

**FIFTEENTH
ANNUAL REPORT
AND
ACCOUNTS
2001-2002**



FUNWORLD

&

TOURISM DEVELOPMENT LTD.

FIFTEENTH ANNUAL REPORT 2001-2002

Administrative Office : "Saya House", Nr. Mithakhali Under Bridge,
Mithakhali, Ahmedabad - 380 006.



FUNWORLD & TOURISM DEVELOPMENT LTD.

NOTICE

Notice is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Shareholders of FUNWORLD AND TOURISM DEVELOPMENT LIMITED will be held at the Registered Office of the Company at 43, Sakan Twin Bungalows, Nr. Management Enclave Vastrapur, Ahmedabad on Monday the 30th September, 2002 at 10.00 a.m. to transact the following Ordinary and Special business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March, 2002 the profit & loss Account for the year ended on that date and the Reports of Directors' and Auditors thereon.
2. To appoint Director in place of Mr. S. G. Jadeja who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to provision of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications of re-enactment thereof, for the time being in force and subject to any approvals if necessary, the existing set of Articles of Association of the Company be and they are hereby altered / amended / modified in manner and to the extent as incorporated in the new set of Articles of Association now placed before the meeting duly initialed by the Chairman for identification which Articles be and they are hereby adopted as Articles of Association of the Company."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXY MUST REACH TO THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books will remain closed from 16th September, 2002 to 30th September, 2002 (both days inclusive).
3. Members are requested to kindly bring their copies of the reports and accounts at the meeting.
4. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of special Business is annexed hereto and forms part of this Notice.

Date : 1-9-2002
Registered Office :
43, Sakan Twin Bungalows,
Nr. Management Enclave,
Vastrapur, Ahmedabad.

For and behalf of the
Board of Directors

H. S. JADEJA
WHOLE TIME DIRECTOR

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS PROPOSED AT ITEM NO 4 OF THE NOTICE OF THE 15TH ANNUAL GENERAL MEETING.

ITEM NO. 5 OF NOTICE

Since the invocation of Securities and Exchange Board of India in 1992, there are large number of changes in various legislations applicable to Corporate Sector. Vide Depositories Act, 1996, the Government of India has introduced issuance of shares in dematerialise form. The said Act contains various overriding provisions as applicable in case of shares issued in physical form. In addition to above vide Companies Amendment Act, 1998 and Companies Amendment Act, 2000, the Government of India has also made sweeping changes in the Companies Act, 1956, a prime Act regulating the Company day to day to functioning. Some of the major changes which are introduced in the Companies Act, 1956 are (1) issuance of Sweat Equity shares i.e. equity shares issued by the Company to employees or directors at a discount or for consideration other than cash for providing know how or making available rights in the nature of intellectual property rights or value additions, by whatever name called (2) buy-back of its own shares by the Company.

Further, in terms of the requirements of Securities and Exchange Board of India and Stock Exchange, Mumbai making it compulsory for all B2 group Companies to compulsorily get its securities dematerialised, the Company has made necessary applications to National Securities Depository Limited - NSDL and Central Depository Services [India] Limited - CDSL. For the purpose of properly defining the provisions applicable due to such, it is necessary to have enabling provisions in the Articles of Association in that regard.

In view of the above it has now become necessary to alter the present set of articles so as to incorporate therein various statutory requirements as well as enabling provisions. The revised set of Articles contains all changes which are proposed to be made in the existing set of Articles.

As per the provisions of Section 31 of the Companies Act, 1956, consent of the members is necessary for any alteration in Articles of Association of the Company.

A copy of the existing Articles of Association of the Company along with the proposed alterations and also complete revised set of Articles of Association are available for inspection at the Registered Office of the Company between 10.00 and 2.00 p.m. on all working days.

Your directors recommend this resolution for approval of the shareholders.

Date : 1-9-2002
Registered Office :
43, Sakan Twin Bungalows,
Nr. Management Enclave,
Vastrapur, Ahmedabad.

For and behalf of the
Board of Directors

H. S. JADEJA
WHOLE TIME DIRECTOR



FUNWORLD & TOURISM DEVELOPMENT LTD.

DIRECTORS' REPORT

To,

The Members,

Your Directors present herewith FIFTEENTH Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

Out of the total income of Rs. 109.12 lacs, after providing for Rs. 0.17 lacs financial charges, Rs. 28.87 lacs as Depreciation, Rs. 1.30 lacs for taxation, the Company earned profit of Rs. 1.55 lacs. In terms of the recent amendment in the Income Tax Act, the Company has made a provision of Rs. 42.28 lacs for prior period deferred tax. The net profit now carried to balance sheet was Rs. 55.41 lacs.

OPERATIONAL REVIEW

The performance during the year has though stagnant but was an achievement considering slowdown in economy and disturbances in last quarter of the financial year under review. The total income from operations was Rs. 109.12 lacs as compared to Rs. 111.06 lacs of that of the corresponding period. However the Company managed to control administrative and other expenses so as to increase gross profit margin. The steps taken by the Company for economy will help the Company to achieve higher profits margins in the coming years.

DIRECTORS

Mr. S. G. Jadeja Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 [2AA] of the Companies Act, 1956 your Directors state that :

1. in the preparation of accounts the applicable accounting standards have been followed.
2. the Company has 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 affairs of the Company at the end of 31st March, 2002 and of the profit and loss account for the year ended on that date.
3. proper and sufficient care has been taken 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 any frauds and other irregularities.
4. the annual account for the year ended 31st March, 2002 have been prepared on a going concern basis.

AUDIT COMMITTEE

The Audit Committee comprising three Directors namely Shri H. S. Jadeja, Shri Dilavarsinh Jadeja and Shri Shambhusinh Jadeja has met four times during the year under review. The Committee has carried out discussion on the matters referred to them at the time of its constitution in the last year. The Committee has remained regularly in touch with the auditors and has given due recognition to the suggestions made by the auditors. The suggestions and recommendations of the Committee on accounting systems and the accounting treatment on various matters, after further discussion with auditors were normally implemented.

DEPOSITS

The Company has not received any deposits from the public within the meaning of Section 58A of the Companies Act 1956 read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s. Jeevan Jagetiya & Co. Chartered Accountants Ahmedabad the Auditor of the Company retires at the ensuing Annual General Meeting and are recommended for reappointment.

D-MET FACILITY TO SHAREHOLDERS

In terms of the requirements of Securities and Exchange Board of India and Stock Exchange, Mumbai making it compulsory for all B2 group Companies to compulsorily get its securities dematerialised, the Company has made necessary applications to National Securities Depository Limited - NSDL and Central Depository Services [India] Limited - CDSL. M/s. Pinnacle Shares Registry Private Limited has been appointed as the Company's Registrar and Transfer agent for electronic connectivity with NSDL and CDSL.

CONSERVATION OF ENERGY ETC.

The Company is running an Amusement Park. Some of the rides are consuming and operated by Diesel whereas some are operated by electricity. The use of electricity is of a very minimal nature. There is no foreign exchange earnings or outgo during the year under review.

PARTICULARS OF EMPLOYEES

The Company had no employees covered under Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

The Directors extend their sincere thanks to all Government and non-Government agencies Rajkot Municipal Corporation visitors of the park banks and all others associated with the Company including employees of the Company for their co-operation continued support assistance trust and confidence reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

H. S. JADEJA
CHAIRMAN

Ahmedabad

1st September, 2002



FUNWORLD & TOURISM DEVELOPMENT LTD.

AUDITOR'S REPORT

The Member,
FUNWORLD & TOURISM DEVELOPMENT LIMITED
AHMEDABAD.

