

**TWENTIETH
ANNUAL REPORT
AND
ACCOUNTS
2006-2007**



FUNWORLD
&

TOURISM DEVELOPMENT LTD.



FUNWORLD & TOURISM DEVELOPMENT LTD.

TWENTIETH ANNUAL REPORT 2006-2007

Board of Directors	:	Shri Hitendrasinh S. Jadeja Shri A. J. Muchhala Shri Bhuvnesh Bhatt Shri Jayedeepsinh Vaghela Shri Pravinsinh Jhala	Chairman & Whole Time Director Director Director Director Director
Bankers	:	State Bank of Saurashtra Centurion Bank of Punjab Ltd.	
Auditors	:	Rashmikanth Sheth & Associates 572, Marshall House, (5th Floor), 33/1, Netaji Subhas Road, Kolkata : 700 001	
Registered Office	:	43. Sakan Twin Bungalows, Nr. Management Enclave, Vastrapur, Ahmedabad-380015.	
Amusement Park	:	Race Course Ground, Rajkot-360 001.	
Administrative Office	:	"Saya House", Nr. Mithakhali Under Bridge, Mithakhali, Ahmedabad-380 006.	



FUNWORLD & TOURISM DEVELOPMENT LTD.

NOTICE is hereby given that the 20th ANNUAL GENERAL MEETING of the Shareholders of FUNWORLD AND TOURISM DEVELOPMENT LIMITED will be held at the Registered Office of the Company at 43, Sakar Twin Bungalows, Nr. Management Enclave, Vastrapur, Ahmedabad – 380015 on Saturday the 29th day of September, 2007 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 2007, the Profit and 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. Praveensinh Jhala, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. H. S. Jadeja, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

NOTE:

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 FORTYEIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and share transfer books will remain closed from 16th September, 2007 to 29th September, 2007 [Both days inclusive].
3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
4. As a matter of convenience, the shareholders are requested to inform their queries, if any, the Company in advance so as to enable the Company to properly reply the same at the time of Meeting.

Date: 1.8.2007

Regd. Office:

43, Sakar Twin Bungalows,
Nr. Management Enclave,
Vastrapur, Ahmedabad.

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS,

SD/-

H. S. JADEJA

WHOLE-TIME DIRECTOR

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DIRECTORS' REPORT

To
The Members
Your Directors present 20th Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS

During the year under review, the Company has incurred loss of Rs. 20.44 lacs after making provision of Rs. 32.60 Lacs for depreciation and Rs. 00.62 Lacs for financial charges. After adjusting the previous carried forward profits against the year under review losses, the net profit carried to Balance Sheet stands reduced to Rs. 5.48 Lacs.

OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 109.85 Lacs as compared to Rs. 97.69 Lacs of that of the previous year showing little increase. Modernization and expansion of Park is a continuous process at Park so as to maintain test and interest of visitors. Though new rides are introduced in the Park, the Company was unable to generate desired results. One of the main reason for the same is increasing cost of maintainance vis a vis low entry and ride charges. The members are aware that the Company is running its Park on the lease hold land of Rajkot Municipal Corporation and the rates and charges are fixed in consultation with it. The company has made a representation to the Corporation for increasing ride / entry charges and is hopeful of getting positive results. Looking to the overall financial health of the company, the Board does not recommend any dividend for the year under review.

DIRECTORS

Mr. Praveensinh Jhala and Mr. H.S. Jadeja, Directors of the company retires by rotation at the ensuing 20th Annual General Meeting and being eligible, offers himself for re-appointment.



FUNWORLD & TOURISM DEVELOPMENT LTD.

AUDIT COMMITTEE

As on 31.03.2007, the Audit Committee comprised of three non - executive Directors, namely: Mr. Praveensinh Jhala [Chairman], Mr. Jaydeepsinh Vaghela and Mr. Bhuvnesh Bhatt. The Audit Committee met five times during the financial year ended on 31.03.2007. The Committee has regularly took a stock of complete accounting system followed by the Company, reviewed the overall compliances and all other related matters.

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. Rashmikant Sheth & Associates, Chartered Accountants, Kolkatta, the Auditor of the Company retire at the ensuing Annual General Meeting and is recommended for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217[2AA] of the Companies Act, 1956, your Directors hereby confirm 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 2007 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 2007 have been prepared on a going concern basis.

