

**TWENTY SECOND  
ANNUAL REPORT  
AND  
ACCOUNTS  
2008-2009**



**FUNWORLD**  
&  
**TOURISM DEVELOPMENT LTD.**



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## TWENTY SECOND ANNUAL REPORT 2008-2009

**Board of Directors** : Shri Hitendrasinh S. Jadeja Chairman & Whole Time Director  
 Shri A. J. Muchhala Director  
 Shri Bhuvnesh Bhatt Director  
 Shri Jayedeepsinh Vaghela Director  
 Shri Pravinsinh Jhala Director

**Bankers** : State Bank of Saurashtra  
 HDFC Bank Ltd.  
 Development Credit Bank Ltd.

**Auditors** : **Jagetiya & Gurbani**  
 303, Shli II, Ashram Road,  
 Ahmedabad - 380 009.

**Registered Office** : 43, Sakan Twin Bungalows,  
 Nr. Management Enclave,  
 Vastrapur, Ahmedabad - 380 015.

**Amusement Park** : Race Course Ground,  
 Rajkot - 360 001.

**Administrative Office** : 23, Shubh Complex, 2nd Floor,  
 Nr. Rajasthan Hospital Camp Road,  
 Shahibaug, Ahmedabad - 380 004.



# FUNWORLD & TOURISM DEVELOPMENT LTD.

NOTICE is hereby given that the 22<sup>nd</sup> 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 Wednesday the 30<sup>th</sup> day of September, 2009 at 10.00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2009, 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. Jaydeepsinh Vaghela, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Bhuvanesh Bhatt, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Jagetiya and Gurbani, Chartered Accountants, Ahmedabad as Auditors of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors 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.
2. **Proxies, in order to effective must be received at Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
3. The shareholders are requested to bring their copies of annual Report at the time of attending the Annual General Meeting.
4. **Share transfer documents and all correspondence relating to should be addressed to registrar and share transfer agents**  
M/S Pinnacle Shares Registry Private Limited.  
Nr. Ashoka Mill, Naroda Road, Naroda, Ahmedabad-380 025.  
Tel: 079-22204226, 22200338, 22200582 Fax: 079-22202963  
E-mail: gautam.shah@psrpl.com & investor.service@psrpl.com
5. The Members Register will remain closed from 23.9.2009 to 30.9.2009 [both days inclusive].

**At the ensuing Annual General Meeting Shri Jaydeepsinh Vaghela and Shri Bhuvanesh Bhatt shall retire by rotation and being eligible offer themselves for reappointment.**

**Pursuant to clause 49 of the Listing Agreement the Particular of the Directors to be reappointed are given below:**

### 1. Mr. Jaydeepsinh Vaghela

Name	Shri Jaydeepsinh Ajitsinh Vaghela
Address	Po. Palia. Matar Kheda-Gujarat
Age	38 Years
Nationality	Indian
Occupation	Business
Qualifications	BA
Date of appointment	12/06/2004
Experience	11 years in marketing
Designation in the Company	Non-executive / Independent Director

He is also a Director in ASYA Infrastructure and Tourism corporation Ltd

### 2. Mr. Bhuvanesh Bhatt

Name	Bhuvanesh Jagantraai Bhatt
Address	Gujarat Funworld, Nr. Vrundavan Garden. Ajwa Baroda
Age	61 years
Nationality	Indian
Occupation	Business
Qualifications	B.Com
Date of appointment	12/06/2004
Experience	9 years in Amusement Parks Industry
Designation in the Company	Non-executive / Independent Director



# FUNWORLD & TOURISM DEVELOPMENT LTD.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Regd. Office :  
43, Sakan Twin Bungalows  
Nr. Management Enclave,  
Vastrapur, Ahmedabad.

Sd/  
H.S.Jadeja  
Whole time Director

## DIRECTORS' REPORT

To The Members

Your Directors present 22<sup>nd</sup> Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2009.

### FINANCIAL RESULTS

[Rs. In lacs]

	2008-09	2007-08
Total income	150.81	100.87
Profit before tax	(24.12)	(15.19)
Provision for tax	0.00	0.00
Profit after tax	(24.44)	(15.65)
Reserve and surplus	0.00	3.61

### DIVIDEND

In view of the inadequate profits, the Board does not recommend any dividend for the year ended 31.3.2009.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY STRUCTURE AND DEVELOPMENT

The estimated Rs1,500-crore amusement park sector continues to grow at 10-15%, but lack of uniform taxation across states could be a hindrance, according to the Indian Association of Amusement Parks and Industries (IAAPI). The industry is badly affected by the lack of a uniform entertainment tax for amusement parks.

#### OPPORTUNITIES, THREAT, OUTLOOK, RISKS AND CONCERNS

Amusement parks have not received their due recognition for their enormous potential as an infrastructural facility for tourism. The amusement industry worldwide is a very significant part of the tourism effort. In India, the tourism policy does not address the needs and the potential of the amusement industry. As such, today the amusement industry in India receives no special incentives; on the other hand it is faced with administrative delays, as there are no defined administrative guidelines for approvals for amusement parks.