We have audited the attached Balance Sheet of FUNWORLD & TOURISM DEVELOPMENT LIMITED as at 31st March, 2002 and also the Profit and Loss account of the company for the year ended on that date annexed thereto. This Financial Statement are the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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 statement are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statement. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing And Other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of section 227(4A) of the companies act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
2. Further, to our comments in the annexure referred to in paragraph 1 above we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as it appears from our examination of the books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Profit & Loss account and Balance sheet mentioned above complied with the mandatory accounting standards referred to in sub-section 3C of section 211 of the Companies Act, 1956.
 - (e) on the basis of the written representations received from the directors as on 31st March, 2002, and take on record by the board of directors, we report that none of the director is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub section (1) of the section 274 of the Companies Act, 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manners so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of the Balance sheet of the state of affairs of the Company as at 31st March, 2002 and
 - ii. In the case of the Profit & Loss Accounts of the PROFIT for the year ended on that date.

PLACE : AHMEDABAD

FOR JEEVAN JAGETIYA & CO.
CHARTERED ACCOUNTANTS

DATE : 01-09-2002

(JEEVAN JAGETIYA)
PROPRIETOR

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 1 of the Report of even date to the members of FUNWORLD & TOURISM DEVELOPMENT LIMITED., for the year ended 31st March 2002.

1. The company is maintaining proper records showing particulars including quantitative details and situation of fixed assets. We are informed that certain assets are verified during the year and as informed to us the company has prepared a programme of verification of assets over a reasonable period of time. As informed to us, no discrepancies were noticed on such verification.
2. The company has not revalued any of its fixed assets during the year.
3. The stock of food & beverages, stationery, stores and spares have been physically verified at the end of the year. As informed by the management no material discrepancies have been noticed on physical verification.
4. In our opinion and according to the information and explanations given to us, the procedures for physical verification to stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. In our opinion and according to the information and explanations given to us, the discrepancies between physical stocks and the books records were not material and the same have been properly dealt with in the books of accounts at the end of the year.
6. In our opinion, the valuation of stocks done by the management is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken unsecured loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or under the same management as defined under sub section (1B) of section 370 of the Companies Act, 1956.
8. The company has not given any loans, secured or unsecured to companies firms or other parties listed in the register maintained under U/s. 301 of the companies act 1956 except the companies referred to in note no. 17 of notes on account or the company under the same management as defined under sub section (1B) of section 370 of the Companies Act, 1956.
9. The parties and employees to whom loans and advances in the nature of the loans have been given by the company are generally repaying the principal amount as stipulated and have also regular in payment of the interest wherever applicable.
10. There is an adequate internal control procedure, commensurate with the size of the Company and the nature of its business for the purchase of stores, goods including components, plants and machinery, equipment and other assets and for the sale of goods.
11. According to the information explanations given to us, there was no transaction of purchase of raw materials, goods and sales of goods, materials and services in pursuance of contracts or arrangements with such parties as listed in the Register maintained under section 301 of the companies act, 1956 aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. As explained to us, the company has no unserviceable or damaged stores, raw-materials and finished goods.
13. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public as defined under section 58A of the Companies Act, 1956 and the Rules framed thereunder.
14. As informed to us, the company has no scrap and by products.
15. The Company did not have a formal internal audit system during the year under review. However, the Company has explained that its internal control procedure involve reasonable internal checking of its financial records which is considered adequate under the circumstances.
16. The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
17. According to explanation given to us, the company is regular in depositing Provident Fund and Employees' State Insurance dues, with the appropriate authority.
18. According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and excise duty which have remained outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable.
19. According to information and explanations give to us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The company is not a sick Industrial Company within the meaning of clause (O) of sub-section (1) of section 3 of the sick Industrial Companies (Special Provisions) Act, 1985.
21. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
22. The provisions of any special statute applicable to Chit fund, nidhi or Mutual benefit society are not applicable to the company.
23. In respect of investments made by the company in shares, proper records have been maintained. The shares have been held by the company in its own name.

PLACE : AHMEDABAD

FOR JEEVAN JAGETIYA & CO.
CHARTERED ACCOUNTANTS

DATE : 1-9-2002

(JEEVAN JAGETIYA)
PROPRIETOR