011	√	√	√
22/08/2011	√	√	√
11/11/2011	√	√	√
13/02/2012	√	√	√
Total Meetings attended	5	5	5

4. Remuneration:

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 28th June, 2012 in accordance with the requirements of Schedule XIII to the Companies Act, 1956, and Clause 49 of the Listing Agreement. The Remuneration Committee was constituted comprising of:

1. Mr. Rafiullahkhan Pathan - Chairman
2. Mr. Naresh Kumar Modi - Member
3. Mr. Sharad Gandhi - Member

The details of remuneration of Whole-time Directors for the financial year 2011-2012 are given below:

(Rs. in lacs)

Particulars	2011-12	2010-11	2009-08
Salary and Allowances (Rs.)	180000/-	96,000/-	96,000/-
Contribution to PF, Superannuation and Gratuity Funds (Rs.)	-	-	-
Commission (Rs.)	-	-	-
Total (Rs.)	180000/-	96,000/-	96,000/-



The Chairman and Managing Director’s compensation has been set at Rs. 1,80,000 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. Rafiullahkan Pathan	-	Member
Mr. Keyur Gandhi	-	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

- Mr. Rafiullahkan Pathan - Member
- Mr. Keyur Gandhi - Member

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

Financial Year	Date & Time	Venue
2008– 2009	27 th August, 2009 at 9.30 a.m.	Registered Office
2009 – 2010	30 th September, 2010 at 9.30 a.m.	3 rd Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480
2010-2011	30 th September, 2011 at 9.30 a.m.	3 rd Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480

6.2 Details of the special resolutions passed at previous three AGM’s

Special Resolution was passed in previous AGMs of 27-08-2009, 30-09-2010, and 30-09-2011.

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 along with 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 Saturday, 11th August, 2012 at 9.30 a.m. at 3rd Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480.

9.2 Financial Year of the Company

1st April, 2011 to 31st March, 2012

9.3 Date of Book Closure

Sunday, 5th August, 2012 to Saturday, 11th August, 2012 (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 IMMPDA Membership No. 14/22032011/O/SGETM/21-1093/R4

9.10 Market Price Data:

High Low during each month in Financial Year i.e. April 2011 to March 2012

Months	BSE	
	High	Low
April 2011	26.31	12.25
May 2011	25.70	18.30
June 2011	17.95	15.15
July 2011	24.20	15.85
August 2011	26.00	19.00
September 2011	24.65	13.15
October 2011	12.69	9.50
November 2011	11.05	7.89
December 2011	10.09	7.42
January 2012	14.96	9.80
February 2012	15.32	13.88
March 2012	15.16	9.07

9.11 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.

9.12 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 2011-12.

9.13 Distribution of shareholding and shareholding pattern as on March 31st 2012

Distribution of shareholding

Shares holding of		Shareholders		Share Amount	
nominal value of					
Rs.	Rs.	Number	% of Total	In Rs.	% of Total
(1)		(2)	(3)	(4)	(3)
Upto	-- 5,000	3199	80.80	4,311,570	3.06
5,001	-- 10,000	218	5.51	1,860,120	1.32
10,001	-- 20,000	142	3.59	2,234,180	1.59
20,001	-- 30,000	82	2.07	2,150,420	1.53
30,001	-- 40,000	48	1.21	1,703,490	1.21
40,001	-- 50,000	49	1.24	2,327,310	1.65
50,001	--1,00,000	81	2.05	5,790,710	4.11
1,00,001	and above	140	3.54	120,457,050	85.53
T o t a l		3,959	100.00	140,834,850	100.00

Shareholding Pattern as on March 31st, 2012

Statement Showing Shareholding Pattern								
Cat ego ry cod e	Category Shareholder of	Num ber of Shar ehol ders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of(A+B) ¹	As a percentage of (A+B+C)	Num ber of share s	As a percentage
			(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV))*100
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	2	1863200	1863200	13.23	13.23		0.00
(b)	Central Government/ State Government(s)	0			0.00	0.00		0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00		0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00		0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00		0.00
(e-i)					0.00	0.00		0.00
(e-					0.00	0.00		0.00



ii)								
	Sub Total(A)(1)	2	1863200	1863200	13.23	13.23	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00		0.00
b	Bodies Corporate	0	0	0	0.00	0.00		0.00
c	Institutions	0	0	0	0.00	0.00		0.00
d	Any Others(Specify)	0	0	0	0.00	0.00		0.00
d-i								0.00
d-ii								0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	1863200	1863200	13.23	13.23	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00		
(b)	Financial Institutions /Banks	0	0	0	0.00	0.00		
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Any Other (specify)	0	0	0	0.00	0.00		
(h-i)					0.00	0.00		
(h-ii)					0.00	0.00		
	Sub-Total (B)(1)	0	0	0	0.00	0.00		
B 2	Non-institutions							
(a)	Bodies Corporate	70	673393	666293	4.78	4.78		
(b)	Individuals				0.00	0.00		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	3732	1851035	1264135	13.14	13.14		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	120	9554069	2362969	67.84	67.84		
(c)	Any Other (specify)	0	0		0.00	0.00		
(c-i)	Non Resident Indians	2	2800	2800	0.02	0.02		

(c-ii)	Clearing Members	7	40797	40797	0.29	0.29		
(c-iii)	Hindu Undivided Families	26	98191	98191	0.70	0.70		
	Sub-Total (B)(2)	3957	12220285	4435185	86.77	86.77		
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	3957	12220285	4435185	86.77	86.77		
	TOTAL (A)+(B)	3959	14083485	6298385	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group					0.00		0.00
2	Public					0.00		
	Sub-Total (C)	0	0	0	0	0	0	
	GRAND TOTAL (A)+(B)+(C)	3959	14083485	6298385	100.00	100.00	0	0.00

9.14 Dematerialization of Shares

As on 31st March, 2012, 4057536 equity shares of Rs.10/- each were in dematerialized form with NSDL and 2240849 equity shares of Rs. 10/- each were in dematerialized form with CDSL constituting 28.81% and 15.91% respectively of the paid-up capital.

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

Out of 1000000 fully convertible warrants 3,50,000 warrants have been converted in to Equity shares at value of Rs. 20 (i.e Rs 10 face value of equity share & Rs. 10 Premium) on 10th May, 2011 on the basis of Preferential Allotment to promoter.

9.16 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)
www.sungoldcapitallimited.com
Email: sungold2006@gmail.com



CEO / CFO CERTIFICATION

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

We hereby certify to the Board that:

We have reviewed the Financial Statements and the Cash Flow Statements for the year 2011 – 2012 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.
- a. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, 2011 – 2012 which are fraudulent, illegal or violative of the Company's code of conduct.
 - b. 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.
 - c. We have indicated to the auditors and the Audit Committee :
 - i) Significant changes in internal controls over financial reporting during the year 2011 -2012.
 - ii) Significant changes in the accounting policies during the year 2011 - 2012 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.