#### SEGMENTWISE PERFORMANCE

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. **OPERATIONAL REVIEW**

During the year under review, the total income from operations was Rs. 150.81 Lacs as compared to Rs. 100.87 Lacs of that of the previous year showing increase of 49.51%. Modernization and expansion of Park is a continuous process at Park so as to maintain test and interest of visitors.

#### Internal Control Systems & their Adequacy

The company has proper & adequate system of their internal controls proportionate to its size and business. The internal control systems of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data.

#### Cautionary Statement

The Management Discussion & Analysis Report may contain certain statement that might be considered forward looking within the meaning of applicable securities, laws and regulations. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operations such as Government policies, tax laws, political and economic development.

#### CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement, a report on corporate governance along with auditors' certificate of its compliance is included as part of the annual report.



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## DIRECTORS

Mr. Jaydeepsinh Vaghela and Mr. Bhuvanesh Bhatt, Directors of the company retire by rotation at the ensuing 22<sup>nd</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

## CODE OF CONDUCT

The code of conduct for all board members and senior management of the company has been laid down and is being complied in words and spirit. The declaration on compliance of code of conduct signed by Chairman & Managing Director of the Company is included as apart of this annual report.

## AUDITORS AND AUDITORS' REPORT:

The Auditors' M/s Jagetiya and Gurbani, Chartered Accountants, Ahmedabad holds office until the conclusion of the ensuing Annual General Meeting and is recommended for reappointment for the year 2009-2010. The Company has received certificate from the Auditors' to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

The notes on accounts are self-explanatory and do not require further clarifications.

## DEPOSITS

The Company has not received or accepted 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.

## 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 31<sup>st</sup> March 2009 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 31<sup>st</sup> March 2009 have been prepared on a going concern basis.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988:

Part A and B pertaining to conservation and technology absorption is not applicable to the Company. However the Company endeavored to conserve energy consumption wherever feasible.

The Company has neither used nor earned any foreign exchange during the year under review.

## PARTICULARS OF EMPLOYEES :

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees' amendment) Rules, 1988 as amended from time to time is nil.

## 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.

Ahmedabad

01.09.2009

FOR AND ON BEHALF OF THE BOARD

sd/

H.S.JADEJA

WHOLE TIME DIRECTOR

## CORPORATE GOVERNANCE REPORT

(As required by clause 49 of the Listing Agreement with the stock exchange)

This section on Corporate Governance forms part of the Directors' Report to the shareholders. This report is given in terms of clause 49 of the Listing Agreement entered with the Mumbai Stock Exchange where the shares of the Company have been listed.

## MANDATORY REQUIREMENTS

### **1. Company's Philosophy & Code of Governance**

Your company's corporate governance policy is directed towards adherence to ethical business practices.

### **2. Board of Directors:**

Composition of Board:

The composition of the Board is in conformity with clause 49 of the Listing Agreement. The Board of Directors consists of 5 [Five] members. The Company has an executive Chairman and the number of independent director is one half of the total number of directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49), across all the Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.



## FUNWORLD & TOURISM DEVELOPMENT LTD.

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	5	No
Mr. H.S Jadeja	Chairman and Executive	2	Nil	5	Yes
Mr. Bhuvanesh Bhatt	Non-Exe./ Independent	Nil	Nil	3	Yes
Mr. Jaydeepsinh Vaghela	Non-Exe./ Independent	1	Nil	3	Yes
Mr. Praveensinh Jhala	Non-Exe./ Independent	1	1	3	Yes

Details of the board meetings held during the year

5 (Five) Board meeting were held during the year and the gap between two meetings did not exceed four months.

Leave of absence was granted by the Board to the Directors who were absent at the respective Board Meeting(s).

Date of Meeting	No. of Directors Present
30.04.2008	5
30.07.2008	3
25.10.2008	3
30.01.2009	5
25.03.2009	3

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

### 3. Audit Committee

The audit committee comprises of following directors as on 31.3.2009

Mr. Praveensinh Zala	- Chairman	- Non executive, Independent
Mr. Bhuvnesh Bhatt	- Member	- Non-executive, Independent
Mr Jaydeepsinh Vaghela	- Member	- Non executive, independent

#### Terms of Reference:

The terms of reference of audit committee are as per the revised guidelines set out in the listing agreement with stock exchange read with section 292A of the Companies Act 1956 and includes such other functions as may be assigned to it by Board from time to time.

The audit committee has been entrusted with all required authority and powers to play an effective role as envisaged under revised clause 49 of listing agreement.

During the year four audit committee meetings were held on 30.04.2008, 30.07.2008, 25.10.2008 and 30.01.2009. All the members attended four meetings.

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

#### CEO/CFO Certification

The Board has recognized Shri Mr. H.S Jadeja, the Chairman of the Company as the CEO and Director Shri Mr. Arun Muchhala as CFO for the limited purpose of compliance under the listing agreement. The CEO and CFO have certified in terms of revised clause 49 of the listing agreement to the Board that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards.