



Ajwa Fun World & Resort Limited

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**12TH
ANNUAL REPORT
2003-2004**



AJWA FUN WORLD & RESORT LIMITED

12th Annual Report 2003-2004

BOARD OF DIRECTORS

RAJESH C. JAIN
DEVENDRA U. JAIN
BABUBHAI D. MAKWANA
PARESH K. PATEL
SURBHI R. JAIN

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS

M/s. Porwal & Porwal
Chartered Accountants,
214, Marine Chambers,
11, New Marine Lines,
Mumbai-400 020.

BANKERS

Bank of Baroda
Kothi Branch,
Baroda.

REGISTERED OFFICE / PARK

Ajwa Nimeta Road,
P.O. Ajwa Compound - 391 510.
Ta. Waghodia,
Dist. Baroda.

CORPORATE OFFICE

"A-Tower", 1st Floor,
Kunj Resi Cum Plaza,
Palace Road, Baroda - 390 001.

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AJWA FUN WORLD & RESORT LIMITED**NOTICE**

NOTICE is hereby given that the **Twelfth Annual General Meeting** of the Members of **AJWA FUN WORLD & RESORT LIMITED** will be held on Thursday, 30th September, 2004 at the Registered office of the Company situated at Ajwa Nimeta Road, P.O. Ajwa Compound - 391 510, Tal. Waghodia, Dist. Baroda at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date together with the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Devendra U Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED that, subject to the provisions of the Companies Act, 1956 (including any statutory modification/s, notifications or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board," which terms shall be deemed to include any committee thereof, for the time being exercising the powers conferred on the Board by this resolution), the consent is hereby accorded to the Board to delist the Company's Equity Shares from all or any of the Stock Exchanges viz. The Stock Exchange, Ahmedabad, The Vadodara Stock Exchange Limited, Vadodara and the M. P. Stock Exchange Limited, Indore, with an authority to do all the things and deeds at its discretion to give effect to the resolution."

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa

Date : 30th June, 2004

Rajesh C. Jain

[Chairman & Managing Director]

NOTE/S :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

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2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September 2004 to 30th September 2004 (both days inclusive).
3. Members are requested to notify any change in their addresses directly to the Corporate office of the Company situated at "A Tower", Kunj Resi Cum Plaza, Palace Road, Baroda - 390001.
4. The explanatory statement setting out material facts in respect of special business is annexed here to.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]

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AJWA FUN WORLD & RESORT LIMITED**EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under item No.4 of the accompanying Notice dated 30th June, 2004.

Item No.4:

Presently, the Company's Equity Shares are listed on the following 4 Stock Exchanges in India:

- (i) The Stock Exchange, Ahmedabad,
- (ii) The Vadodara Stock Exchange Limited, Vadodara,
- (iii) The M. P. Stock Exchange Limited, Indore &
- (iv) The Stock Exchange, Mumbai.

With the wide and extensive networking of centres of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country. The trading volumes of the Company's Equity Shares on the Stock Exchanges at Ahmedabad, Vadodara and Indore are almost nil.

The proposed voluntary delisting of the Company's Equity Shares from the said delisting on Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Exchanges are situated. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Member's approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said three Stock Exchanges as set out in the Resolution at item No. 4. In terms of the said Guidelines, as the Company's Equity Shares shall continue to remain listed on the BSE, no Exit Option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interested in the Resolution at item No.4, except as shareholder.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]

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5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a ORDINARY RESOLUTION :

" RESOLVED THAT in terms of the provisions of Section 293 (1) (a) and all other applicable provisions of the companies act, 1956 and subject to all such approvals, concurrence, confirmations, as may be required to be obtained from the lenders, a government authorities for the purpose, the consent of the company be and hereby accorded to the board of directors to sell, lease or otherwise dispose off a undertaking, undertakings, of the company in the form of a water park, fun world, resort & rajwadi the village, and all other assets, properties and amenities incidental to the use of aforesaid assets for the business of the company so that the operations of the company can be more rationalized and better utilized.

FURTHER RESOLVED THAT the board of directors be and are hereby authorized to do all the things and deeds including to signify and execute the documents, instruments, deeds whatsoever required or incidental to the aforesaid resolutions for giving effect to the decision of the members of the company."

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

Item No. 5 :

Your Company is at present engaged in Entertainment activities represented through Ajwa Water Park, Ajwa Fun World, Resort, Rajwadi the village, having infrastructure located nr. Baroda. In view of fact that the tourism and entertainment industries in general is passing through the recessionary trend having direct impact on the profitability and the financial position of the project of the company. Keeping in view the present scenario the board of directors of your company has contemplated the diversified planning to explore the possibilities of giving out all the amenities, properties, assets and the facilities used for the entertainment activities to other parties, persons or the company as the case may be at a fixed consideration or proportionate consideration to be used on the basis of leave a licence/ lease as may be decided by the board of directors. However the aforesaid authority can be executed by the board if the approvals from the members U/s.293(1) (a) of the companies act is accorded to the Board of Directors and hence the Board commends the passing of the resolution.

No director is directly or indirectly deemed to be interested in passing resolution.

AJWA FUN WORLD & RESORT LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

To,

The Members,

Your Directors present their **Twelfth Annual Report** together with the Audited Accounts for the year ended 31st March, 2004

Financial Results

	[Rs. in Lacs]	
PARTICULARS	2003-2004	2002-2003
Total Income	96.59	103.00
Profit/(Loss) before Depreciation and tax	(177.95)	(169.20)
Less : Depreciation	52.82	57.36
Profit/(Loss) Before Tax	(230.78)	(222.04)
Net Profit/(Loss) After Tax	(230.78)	(222.04)

OPERATIONS

The Company posted dismal performance particularly on account of the general recession in the entertainment industry and generally due to slow down in the economy as a whole. During the year under review, on a turnover of Rs. 96.59 Lacs, the Company's Net loss stood at Rs.230.78 Lacs. However, your Directors are exploring opportunities for corporate restructuring and the better future prospects of the Company. Your Company is engaged in a single corporate activity and hence there are no reportable business or geographical segments.