For SUNGOLD CAPITAL LIMITED

**Place: Ahmedabad
Date: 17th July, 2012**

**Rajiv R Kotia
Chairman & Managing Director**



DIRECTORS' REPORT

Your Directors have pleasure in submitting their 20th Annual Report and Accounts for the year ended on 31st March, 2012.

FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Sales & Other Income from Operation	113.13	17.58
Other Income	1.21	1.00
Total Expenditure	110.72	16.52
Profit before Depreciation	3.62	2.06
Depreciation	1.10	0.31
Profit before Tax	2.52	1.75
Provision for Taxation	0.69	0.54
Net Profit after Tax	1.83	1.21

PERFORMANCE:

During the year under review, the company has earned a Net Profit after Tax Rs. 1.83 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 31st March, 2012.

EMPLOYEES:

The Company does not have any employee in the category as specified under Section 217(2A) of the Companies Act, 1956.

DIRECTORS:

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

DIRECTORS' 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 R. K. Somani & Associates ; Chartered Accountants, Mumbai retires as Auditors of the Company at the conclusion of the ensuing Annual General and being, eligible, offer themselves for re- appointment.

LISTING OF EQUITY SHARES:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABORPTION & FOREIGN EXCHANGE EARNING & OUTGOING:

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 completed the dubbing of Gujarati Feature Film under the production of its Division Sungold Entertainment into Hindi. Besides this company is also planning to work on new unnamed Film projects in Gujarati, Hindi & Telugu Languages. Company has organized the drama play "Gulam Raja ne Hu", which was appreciated by many people. The Company is in process of acquisition new pharma division known as "Onix Pharma". As a new initiative in pharmaceutical.

HIGH COURT ORDER ON SCHEME OF AMALGAMTION:

Your Company has received the approval for the Scheme of Amalgamation of Magic Touch Infotech limited with Sungold Capital Limited. The Hon'ble High Court of Gujarat at Ahmedabad sanctioned the Scheme of Amalgamation of Magic Touch Infotech with your Company as on 20th day of March, 2012.

DETAILS OF SUBSIDIARIES:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Details of major subsidiaries of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.



DEMERGER:

Your company is proposing for approval of Demerger of its division Sungold Entertainment into Sungold Entertainment Limited. Company has taken this step to improvise the business and functions of Entertainment Division. As the Division has so many new projects and various upcoming events in a pipeline so as to seeing the expansion and growth of the business it was felt necessary by the directors of the company to demerge it and make it a separate entity to make the full utilization of resources. The business of entertainment division needs a large space and manpower that's why your directors propose to demerge the division of the company.

RBI GUIDELINES:

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the subsidiaries, Shree Krishna Infrastructure Limited & Shree Krishna Holiday Home & farms Limited, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company. For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Place: Ahmedabad

Date: 17th July, 2012

**Mr. Rajiv 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, 2012, 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 R.K Somani & Associates
FRN:-118666W
Chartered Accountants,

(R.K Somani)
Proprietor
Membership No:-104927

Place: Mumbai
Date: 17/07/2012



AUDITORS' REPORT ON FINANCIAL STATEMENTS

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, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with books of accounts.
 - iv. In our opinion, the Balance Sheet and Statement of Profit and loss are in compliance 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, 2012, 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, 2012 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, 2012 and
 - b) In the case of Statement of Profit & Loss Account, of the Profit for the year ended on that date.
 - c) In the case of Cash Flow Statement of the Cash flows for the year ended on that date

For R.K Somani & Associates
FRN:-118666W
Chartered Accountants,

(R.K Somani)
Proprietor
Membership No:-104927

Place: Mumbai
Date: 17/07/2012



Annexure to Auditors' Report

Referred to in Paragraph 3 of our report of even date

1. In respect of its fixed assets:
 - 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) In our opinion, the Company has not disposed off any substantial part of its fixed assets and the going concern status of the company is not affected.
2. In respect of the inventories:
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was 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 nor 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.
 - 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 lakhs rupees in respect of any party during the year are reasonable having regard to the prevailing market price at the relevant time.
5. The Company has not accepted any deposits from the public during the year.
6. The Company has an internal audit system commensurate with the size and nature of the Company's business.
7. 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.



8. 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, 2012 for a period of more than six months from the date they became payable.
9. 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 covered by the audit and in the immediately preceding financial year.
10. Based on the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions and banks.
11. 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.
12. 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.
13. The company is not a chit fund, nidhi, mutual benefit fund or a society.
14. 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.
15. 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.
16. 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.
17. The Company has not made any preferential allotment of shares during the year.
18. During the year covered under the audit report the company has not issued any secured debentures.
19. The company has raised money by Conversion of Convertible Warrants into Equity during the year covered by our report.
20. 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.

For R.K Somani & Associates
FRN:-118666W
Chartered Accountants,

(R.K Somani)
Proprietor
Membership No:-104927

Place: Mumbai
Date: 17/07/2012



BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	March 31, 2012 Rs.	March 31, 2011 Rs.	
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a)	Share Capital	1	140,834,850	67,434,850
(b)	Reserves and Surplus	2	15,111,139	11,145,378
(c)	Money received against share warrants.		1,575,000	3,325,000
			157,520,989	81,905,228
Current Liabilities				
(a)	Short Term Borrowings	3	0	720,000
(b)	Trade Payables	4	484,415	40,738
(c)	Short Term Provisions	5	62,338	220,660
			546,753	981,398
	TOTAL		158,067,742	82,886,626
ASSETS				
Non-current Assets				
(a)	Fixed Assets			
	(i) Tangible Assets	6	709,046	432,349
	(II) Intangible Assets		121,000	-
(b)	Non-current Investments	7	12,029,450	8,261,700
(c)	Deferred Tax Assets (net)	8	1,945	10,910
(d)	Long Term Loans and Advances	9	128,075,768	35,152,793
			140,937,209	43,857,752
Current Assets				
(a)	Inventories	10	0	7,594,516
	Trade Receivables	11	15,933,842	26,663,537
(c)	Cash and Cash Equivalents	12	887,973	4,523,259
(d)	Other Current Assets	13	308,718	247,562
			17,130,533	39,028,874
	TOTAL		158,067,742	82,886,626

Significant Accounting Policies

Notes on Financial statements

1 to 17

As per our report of even date

For R.K.SOMANI & ASSOCIATES

FRN:-118666W

Chartered Accountants.

R.K.SOMANI

PROPRIETOR

Membership No:-104927

Place:- Mumbai

Dated:- 17/07/2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
Managing Director

Mr. Ashok Modi
Director



STATEMENT OF PROFIT & LOSS ACCOUNT

Statement of Profit and Loss Statement for the Year ended 31st March, 2012

	Notes	March 31, 2012 Rs.	March 31, 2011 Rs.
INCOME			
Revenue from Operations	14	11,312,998	1,859,226
Other Income		121,000	0
Total Revenue (I)		11,433,998	1,859,226
EXPENDITURE			
Decrease in Inventories		7,542,417	0
Operating Expenses	15	1,189,124	201,801
Administrative and General Expenses	16	2,090,966	1,283,055
Selling and Marketing Expenses	17	249,877	106,079
Preliminary Expenses witten Off	13	0	61,890
Depreciation and Amortisation Expenses	6	109,922	31,262
Total Expenses (II)		11,182,306	1,684,087
Profit Before Tax (I-II)		251,692	175,139
Tax Expenses			
Current Tax		59,788	38,498
Deferred Tax		8,965	15,620
Profit for the year		182,938	121,021
Earnings Per Equity Share of face value of Rs 10 each.			
Basic		0.013	0.018
Diluted		0.013	0.018

Significant Accounting Policies

Notes on Financial statements 1 to 17

As per our report of even date

For R.K.SOMANI & ASSOCIATES.

FRN:-118666W

Chartered Accountants.

R.K.SOMANI

PROPRIETOR

Membership No:-104927

Place: Mumbai

Date: 17/07/2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
Managing Director

Mr. Ashok Modi
Director



CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH,2012.

Particulars	For the year ended 31st March 2012		For the year ended 31st March 2011	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax as per Profit & Loss Account		251,692		175,139
Adjusted for:				
Depreciation and Amortisation expenses	109,922		31,262	
Preliminary expenses/ Merger expenses.	-	109,922	61,890	93,152
Operating Profit Before Working Capital Changes		361,613		268,291
Adjusted for:				
Trade and Other Receivables	10,729,695		(14,213,537)	
Inventories	7,594,516		(4,473,613)	
Loans and Advances	(92,922,972)		(4,173,702)	
Trade Payables	221,852		130,878	
Preliminary Expenses	-		(309,452)	
		(74,376,909)		(23,039,426)
Cash Generated for Operations		(74,015,296)		(22,771,135)
Income Tax Paid		(57,441)		(18,868)
Net Cash from Operating Activities (A)		(74,072,737)		(22,790,003)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(507,620)		(55,560)	
Purchase of Investment pursuant to scheme of merger.	(3,767,750)		-	
Sale of Investments	-		10,975,511	
Net Cash Used in Investing Activities (B)		4,275,370		10,919,951
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Warrant Application Money received	-		3,325,000	
Long Term Borrowings	-		720,000	
Issue of Share Capital	1,750,000		6,230,850	
Share premium	3,500,000		5,910,850	
Share Capital Issued to Shareholder pursuant to scheme of merger	69,900,000			
Payment of Short Term Borrowings	(720,000)			
Reserve & Surplus arising out of merger	282,822			
Net cash used in Financing Activities (C)		74,712,822		16,186,700
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)		(3,635,284)		4,316,650
CASH & CASH EQUIVALENT AT BEGINNING OF YEAR		4,523,257		206,607
CASH & CASH EQUIVALENTS AT THE END OF YEAR		887,973		4,523,257

As per our report on even date
For R.K.SOMANI & ASSOCIATES
 FRN:-118666W
 Chartered Accountants.

R.K.SOMANI

Proprietor
 Membership No.
 Place: Mumbai
 Date:17.07.2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
 Managing Director

Mr. Ashok Modi
 Director



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

1 SHARE CAPITAL	March 31, 2012	March 31, 2011.
	Rs.	Rs.
<u>Authorised Shares</u>		
1,70,00,000 Equity Shares of Rs. 10 each.	170,000,000	100,000,000
(Previous year :1,00,00,000)	170,000,000	100000000
<u>Issued, Subscribed and Fully Paid-up Shares</u>		
1,40,83,485 Equity Shares of Rs. 10 each Fully Paidup.	140,834,850	67,434,850
(Previous year :67,43,485)		
3,15,000 Fully Convertible Warrants into equity @ Rs.10 each	3,150,000	6650000
(Previous year :6,65,000)		
Less: Receivable upon conversion	(3,150,000)	(6,650,000)
	140,834,850	67,434,850

1. Rs 35,00,000 Fully Convertible Warrants were converted into Equity Shares of the Company by issue of 3,50,000 Equity Share of Rs 10 each at a Premium of Rs 10 per share.
2. Rs.6,99,00,000 The Company issued 69,90,000 Equity Shares Of Rs 10 each to the Shareholders Of Magic Touch Infotech Limited as per Order Of Hon'ble High Court Of Gujarat dated 20th March, 2012 for merger of Magic Touch Infotech Limited with the Company for consideration other than cash.
3. The details of shareholders holding more than 5% shares.

Name of the Shareholder	As at March 31, 2012		As at March 31, 2011.	
	No. of Shares	% Held	No. of Shares	% Held
NIL				

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

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011. No. of Shares
Equity Shares at the beginning of the year.	6743485	6120400
Add:-Conversion of warrants into equity shares.	350000	335000
Add:-Equity Shares issued other than cash.	0	288085
Add:-Shares issued pursuant to Scheme of merger.	6990000	0
Equity Shares at the end of the year.	14083485	6743485

5. The company has 315,000 convertible warrants pending for conversion into equity shares of Rs. 10/- at the premium of Rs. 10/- each.



2 RESERVES AND SURPLUS

	March 31, 2012	March 31, 2011
	Rs.	Rs.
(a) Security Premium Account		
Balance as per Last Financial Statements	4,705,475	4,705,475
Add: on issue of 3,50,000 Equity Shares at a Premium Of Rs 10 each upon conversion.	3,500,000	0
Closing Balance	8,205,475	4,705,475
(b) General Reserve		
Balance as per Last Financial Statements	66,326	66,326
Add: Arising Out Of Merger Of Magic Touch InfoTech Limited with the Company	282,822	
Add: Transfer from Profit and Loss account	0	0
Closing Balance	349,148	66,326
(c) Special Reserve Fund		
Balance as per Last Financial Statements	1,153,930	1,129,726
Add: Transfer from Profit and Loss account	36,588	24,204
Closing Balance	1,190,518	1,153,930
(d) Profit & Loss Account		
Balance as per Last Financial Statements	5,219,647	5,122,830
Net Profit for the year	182,938	121,021
Deduct : Transfer to Special Reserves Fund @ 20%	36,588	24,204
Net Surplus in the Statement of Profit and Loss	5,365,997	5,219,647
GRAND TOTAL	15,111,139	11,145,378



3 SHORT-TERM BORROWINGS	March 31, 2012	March 31, 2011
	Rs.	Rs.
Unsecured Borrowings	0	720,000
Total	0	720,000
4 TRADE PAYABLES	March 31, 2012	March 31, 2011
	Rs.	Rs.
Trade Payables	484,415	40,738
Total	484,415	40,738
5 SHORT TERM PROVISIONS	March 31, 2012	March 31, 2011
	Rs.	Rs.
Provision for Taxation	59,788	38498
TDS Payable	2,550	182,162
Total	62,338	220,660