LISTING OF SHARES

The Company's shares are listed on Mumbai Stock Exchange. The company has regularly paid listing fees of both the Stock exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing Agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE

A Report on Corporate Governance pursuant to Clause 49 of the Stock Exchange Listing Agreement, forms part of this Report and the same is annexed hereto.

SEGMENT

Your Company is engaged in a single segment only.

CONSERVATION OF ENERGY ETC.

The details of conservation of Energy, technology absorption, foreign exchange earnings and outgo are not applicable to the Company as the Company is engaged in construction activity.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGMENTS

The Directors extend their sincere thanks to all agencies, park visitors, banks and 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

Ahmedabad
1.8.2007

SD/-
H. S. JADEJA
CHAIRMAN



FUNWORLD & TOURISM DEVELOPMENT LTD.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company supports the broad principles of corporate governance. Given below is a report on corporate governance:

1. Company's philosophy on Code of Governance:

The company's philosophy on the corporate governance lays strong emphasis on transparency, accountability, full disclosure of material facts, independence of Board, integrity and fair play with all stake holders. The company will endeavor to constantly comply with and to continuously improve on the aspects with an overall view to earn trust and respect of the members, lenders and other stakeholders. All employees are guided by the company's policy on important issues, relationship with costumers, shareholders and statutory authorities.

2. Board of Directors:

The Board of directors of the company comprises five directors; out of them three are non-executive independent directors, one is non-executive and one is executive director. The chairman of the Board is executive director.

Mr. H S Jadeja is the chairman of the company.

During the year ended March 31st 2007, six meetings were held on the following dates:

27.4.2006, 15.6.2006, 31.7.2006, 31.10.2006, 31.1.2007 and 21.3.2007

The constitution of the Board and other relevant details are given below:

NAME OF DIRECTOR	CATEGORY	DIRECTORSHIP IN OTHER CO.	MEMBERSHIP BOARD COMITTEES OF OTHER CO.	ATTENDANCE AT MEETINGS	
				BOARD	LAST AGM
Mr. Arun Muchhala	Non-Executive	3	Nil	-	No
Mr. H S Jadeja	Chairman and Executive	Nil	Nil	6	Yes
Mr. Bhuvnesh Bhatt	Non-exe./ Independent	Nil	Nil	4	Yes
Mr. Jaydeepsinh Vaghela	Non-Exe./ Independent	Nil	Nil	6	Yes
Mr. Pravinsinh Jhala	Non-Exe./ Independent	1	1	5	Yes

The information as required under Annexure I A to the clause 49 of the listing agreement is made available to the Board of Directors.

Mr. Pravinsinh Jhala and Mr. H S jadeja retires by rotation at the ensuing annual general meeting. Mr. Pravinsinh Jhala is a retired IPS. Mr. H S Jadeja is associated with the Company for more than 13 years and is executive director of the Company for more than 11 years. He regularly looks after the Park business of the company.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted two committees of the Board viz.

- o Audit Committee
- o Investors Grievance Committee

The Board determines the terms of reference of these committees from time to time. The respective committee's Chairman convenes meetings of these committees. At each board meeting, Minutes of these committees are placed before the Directors for their perusal and noting.



FUNWORLD & TOURISM DEVELOPMENT LTD.

4. AUDIT COMMITTEE:

As on 31.3.2007 the audit committee comprised of following directors:

o Mr. Praveensinh Jhala	- Chairman	— Non executive, Independent
o Mr. Bhuvnesh Bhatt	- Member	— Non-executive, Independent
o Mr Jaydeepsinh Vaghela	- Member	— Non executive, independent

Brief description of terms of reference:

- o Review the financial reporting process and disclosure of its financial information
- o Review with the management the Annual financial statements before submission to the Board
- o Review with the management, Statutory Auditors and Internal Auditors the adequacy of internal control systems
- o Review the company's accounting and risk management policies
- o Review the company's accounting and management reporting systems and update the same from time to time
- o Recommend the appointment and removal of Statutory and Internal Auditors and fixation of fees for the same.
- o Review quarterly financial statement
- o Review internal investigations made Statutory/Internal Auditors
- o Scope of Statutory/Internal Audit.
- o Review fixed deposits/repayment systems etc.
- o Any other applicable functions as described in Corporate Governance.
- o Review related party transactions.