DIVIDEND

Your Board of Directors do not recommend any dividend in view of the carried over losses.

DIRECTORS

Mr. Devendra U Jain, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

AUDITORS

M/s. Porwal & Porwal, Chartered Accountants, Mumbai, retire as an Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment and they have furnished the certificates for their eligibility as per Section 224(1B) of the Companies Act, 1956.

AUDIT COMMITTEE

As required under Section 292A of the Companies Act, 1956, Audit Committee comprising Shri Rajesh C Jain, Shri Devendra U Jain and Ms. Surbhi R Jain has been formed. Audit Committee meetings were held in accordance with statutory requirements.

INDUSTRIAL RELATIONS

During the year under review the relation between employees and management remained cordial.

AJWA FUN WORLD & RESORT LIMITED**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO**

As required by the provisions of section 217 (I) (e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant data pertaining to Conservation of Energy, Technology absorption & Foreign exchange earnings and out go are furnished in the Annexure forming part of this report.

AUDITORS REPORT

Auditors observations are self-explanatory and/or suitably explained in the notes on Accounts.

PARTICULARS OF EMPLOYEES

There was no employee during the year under review whose particulars are required to be given pursuant to Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good corporate governance as an important step towards building investor confidence, improve investor's protection and maximise long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on the Corporate Governance forms part of the Annual Report along with Auditor's Certificate on its compliance.

DIRECTORS RESPONSIBILITY

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

- i] *That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures ;*
- ii] *That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;*
- iii] *That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;*
- iv] *That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a 'going concern' basis.*

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM CERTAIN STOCK EXCHANGES

The Equity Shares of your Company are presently listed on the Stock Exchanges at Ahmedabad, Mumbai, Vadodara & Indore. The Shares of your Company are compulsorily traded in dematerialised form.

Specific attention of the Members is drawn to item No.4 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its Equity Shares from all Stock Exchanges excluding The Stock Exchange Mumbai. With the wide and extensive

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networking of centres of the BSE, the investors have access to online dealings in the Company's Shares across the country. The trading volumes of the Company's Equity Shares on the Stock Exchanges at Ahmedabad, Vadodara and M.P. (hereinafter referred to as "the said Stock Exchanges") are practically Nil since past few years as the bulk of trading is transacted on the BSE & hence it is not at economical and cost effective to pay listing fees to the detriment of small and scattered investors.

ACKNOWLEDGMENT

Your Directors places on record their sincere appreciation of the co-operation and assistance extended by the bankers of the Company. They also places on record their appreciation of the devoted services rendered by the Whole Time Directors, Executives, Staff Members and Workers of the Company.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa

Date : 30th June, 2004

Rajesh C. Jain

[Chairman & Managing Director]

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2004.

I. CONSERVATION OF ENERGY**FORM "A"**

Your Company falls out of the purview of the list of Industries which are required to furnish the necessary information in Form A.

II. Disclosure of Particulars with respect to Technology Absorption, Adaptation and Innovation (To the extent applicable)**FORM "B"**

	Current Year	Previous Year
1) Research & Development (R & D)	NIL	NIL
2) Technology Absorption, Adaptation and innovation	NIL	NIL
III. FOREIGN EXCHANGE		
EARNINGS	NIL	NIL
OUT GO	NIL	NIL

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa

Date : 30th June, 2004

Rajesh C. Jain

[Chairman & Managing Director]

AJWA FUN WORLD & RESORT LIMITED**CORPORATE GOVERNANCE REPORT**

Pursuant to clause 49 of the listing agreement, a report on corporate governance is given below.

1) Company's philosophy on code of governance

Corporate Governance deals with the laws, procedures, and practices to determine Company's ability to take managerial decisions and in particular relations with shareholders, customers / suppliers and employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other stakeholders. This in turn will lead to corporate growth and the actions of the management arising out of this Corporate Governance would create wealth for the Company as well as for Society at large.

2) Board of Directors

The present strength of the Board is 5 Directors. The Board comprises of executives and non-executive Directors. The non-executive Directors are 4 and 1 Director is Chairman & Managing Director.

During the year, Four Board meetings were held and the gap between two meetings did not exceed 4 months. The Board meetings were held on June 30, 2003, September 30, 2003, December 31, 2003 & March 31, 2004. None of the Directors on the Board is a member of more than 10 Committees & more than 5 Committees as Chairman.

The names and category of Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meetings and also the number of Directorships and Committee memberships / Chairmanships held by them in other Companies are given below:

Sr No.	Name of the Director/s	Executive/ Non-Executive/ Independent/ Promoter	No. of other Companies in which Director	No. of Committees/ Positions held in other Companies
1	Rajesh C. Jain *	Executive & Promoter	3	1
2	Devendra U. Jain	Non-Executive independent	0	3
3	Babubhai D. Makwana	Non-Executive independent	0	0
4	Paresh K. Patel	Non-executive independent	0	0
5	Surbhi R. Jain	Non-Executive	0	3

* Reappointed as Chairman & Managing Director w.e.f. 25th January, 2003.

3. Information regarding Directors pursuant to part VI (A) of Clause 49 of the Listing agreement entered into with the Stock Exchanges.

- a) Mr. Devendra U. Jain, a seasoned businessman, is retiring by rotation and being eligible offers himself for reappointment. Shri Devendra U. Jain, is an industrialist and has been a Director of the Company for the past several years.