6. FIXED ASSETS

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2011 Rs.	Additions Rs.	Deductions/Adjustment Rs.	Balance as at March 31, 2012 Rs.	Balance as at April 1, 2011 Rs.	For the year Rs.	Deductions/Adjustment Rs.	Balance as at March 31, 2012 Rs.	Balance as at March 31, 2011 Rs.	Balance as at March 31, 2012 Rs.
TANGIBLE ASSETS										
Computer	321,042	41,720	0	362,762	270,230	53,153	0	323,383	50,812	39,379
Typewriter	15,000	0	0	15,000	14,999	1	0	15,000	1	0
Printers	5,851	0	0	5,851	605	278	0	883	5,246	4,967
Mobile	23,620	14,400	0	38,020	2,442	1,637	0	4,079	21,178	33,941
Air-Conditioner	118,035	0	0	118,035	52,409	5,607	0	58,016	65,626	60,019
Furniture	431,282	20,000	0	451,282	199,112	28,029	0	227,141	232,170	224,141
Electrical Installation	66,456	0	0	66,456	54,815	3,157	0	57,972	11,641	8,484
Fax Machine	34,200	0	0	34,200	34,199	1	0	34,200	1	0
Refrigerator	5,200	0	0	5,200	962	247	0	1,209	4,238	3,991
LCD Television	30,690	0	0	30,690	5,090	1,458	0	6,548	25,600	24,142
Projector		310500	0	310,500	0	13,292	0	13,292	0	297,208
Film Harddisk	18,900		0	18,900	3,064	3,064	0	6,128	15,836	12,772
Total (A)	1070276	386620	0	1456896	637927	109922	0	747849	432349	709046
INTANGIBLE ASSETS										
Film rights	0	121000	0	121,000	0	0	0	0	0	121,000
Total (B)	0	121000	0	121,000	0	0	0	0	0	121,000
GRAND TOTAL (A+B)	1070276	507620	0	1577896	637927	109922	0	747849	432349	830046
Previous Years Figures	1,014,715	55,560	0	1,070,275	606,665	31,262	0	637,927	408,050	432,348



7 NON CURRENT INVESTMENTS

	March 31, 2012 Rs.	March 31, 2011 Rs.
Non-trade Investments (Valued at Cost unless stated otherwise)		
(a) Investment in Subsidiaries		
244326 equity shares @ Rs. 11.40(Round off) each of Shree Krishna Holiday Home And Farms Limited.	2,785,340	2,785,340
222115 equity shares @ Rs.13.40 (Round off.) each of Shree Krishna Infrastructure Limited.	2,976,360	2,976,360
(b) Investment in Other Companies		
250000 equity shares of Rs. 10 each of Teflas Commodity Interface P. Ltd	2,500,000	2,500,000
126775 equity shares of Rs. 10 each of Andura Info Products Private Ltd	1,267,750	0
50000 equity shares of Rs. 10 each of Chandresh Cable Private Ltd	500,000	0
200000 equity shares of Rs. 10 each of Shree Bajrang Power & Ispat Ltd	2,000,000	0
Total	12,029,450	8,261,700

Notes:

- (a) Aggregate amount of Unquoted Investments - At Book Value Rs 12029450.
 (b) Aggregate amount of Quoted Investments - At Book Value Nil
 (c) Investment of Rs.37,67,750 has been received pursuant to Scheme of merger with Magic touch Infotech Limited.

8 Deferred Tax Asset	March 31, 2012 Rs.	March 31, 2011 Rs.
Deferred Tax Asset	1,945	10,910
Total	1,945	10,910

9 LONG-TERM LOANS AND ADVANCES

	March 31, 2012	March 31, 2011
Security deposit		
Unsecured, considered good	373,560	111,830
(A)	373,560	111,830
Advances recoverable in Cash or Kind		
Unsecured, considered good	127,702,208	35,040,963
(B)	127,702,208	35,040,963
Total (A + B)	128,075,768	35,152,793

10 INVENTORIES	March 31, 2012 Rs.	March 31, 2011 Rs.
[Valued at lower of cost and net realisable value]		
Inventory Film	0	7594516
Total	0	7,594,516



11 TRADE RECEIVABLES		March 31, 2012	March 31, 2011
		Rs.	Rs.
Other receivables			
Unsecured, considered good		15,933,842	26,663,537
Total		15,933,842	26,663,537
12 CASH AND CASH EQUIVALENTS		March 31, 2012	March 31, 2011
		Rs.	Rs.
Balances with Banks:			
On Current Accounts		57,677	4469037
Cash on Hand		830,296	54222
Total		887,973	4,523,259
13 OTHER CURRENT ASSETS		March 31, 2012	March 31, 2011
		Rs.	Rs.
Unamortized Expenditure			
Preliminary Expenses		247,562	309452
Written off during the year		0	-61890
	(A)	<u>247562</u>	<u>247562</u>
Others			
Tax Deducted at Sources (10-11)		3,715	0
Tax Deducted at Sources (11-12)		57,441	0
	(B)	<u>61,156</u>	<u>0</u>
Total		308,718	247562
14 REVENUE FROM OPERATIONS		March 31, 2012	March 31, 2011
		Rs.	Rs.
(A) Entertainment Division Income		9,622,622	1,758,433
(B) Interest Received -NBFC Income		1,690,376	100,793
Revenue from Operations .		11,312,998	1859226
15 OPERATING EXPENSES		March 31, 2012	March 31, 2011
		Rs.	Rs.
Entertainment Division Expenses		1,189,124	201,801
Total		1,189,124	201,801

**16 ADMINISTRATIVE AND GENERAL EXPENSES****March 31, 2012****March 31, 2011**

	Rs.	Rs.
Membership & Subscription Fees	9,025	2110
Salary Expences	601,572	412474
Telephone Expences	20,717	23628
Electricity Expences	42,810	35720
Rent	208,000	181000
Repair & Maintenance Charges	140,174	26125
Bank Charges	3,500	4049
Boarding & Lodging	4,950	0
Books & Periodics	1,320	0
Education Training Fees	5,515	
Insurance Exp (Vehicle)	13,777	15965
Legal Expenses	32,500	0
Office Expenses	301,167	112330
Postage & Courier / Telegram	21,824	23575
Printing & Stationery / Zerox	102,687	26733
Professional Fees	29,430	156816
ROC Filling Charges	55,164	5600
Stamp Duty Charges	13,712	3037
Sundry w/off	173	0
General Expences	0	6902
Digital Signature Expences	0	3600
Diwali Expences	0	2997
Donation 80G (Gujarat Law Society)	51000	0
Bse Limited Listing fees	303,325	126,845
NSDL- CDSL Listing Fees	57,326	62,871
Registrar Expences	43,724	23,103

(A) 2,063,391 1,255,480**Payment to Auditor:****March 31, 2012****March 31, 2011**

As Auditor:

RS.**RS.**

Audit Fee

27575

27575

(B) 27,575 27,575**Total(A+B) 2,090,966 1,283,055****17 SELLING AND MARKETING EXPENSES****March 31, 2012****March 31, 2011**

	Rs.	Rs.
Advetisement Expences	59,452	8,144
Buisness Promotion Expences	2,995	36561
Travelling & Conveyance Charges	179,930	61,374
Website Designing Charges	7,500	0
Total	249,877	106,079

For R.K.SOMANI & ASSOCIATES

FRN:-118666W

Chartered Accountants.**R.K.SOMANI
Proprietor****Membership No:-104927**

Place:- Mumbai

Dated:- 17/07/2012

For SUNGOLD CAPITAL LIMITED**Mr. Rajiv Kotia
Managing Director****Mr.Ashok Modi
Director**

SIGNIFICANT ACCOUNTING POLICIES & NOTES

A Significant Accounting Policies:

1. Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below.