During the year Five-audit committee meetings were held on 27.4.2006, 15.6.2006, 31.7.2006, 31.10.2006, 31.1.2007. All the members attended five meetings.

The Chairman of Audit Committee remained present in the Annual General Meeting to reply the shareholders questions.

5. REMUNERATION COMMITTEE:

Since no remuneration is paid to any non-executive director, no Remuneration Committee has been formed. During the year 2006-07, Mr. H S Jadeja, Whole time Director of the company, has been paid total remuneration of Rs. 2,16,000/-.

6. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE:

The shareholders / investors' Grievance Committee comprises of following directors:

o Mr. Praveensinh Jhala	- Chairman	— Non executive, Independent
o Mr. Bhuvnesh Bhatt	- Member	— Non-executive, Independent
o Mr. H S Jadeja	- Member	— Executive

The Board has designated Mr. H S Jadeja, Whole time Director as the compliance officer.

During the year two committee meetings were held on 30.8.2006 and 27.1.2007. All the members attended meetings.

The Company has not received any complaint during the year.

7. GENERAL BODY MEETINGS:

Venue and time of last three annual general meetings were as under:

FINANCIAL YEAR	DATE	TIME	VENUE
2003-2004	30-09-2004	10.00 A.M.	Registered office
2004-2005	20-09-2005	10.00 A.M.	Registered office
2005-2006	30-09-2006	10.00 A.M.	Registered office



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There were three matters for which special resolutions were passed at the Annual General Meeting held on 20.9.2005 namely: 1. Commencement of new business covered under sub-clause 50,53 and 57 of Clause III-C under the head Other Objects clause of the Memorandum of Association, pursuant to Section 149[2A], 2. re-issue of forfeited shares and 3. de-listing of shares from Ahmedabad Stock Exchange. No such special resolutions were required to be put through postal ballot. There is no other item on Agenda that needs approval by postal ballot in the ensuing Annual general Meeting.

8. DISCLOSURES:

There are no materially significant related party transactions made by the Company with promoters, directors or management, subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties during the period are disclosed in note no 4 of Schedule 15 to the accounts in annual report. During the last three years, there were no penalties, strictures imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

9. CEO/CFO CERTIFICATION

Mr. H S Jadeja, Whole time Director issued a certificate to the Board as prescribed under sub-Clause V of clause 49 of the Listing Agreement. The said certificate was placed before the meeting of Board of Directors held on 1st August, 2007.

10. MEANS OF COMMUNICATIONS:

Annual, half yearly, quarterly results are communicated to all the stock exchanges whereby the Company's shares are listed, immediately after the Board of Directors meeting. Results are published in Western Times, English and Gujarati editions. The half yearly and quarterly results are not sent individually to the shareholders. The Company is yet to develop web site. The code of conduct and other shareholders information will be placed on the web site immediately on web site development. There were no presentation made to the institutional investors or analysts The management discussion and analysis report forms part of the directors' report.

11. GENERAL SHAREHOLDERS INFORMATION:

- Annual General Meeting

DATE/TIME/VENUE	: 29-09-2007, Saturday, at 10.00 A.M. Registered office
Financial Calendar for the	: 1 st April, 2006 to 31 st March, 2007
Date of book closure	: 16.9.2007 to 29.9.2007.
Dividend Payment date	: N.A.
Directors appointment / re-appointment	: Duly given in the notice of A.G.M.
Listing on Stock Exchanges	: The Stock Exchange, Mumbai
Stock Code	: 531854
Demat ISIN no for NSDL/ CDSL	: INE288H01018
Stock Market Data	: The Company has nothing material to report
Registrar and Transfer Agent	: Pinnacle Share Registry Pvt. Ltd., Naroda, Ahmedabad as the common agency both in respect of physical and demat shares.
Share Transfer System	: All the transfers are received and processed by Share transfer agents and are approved by share transfer committee. Share transfer requests received in physical form are registered within 30 days and demat requests are confirmed within 21 days.