

**TWENTYFIRST
ANNUAL REPORT
AND
ACCOUNTS
2007-2008**



FUNWORLD
&
TOURISM DEVELOPMENT LTD.



FUNWORLD & TOURISM DEVELOPMENT LTD.

TWENTYFIRST ANNUAL REPORT 2007-2008

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 21st 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 Bunglows, Nr. Management Enclave, Vastrapur, Ahmedabad - 380015 on Tuesday the 30th day of September, 2008 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 2008, 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. A J Muchhala, who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification[s] the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. Jagetiya & Gurbani, Chartered Accountants, Ahmedabad be and is hereby appointed as Auditor of the Company in place of M/s. Rashmikant Sheth & Associates, Chartered Accountants, Kolkata, who have expressed their unwillingness for their reappointment as auditors, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the members of the Company at a remuneration and other out of pocket expenses as may be decided by the Board of Directors of the Company to continuation of M/s. Jagetiya & Gurbani."

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 FORTY-EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and share transfer books will remain closed from 23rd September, 2008 to 30th September, 2008 [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: 19.6.2008
Regd. Office:
43, Sakan Twin Bunglows,
Nr. Management Enclave,
Vastrapur, Ahmedabad.

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS,

SD/-
H. S. JADEJA
WHOLE-TIME DIRECTOR

DIRECTORS' REPORT

To
The Members

Your Directors present 21st Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2008.

FINANCIAL RESULTS

During the year under review, the Company has incurred loss of Rs. 19.35 lacs after making provision of Rs. 32.37 Lacs for depreciation and Rs. 00.33 Lacs for financial charges. After taking in to account FBT Rs. 00.46 lacs, addition of deferred tax liability Rs. 4.44 lacs and previous carried forward profits, the net loss carried to Balance Sheet stands at Rs. 1.39 lacs.

OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 100.87 Lacs as compared to Rs. 109.85 Lacs of that of the previous year showing little decrease. During the year one ride known as Magic Tunnel Ride costing Rs. 19 lacs was introduced at the Park. Few new rides installation is also under process. However, increasing maintenance and other operating costs affects the profitability. Further due to restriction on charges to be charged to park visitors requiring approval of Rajkot Municipal Corporation, the overall performance gets affected.

DIRECTORS

Mr. A J Muchhala, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

As on 31.03.2008 the Audit Committee comprised of three non - executive Directors, namely: Mr. Praveensinh Zala [Chairman], Mr. Jaydeepsinh Vaghela and Mr. Bhuvnesh Bhatt. The Audit Committee met five times during the financial year ended on 31.03.2008. The Committee has regularly took a stock of complete accounting system followed by the Company, reviewed the overall compliances and all other related matters.



FUNWORLD & TOURISM DEVELOPMENT LTD.

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 retiring Auditor of the Company has expressed their unwillingness for re-appointment. In view of the above, the company has contacted M/s. Jagetiya and Gurbani, Chartered Accountants, Ahmedabad who have consented to their appointment provided the members at the ensuing Annual General Meeting approve their appointment. The board recommend their appointment.

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 2008 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 2008 have been prepared on a going concern basis.

LISTING OF SHARES

The Company's shares are listed on Bombay Stock Exchange and listing fees for the financial year 2008-09 has been paid.

MANAGEMENT DISCUSSION AND ANALYSIS

There was neither any noteworthy change in Amusement Park industry scenario nor there in the Company. Looking to the comparatively low growth rate in the industry, the management is exploring various business diversification options as approved by the members at the last annual general meeting.

The growth rate is slow. In fact, the company has negative rate during last few years. Though there is a vast un-tapped market, the development of industry will take a longer time than expected. The entertainment industry really needs encouragement from the Government. Further there shall always be healthy competition in the market without compromising with standards. Only these will help any industry to survive in long run.

At present, the Company is operating only in one segment i.e. running amusement park - entertainment sector and therefore the segment reporting and performance standard is not applicable to the Company. The total working of the Company, therefore, reflects the performance of this single segment only.

The company has adequate internal control system commensurate with size of its operations and nature of activity. Adequate records and documents have been regularly maintained as required under applicable laws. The same further checked by regular inspection and checks.

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.

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
19.6.2008

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 2008, seven meetings were held on the following dates:

30.4.2007, 31.7.2007, 1.8.2007, 31.10.2007, 5.11.2007, 30.1.2008 and 20.3.2008.

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	2	No
Mr. H S Jadeja	Chairman and Executive	2	Nil	6	Yes
Mr. Bhuvnesh Bhatt	Non-exe./ Independent	Nil	Nil	4	Yes
Mr. Jaydeepsinh Vaghela	Non-Exe. / Independent	1	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. A J Muchhala, Director retires by rotation at the ensuing annual general meeting. He is engaged in the business of construction, real estate, running amusement park, finance etc. and has rich business experience.

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. 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.



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3. AUDIT COMMITTEE:

As on 31.3.2008 the audit committee comprised of following directors:

o	Mr. Praveensinh Zala	- 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 four audit committee meetings were held on 29.4.2007, 30.7.2007, 30.10.2007, and 29.1.2008. All the members attended all meetings.

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

4. REMUNERATION COMMITTEE:

Since no remuneration is paid to any non-executive director, no Remuneration Committee has been formed. During the year 2007-08, Mr. H S Jadeja, Whole time Director of the company, has been paid total remuneration of Rs. 2,16,000/-.

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE:

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

o	Mr. Praveensinh Zala	- 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 30.8.2007 and 27.1.2008. All the members attended meetings.

The Company has not received any complaint during the year.

6. GENERAL BODY MEETINGS:

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

<u>FINANCIAL YEAR</u>	<u>DATE</u>	<u>TIME</u>	<u>VENUE</u>
2004-2005	20-09-2005	10.00 A.M.	Registered office
2005-2006	30.9.2006	10.00 a.m.	Registered office
2006-2007	29.9.2007	10.00 a.m.	Registered office