2. Fixed Assets

- a) Fixed assets are stated at cost of acquisition less accumulated depreciation. The Cost includes all expenses related to acquisition and installation of such assets. No revaluation has been made in any fixed assets.
- b) Intangible assets are stated at cost of acquisition less accumulated amortization/depletion. The costs and expenses attributable to the intangible assets are capitalized.

3. Depreciation

Depreciation for the year is provided on Straight line Method at the rates specified in Schedule XIV to the Companies Act, 1956 for the assets in use for full year. On the assets added during the year, on pro –rata basis with reference to the date of addition.

4. Investments

All investments are held as long term Investments, unless otherwise mentioned and are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

5. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Income from entertainment division, distribution and exhibition of drama and film is recognized on accrual basis.

6. Provision for Current Tax and deferred Tax

- a) Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period.
- b) Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.



7. Provisions & Contingent Liabilities

Provisions are recognized when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognized nor disclosed. Contingent Liabilities not provided for: NIL .Contingent Assets are neither recognized nor disclosed in the financial statements.

B Notes to Accounts

1. Auditor's Remuneration:

Rs. in Lakhs

	2011-2012	2010-11
Audit Fees	0.27	0.27
Total	0.27	0.27

2. Accounting for Amalgamation (As-14) Composite Scheme of Arrangement

A scheme of arrangement under section 391 to 394 of the companies Act,1956 (the scheme) with regard to merger of Magic touch InfoTech Limited (Transferor Company) with Sungold Capital Limited (Transferee Company) was sanctioned by the Hon'ble High Court of Gujarat on 20th March,2012.

Upon filing of certified copy of the high court with the register of companies, the scheme had become effective on 30th March, 2012.

- The amalgamation of the transferor company with the transferee company took effect from 01st April, 2011, being the merger appointed date.
- Sungold Capital Limited is into the business of NBFC and has an entertainment division, whereas Magic Touch Infotech limited is into the business of Software development, investment and finance.
- The transferor company Magic Touch Infotech Limited dissolved without undergoing the process of winding up.
- The Pooling of interest method of accounting is followed for amalgamation in the nature of merger.
- The Transferor Company Magic Touch Infotech Limited had a Authorized Capital of Rs 7 Crore divided in to **7, 00, 00,000[Seven Crore]** Equity shares of Re 1/- Each. The Issued, Subscribed & Paid up Capital of Company. was Rs 6, 99, 00,000/= [Six Crore Ninety Nine Lacs only] divided in to 6,99,00,00 [Six Crore Ninety Nine Lacs only] Equity Shares of Re 1/= Each. Under the scheme of Amalgamation 1[**One**] Equity Shares of Face Value of Rs 10/- each of the transferee Company. has been allotted for every 10[Ten] Equity Shares of transferor company. Therefore a total of **69, 90,000/- (Sixty Nine Lacs Ninety Thousand)Equity Shares of Rs 10/-** each has been allotted to the shareholders of Magic Touch Infotech Limited.



- f) The entire undertaking of Magic Touch Infotech Limited including all assets and liabilities were transferred to and vested in the company from appointed date 01st April, 2011.
- g) The Scheme has accordingly given effects in the accounts. The amalgamation has been accounted for under the manner as specified in the scheme 'Pooling of Interest' method. Surplus arising out of amalgamation shall be treated as Free Reserve & accordingly the Company has credited the surplus of Rs 2,82,822 to the Free Reserve as per the Scheme

3. Related Party Transactions (Accounting Standard -18):

Name of Related Parties & Descriptions of Relationships:

a) **Directors having a Significant Influence / Key Management Personnel:**

I. Mr. Rajiv Kotia –Managing Director

b) **Subsidiaries**

I. Shree Krishna Holiday Home and Farms Limited

II. Shree Krishna Infrastructure Limited

3.1 Transactions with Related Parties: -

<u>Name of The Party</u>	<u>Transaction Amount</u>
1. Mr. Rajiv Kotia	720000 Repayment Of Unsecured Loan

4. Leases (Accounting Standard – 19)

The company has not entered into any operating leases during the year.

5. Earning Per share : (Accounting Standard – 20)

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Profit attributable to Equity Shareholders (in Rs.)	1,82,938	1,21,021
No of Weighted Average Equity Shares outstanding during the year of Rs. 10 Each fully paid up.	140,83,485	67,43,485



Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Nominal Value of Equity Shares (in Rs.)	10	10
Basic Earnings per Share (in Rs.)	0.013	0.018
Diluted Earnings per Share (in Rs.)	0.013	0.018

6. Deferred Tax (Accounting Standard - 22)

The tax effects of significant timing (temporary) differences that resulted in Deferred Tax assets and liabilities and description of Financial Statement items that creates these differences are as follows:-

Fixed assets as per Books	830046
Fixed assets as per Income Tax Act	801034
Difference	<hr/> 29012
	Tax@30% 8704
	EducationCess@3% 261
Provision required	<hr/> 8965



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors
Sungold Capital Limited

1. We have audited the attached Consolidated Balance-Sheet of **SUNGOLD CAPITAL LIMITED** (the Company) and its subsidiaries (collectively referred to as “the group”) as at 31st March, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company’s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. We report that the consolidated financial statements have been prepared by the company’s management in accordance with the requirements of Accounting Standard (AS) 21, consolidated financial statements as notified by the companies (Accounting Standards) Rules, 2006.
4. Based on our audit as aforesaid, and on consideration of reports of other auditor on separate financial statements and on other financial information of the components and to the best of our information and according to the explanations given to us , we are of the opinion that the attached Consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012 and
 - b) In the case of Consolidated Statement of Profit & Loss Account, of the Profit for the year ended on that date.
 - c) In the case of Consolidated Cash Flow Statement of the Cash flows for the year ended on that date.

For R.K Somani & Associates
FRN:-118666W
Chartered Accountants,

(R.K Somani)
Proprietor
Membership No:-104927

Place: Mumbai
Date: 17/07/2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	March 31, 2012 Rs.	March 31, 2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	140,834,850	67,434,850
(b) Reserves and Surplus	2	15,139,440	11,168,799
(c) Money received against share warrants.		1,575,000	3,325,000
Minority Interest		5,562,944	5,558,256
		163,112,233	87,486,905
Current Liabilities			
(a) Short Term Borrowings	3	14,388,950	29,149,950
(b) Trade Payables	4	484,415	13,163
(c) Short Term Provisions	5	90,354	264,031
		14,963,719	29,427,144
TOTAL		178,075,952	116,914,049
ASSETS			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	709,046	432,348
(ii) Intangible Assets	6	121,000	0
(b) Non-current Investments	7	6,517,750	3,240,500
(c) Deferred Tax Assets (net)	8	1,945	10,910
(d) Long Term Loans and Advances	9	133,268,768	40,327,578
		140,618,509	44,011,336
Current Assets			
(a) Inventories	10	0	7,594,516
(b) Trade Receivables	11	36,203,992	59,576,687
(c) Cash and Cash Equivalents	12	944,733	5,480,233
(d) Other Current Assets	13	308,718	251,277
		37,457,443	72,902,713
TOTAL		178,075,952	116,914,049

Significant Accounting Policies
Notes on Financial statements
As per our report of even date

1 to 17

For **R.K.SOMANI & ASSOCIATES**
FRN:-118666W

For **SUNGOLD CAPITAL LIMITED**

Chartered Accountants.

Mr. Rajiv Kotia
Managing Director

Mr. R.K.SOMANI
(Proprietor)

Mr. Ashok Modi
Director

Membership No:-104927
Place : Mumbai
Date: 17.07.2012

SUNGOLD CAPITAL LIMITED



CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31ST MARCH, 2012

	Notes	March 31, 2012	March 31, 2011
		Rs.	Rs.
Revenue from Operations	14	11,595,724	1,977,597
Other Income		121,000	0
Total Revenue (I)		11,716,724	1,977,597
 EXPENDITURE			
Decrease in Inventories		7,542,417	0
Operating Expenses	15	1,189,124	201,801
Administrative and General Expenses	16	2,366,631	1,406,933
Selling and Marketing Expenses	17	249,877	106,079
Preliminary Expenses witten Off	13	0	109,327
Depreciation and Amortisation Expenses	6	109,922	11,632
Total Expenses (II)		11,457,970	1,835,772
Profit Before Tax (I-II)		258,754	141,825
Tax Expenses			
Current Tax		61,971	40,929
Deferred Tax		8,965	15,620
Profit for the year		187,818	85,276
 Earnings Per Equity Share of face value of Rs 10 each.			
Basic		0.0133	0.013
Diluted		0.0133	0.018

Significant Accounting Policies

Notes on Financial statements 1 to 17

As per our report of even date

For R.K.SOMANI & ASSOCIATES
FRN:-118666W

Chartered Accountants.

Mr. R.K.SOMANI
(Proprietor)

Membership No:-104927
Place : Mumbai
Date: 17.07.2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
Managing Director

Mr. Ashok Modi
Director



CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH, 2012

Particulars	For the year ended 31st March 2012	
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit & Loss Account		258,754
Adjustments for :		
Depreciation	109,922	109,922
Operating Profit Before Working Capital Changes		368,676
Adjustments for changes in working capital :		
Trade and Other Receivables	23,372,695	
Inventories	7,594,516	
Loans and Advances	(92,941,190)	
Trade Payables	240,292	
		(61,733,687)
Cash Generated for Operations		(61,365,011)
Income Tax Paid		(57,441)
Net Cash from Operating Activities (A)		(61,422,452)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(507,620)	
Purchase of Investment pursuant to the Scheme of Amalgamation	(3,277,250)	
Net Cash Used in Investing Activities (B)		(3,784,870)
C.CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Share Capital	1,750,000	
Share premium	3,500,000	
Share Capital Issued to Shareholder pursuant to scheme of merger	69,900,000	
Payment of Long Term Borrowings	(14,761,000)	
Reserve & Surplus arising out of merger	282,822	
Net cash used in Financing Activities (C)		60,671,822
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)		(4,535,500)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,480,233
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		944,733

For R.K.SOMANI & ASSOCIATES
FRN:-118666W

Chartered Accountants.

Mr. R.K.SOMANI
(Proprietor)

Membership No:-104927
Place: Mumbai
Date: 17.07.2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
Managing Director

Mr.Ashok Modi
Director



NOTES ON FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

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

1 SHARE CAPITAL	March 31, 2012	March 31, 2011.
	Rs.	Rs.
Authorised Shares		
1,70,00,000 Equity Shares of Rs. 10 each.	170,000,000	100,000,000
(Previous year :1,00,00,000)	170,000,000	100000000
Issued, Subscribed and Fully Paid-up Shares		
1,40,83,485 Equity Shares of Rs. 10 each Fully Paidup.	140,834,850	67,434,850
(Previous year :67,43,485)		
3,15,000 Fully Convertible Warrants into equity @ Rs.10 each	3,150,000	6650000
(Previous year :6,65,000)		
Less: Receivable upon conversion	(3,150,000)	(6,650,000)
	140,834,850	67,434,850

- Rs 35,00,000 Fully Convertible Warrants were converted into Equity Shares of the Company by issue of 3,50,000 Equity Share of Rs 10 each at a Premium of Rs 10 per share.
- Rs.6,99,00,000 The Company issued 69,90,000 Equity Shares Of Rs 10 each to the Shareholders Of Magic Touch Infotech Limited as per Order Of Honable High Court Of Gujarat dated 20th March, 2012 for merger of Magic Touch Infotech Limited with the Company for consideration other than cash.
- The details of shareholders holding more than 5% shares.

Name of the Shareholder	As at March 31, 2012		As at March 31, 2011.	
	No. of Shares	% Held	No. of Shares	% Held
NIL				

- The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011. No. of Shares
Equity Shares at the beginning of the year.	6743485	6120400
Add:-Conversion of warrants into equity shares.	350000	335000
Add:-Equity Shares issued other than cash.	0	288085
Add:-Shares issued pursuant to Scheme of merger.	6990000	0
Equity Shares at the end of the year.	14083485	6743485

- The company has 315,000 convertible warrants pending for conversion into equity shares of Rs. 10/- at the premium of Rs. 10/- each.



2 RESERVES AND SURPLUS

March 31, 2012 **March 31, 2011**
Rs. **Rs.**

(a) Capital Reserve

On Consolidation of Subsidiaries.	78,799	78,799
Closing Balance	<u>78,799</u>	<u>78,799</u>

(b) Security Premium Account

Balance as per Last Financial Statements	4,705,475	4,705,475
Add: on issue of 3,50,000 Equity Shares at a Premium of Rs 10 each upon conversion.	3,500,000	0
Closing Balance	<u>8,205,475</u>	<u>4,705,475</u>

(c) Special Reserve Fund

Balance as per Last Financial Statements	1,153,930	1,129,726
Add: Transfer from Profit and Loss account	33,590	24,204
Closing Balance	<u>1,187,520</u>	<u>1,153,930</u>

(d) General Reserve

Balance as per Last Financial Statements	66,326	66,326
Add: Arising Out Of Merger Of Magic Touch Infotech Limited with the Company	282,822	
Add: Transfer from Profit and Loss account	0	0
Closing Balance	<u>349,148</u>	<u>66,326</u>

(e) Profit & Loss Account

Balance as per Last Financial Statements	5,164,269	5,423,197
Net Profit/ (Net Loss) for the year	187,818	(234,724)
Deduct : Transfer to Special Reserves Fund @ 20%	(33,590)	(24,204)
Net Surplus in the Statement of Profit and Loss	<u>5,318,497</u>	<u>5,164,269</u>

GRAND TOTAL

15,139,440 **11,168,799**



3 SHORT-TERM BORROWINGS

Unsecured Borrowings

March 31, 2012 March 31, 2011

Rs.

Rs.

From Director

0

720,000

From other

14,388,950

28,429,950

Total

14,388,950

29,149,950

4 TRADE PAYABLES

March 31, 2012 March 31, 2011

Rs.

Rs.

Trade Payables

484,415

13,163

Total

484,415

13,163

5 SHORT TERM PROVISIONS

March 31, 2012 March 31, 2011

Rs.

Rs.

Provision for Taxation

64,068

43264

TDS Payable

2,550

182,162

Audit Fees Payable

11,236

38,605

Expenses payable

12,500

0

Total

90,354

264,031

6. FIXED ASSETS

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2011 Rs.	Additions Rs.	Deductions/Adjustment Rs.	Balance as at March 31, 2012 Rs.	Balance as at April 1, 2011 Rs.	For the year Rs.	Deductions/Adjustment Rs.	Balance as at March 31, 2012 Rs.	Balance as at March 31, 2011 Rs.	Balance as at March 31, 2012 Rs.
TANGIBLE ASSETS										
Computer	321,042	41,720	0	362,762	270,230	53,153	0	323,383	50,812	39,379
Typewriter	15,000	0	0	15,000	14,999	1	0	15,000	1	0
Printers	5,851	0	0	5,851	605	278	0	883	5,246	4,967
Mobile	23,620	14,400	0	38,020	2,442	1,637	0	4,079	21,178	33,941
Air-Conditioner	118,035	0	0	118,035	52,409	5,607	0	58,016	65,626	60,019
Furniture	431,282	20,000	0	451,282	199,112	28,029	0	227,141	232,170	224,141
Electrical Installation	66,456	0	0	66,456	54,815	3,157	0	57,972	11,641	8,484
Fax Machine	34,200	0	0	34,200	34,199	1	0	34,200	1	0
Refridgerator	5,200	0	0	5,200	962	247	0	1,209	4,238	3,991
LCD Television	30,690	0	0	30,690	5,090	1,458	0	6,548	25,600	24,142
Projector		310500	0	310,500	0	13,292	0	13,292	0	297,208
Film Harddisk	18,900		0	18,900	3,064	3,064	0	6,128	15,836	12,772
Total (A)	1070276	386620	0	1456896	637927	109922	0	747849	432349	709046
INTANGIBLE ASSETS										
Film rights	0	121000	0	121,000	0	0	0	0	0	121,000
Total (B)	0	121000	0	121,000	0	0	0	0	0	121,000
GRAND TOTAL (A+B)	1070276	507620	0	1577896	637927	109922	0	747849	432349	830046
Previous Years Figures	1,014,715	55,560	0	1,070,275	606,665	31,262	0	637,927	408,050	432,348



7 NON CURRENT INVESTMENTS	March 31, 2012	March 31, 2011
	Rs.	Rs.
Unquoted Investments		
250000 equity shares of Rs. 10 each of Teflas Commodity Interface P. Ltd	2,500,000	2,500,000
126775 equity shares of Rs. 10 each of Andura Info Products Private Ltd	1,267,750	0
50000 equity shares of Rs. 10 each of Chandresh Cable Private Ltd	500,000	0
200000 equity shares of Rs. 10 each of Shree Bajrang Power & Ispat Ltd	2,000,000	0
Mulki Infraproject Private Limited	250,000	250,000
Shree Bajrang Power & Ispat Ltd	0	490,500
Total	6,517,750	3,240,500

Notes:

- (a) Aggregate amount of Unquoted Investments - At Book Value Rs 6533250.
- (b) Aggregate amount of Quoted Investments - At Book Value Nil
- (c) Investment of Rs.37,67,750 has been received pursuant to Scheme of merger with Magic touch Infotech Ltd.

8 Deferred Tax Asset	March 31, 2012	March 31, 2011
	Rs.	Rs.
Deferred Tax Asset	1,945	10,910
Total	1,945	10,910

9 LONG-TERM LOANS AND ADVANCES	March 31, 2012	March 31, 2011
	Rs.	Rs.
Security deposit		
Unsecured, considered good	373,560	111,830
(A)	373,560	111,830
Advances recoverable in Cash or Kind		
Unsecured, considered good	132,895,208	40,215,748
(B)	132,895,208	40,215,748
Total (A + B)	133,268,768	40,327,578

10 INVENTORIES	March 31, 2012	March 31, 2011
[Valued at lower of cost and net realizable value]	Rs.	Rs.
Inventory Film	0	7594516
Total	0	7,594,516



11 TRADE RECEIVABLES	March 31, 2012	March 31, 2011
	Rs.	Rs.
Other receivables		
Unsecured, considered good	36,203,992	59,576,687
Total	36,203,992	59,576,687
12 CASH AND CASH EQUIVALENTS	March 31, 2012	March 31, 2011
	Rs.	Rs.
Balances with Banks:		
On Current Accounts	77,917	92407
Cash on Hand	866,816	5387826
Total	944,733	5,480,233
13 OTHER CURRENT ASSETS	March 31, 2012	March 31, 2011
	Rs.	Rs.
Unamortized Expenditure		
Preliminary Expenses	247,562	309452
Written off during the year	0	-61890
(A)	247562	247562
Others		
Tax Deducted at Sources (10-11)	3,715	3,715
Tax Deducted at Sources (11-12)	57,441	0
(B)	61,156	3,715
Total	308,718	251,277
14 REVENUE FROM OPERATIONS	March 31, 2012	March 31, 2011
	Rs.	Rs.
(A) Entertainment Division Income	9,622,622	1,758,433
(B) Interest Received	1,690,376	100,793
(C) Income From Operation	282,726	118,371
Revenue from Operations (Gross) (A+B+C)	11,595,724	1,977,597
15 OPERATING EXPENSES	March 31, 2012	March 31, 2011
	Rs.	Rs.
Entertainment Division Expenses	1,189,124	201,801
Total	1,189,124	201,801

**16 ADMINISTRATIVE AND GENERAL EXPENSES****March 31, 2012 March 31, 2011**

	Rs.	Rs.
Membership & Subscription Fees	9,025	2,110
Salary Expenses	785,172	477,499
Accounting Fees	12,240	7,650
Telephone Expenses	20,717	23,628
Electricity Expenses	42,810	35,720
Rent	244,720	193,240
Repair & Maintenance Charges	140,174	26,125
Bank Charges	3,780	4,240
Boarding & Lodging	4,950	-
Books & Periodic	1,320	-
Education Training Fees	5,515	-
Insurance Exp (Vehicle)	13,777	15,965
Legal Expenses	32,500	-
Office Expenses	307,542	114,788
Postage & Courier / Telegram	28,638	27,639
Printing & Stationery / Xerox	108,511	33,113
Professional Charges	37,080	174,928
ROC Filling Charges	56,694	5,600
Stamp Duty Charges	13,712	3,037
Sundry w/off	180	319
General Expenses	-	6,902
Digital Signature Expenses	-	3,600
Diwali Expenses	-	2,997
Donation 80G (Gujarat Law Society)	51,000	-
Miscellaneous Expenses	8,894	4,626
BSE Limited Listing fees	303,325	126,845
NSDL- CDSL Listing Fees	57,326	62,871
Registrar Expenses	43,724	23,103
(A)	2,333,326	1,376,545

Payment to Auditor:

	March 31, 2012	March 31, 2011
As Auditor:	RS.	RS.
Audit Fee	27,575	27,575
Audit Fee-Subsidiary	5,730	2,813
(B)	33,305	30,388
Total(A+B)	2,366,631	1,406,933

**17 SELLING AND MARKETING EXPENSES**

	March 31, 2012	March 31, 2011
	Rs.	Rs.
Advertisement Expenses	59,452	8,144
Business Promotion Expenses	2,995	36,561
Travelling & Conveyance Charges	179,930	61,374
Website Designing Charges	7,500	0
Total	249,877	106,079

Signature to notes.

As per our report of even date

For R.K.SOMANI & ASSOCIATES

FRN:-118666W

Chartered Accountants.

Mr. R.K.SOMANI

(Proprietor)

Membership No:-104927

Place : Mumbai

Date: 17.07.2012

For SUNGOLD CAPITAL LIMITED

Mr. Rajiv Kotia
Managing Director

Mr.Ashok Modi
Director



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Principles of consolidation

The consolidated financial statements relate to Sungold Capital Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

C. Other significant accounting policies.

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.



FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

DETAILS OF SUBSIDIARIES COMPANIES FOR THE FINANCIAL YEAR 2011-12		
	Amount (in Rs.)	Amount (in Rs.)
NAME OF THE SUBSIDIARIES COMPANY	SHREE KRISHNA INFRASTRUCTURE LTD	SHREE KRISHNA HOLIDAY HOME AND FARMS LTD
Capital	4355200	4790700
Reserve	1502368	704679
Total Assets	11974852	13795060
Total Liabilities	11974852	13795060
Investments	250000	NIL
Turnover/Total Income	329285	225080
Profit Before Tax	6844	7002
Taxation	2116	2164
Profit after Tax	4728	4838
Proposed Dividend	NIL	NIL

Name of the Company	Country of Incorporation	% voting power held as at 31 st March, 2012	% voting power held as at 31 st March, 2011
Shree Krishna Infrastructure Ltd	India	51%	51%
Shree Krishna Holiday Home and Farms Ltd	India	51%	51%



GREEN INITIATIVE & E-COMMUNICATION REGISTRATION FORM

Dear Shareholder,

Sub: Green Initiative in Corporate Governance Service of documents by electronic mode

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance “allowing paperless Compliance by Companies. In accordance with the recent circular No. 17/2011 dated 21.04.2011 and circular No. 18/2011 dated 29.04.2011 issued by the MOA Companies can now send various notices and documents including the Annual Reports to its shareholders through electronic mode to the registered email address of shareholders.

If you hold shares in Demat Form we invite you to the contribution to the cause by updating your email id details with your Depository Participant. In case you hold shares in physical form please complete the form given below and send it back to us.

Please note that as a member of the Company you are entitled to receive all such communication in physical form upon request.

Best Regards

Company Secretary & Compliance Officer

.....
E-COMMUNICATION REGISTRATION FORM

(In terms of Circular No. dated 21.04.2011 issued by MINISTRY OF CORPORATE Affairs)

**To,
The Sungold Capital Limited,
205, Jeet Complex, Nr Jain Temple,
C.G Road, Navrangpura,
Ahmedabad-380009**

Dear Sir/Madam,

I/We agree to receive all communication from the Company in electronic mode. Please register my mail id in your records for sending communication through mail.

Folio no.:

DP ID:

Name of the first holder:

Name of the Joint Holder:

E-mail id (to be registered)

I/We will keep the Company informed as and when there is any change in the email address

Date:

Signature of the first Holder

Important Dates:

1. Please fill in the Capital Letters in legible handwriting.
2. Shareholders are requested to keep the Company informed as and when there is any change in email unless the email id is changed



ATTENDANCE SLIP

SUN GOLD CAPITAL LIMITED

Regd. Office: 205, Jeet Complex, Near Jain Temple, C.G. Road, Ahmedabad – 380009

PLEASE FILL THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip at the venue of the meeting.

DP Id*	
-----------	--

Master Folio No.	
---------------------	--

Client Id*	
---------------	--

No. of Shares	
------------------	--

NAME AD ADDRESS OF SHAREHOLDER

I hereby record my presence at the 20th Annual General Meeting of the company held on Saturday, 11th August, 2012 at 9.30 a.m. at 3rd Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480 Gujarat

Signature of Shareholder/proxy

*Applicable for investors holding shares in electronic form.

PROXY FORM

SUN GOLD CAPITAL LIMITED

Regd. Office: 205, Jeet Complex, Near Jain Temple, C.G. Road, Ahmedabad – 380009

DP Id*	
-----------	--

Master Folio No.	
---------------------	--

Client Id*	
---------------	--

I/We _____ of _____ being a member 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 **20th ANNUAL GENERAL MEETING** of the company to be held on Saturday, 11th August, 2012 at 9.30 A.M. at 3rd Floor, Ganesh Plaza, Near Mahavir Nagar, Ranip, Ahmedabad – 382 480 at any adjournment thereof. As a witness my/our hand(s) this _____ day of _____ 2012.

Date:

(Signature of the Shareholder)

Affix a 100 Paise Revenue Stamp

NOTE:

- The proxy need NOT be the member of the Company.**
- The Proxy Form duly completed and signed across the stamp must reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting**



Best Supporting Actress of the year

"Minal Karpe"

for Hun premi No. 1.....

(A Gujarati Flim)



Best Choreographer of the year

"Saroj Khan"

in

Hun Premi No.1 (A Gujarati Flim)

If undelivered, please return to:

SUNGOLD CAPITAL LIMITED

Regd. Office: 205, Jeet Complex, C.G. Road, Near Jain Temple, Navrangpura, Ahmedabad - 380009