

**TWENTY FOURTH
ANNUAL REPORT
AND
ACCOUNTS
2010-2011**



FUNWORLD

&

TOURISM DEVELOPMENT LTD.



FUNWORLD & TOURISM DEVELOPMENT LTD.

TWENTY FOUR ANNUAL REPORT 2011

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
		Shri Suraj Muchhala	Director
Bankers	:	State Bank of India	
		HDFC Bank Ltd.	
		Devlopment Credit Bank Ltd.	
Auditors	:	Jeevan Jagetiya & Co.	
		303, Shli II, Ashram Road,	
		Ahmedabad - 380 009.	
Registered Office	:	43, Sakan Twin Bunglows,	
		Nr. Management Enclave,	
		Vastrapur, Ahmedabad - 380 015.	
Amusement Park	:	Race Cource Ground,	
		Rajkot - 360 001.	



FUNWORLD & TOURISM DEVELOPMENT LTD.

NOTICE is hereby given that the 24th 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 – 380015 on Friday the 30th day of September, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011, 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. Hitendrasinh Jadeja, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Surajkumar Muchhala, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Jeevan Jagetiya and Co. 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. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
3. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri Hitendrasinh Jadeja & Shri Surajkumar Muchhala shall, Directors retiring by rotation and seeking re-appointment under Item No. 2 and Item No.3 of the Notice respectively, are annexed herewith.
4. Register of Members and Share Transfer Books of the Company will remained closed from Friday, the 23 September, 2011 to Friday, the 30 September, 2011 (both days inclusive)
5. For any investor-related queries, communication may be sent by e-mail to 'saya@vsnl.com'.
6. Share transfer documents and all correspondence relating to should be addressed to registrar and share transfer agents
Bigshare Services Private Limited
E-2/3, ANSA Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai-400072
Tel : 022-28470652/40430200
E-mail : info@bigshareonline.com
Website : www.bigshareonline.com
7. Members are requested to send their queries, if any, to reach the Company at its Registered Office, at least 10 days before the meeting, so that the information can be compiled in advance.
8. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

By Order of the Board of Directors

H S Jadeja

Whole time Director

Date: 30/08/2011

Regd. Office:

43, Sakan Twin Bungalows,

Nr. Management Enclave,

Vastrapur, Ahmedabad – 380015.

Details of the Directors seeking re-appointment in the Twenty forth Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange]

1. Name of Director	Shri Hitendrasinh Jadeja	Shri Surajkumar Muchhala
2. Date of Birth	10/03/1960	11/08/1987
3. Relationships with Other Directors	None	Father
4. Date of Appointment	15/07/1995	22/12/2009
5. Expertise	Marketing	Marketing
6. Qualification	B.Com	Diploma in Hotel Management
7. No. of Equity Shares held in the Company	280290	110000
8. List of other companies in which directorship are held	None	1. Tarapur Textiles Park Ltd. 2. Gujarat Amusement & Funworld Ltd.
9. List of committees of the Board of Directors (across all companies) in which Chairmanship / Membership is held	Shareholder/Investor Grivances Committee	None

Note :

The directorships held by directors as mentioned above, do not include directorships of private limited companies.



FUNWORLD & TOURISM DEVELOPMENT LTD.

DIRECTORS' REPORT

To

The Members

Your Directors presents their Twenty-fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2011.

FINANCIAL RESULTS

[Rs. In lacs]

	2010-11	2009-10
Total income	260.10	199.03
Profit before tax	30.94	32.19
Provision for tax	1.08	1.07
Profit after tax	4.76	5.88
Net profit carried forward	(5.09)	(11.16)

OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 263.89 Lacs as compared to Rs. 199.03 Lacs of that of the previous year showing increase of 32.59%. Modernization and expansion of Park is a continuous process at Park so as to maintain taste and interest of visitors. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

INDIA TOURISM The Indian Travel tourism Amusement & Entertainment industry has emerged as one of the key sectors driving the country's growth and is thriving to a huge surge in both business and leisure travel by foreign and domestic tourists. Presently, the Indian tourism industry stands at about \$26 Billion. As far as outbound tourism is concerned, it is projected to rise at a CAGR of 13.30%. According to the latest report by Deloitte Touche, the long term outlook for Indian tourism industry will remain positive. By taking into the consideration the observations of other noted agencies like the world travel and tourism council (WTTC), it states that Indian tourism Industry will generate \$ 42.8 billion by 2017.

OPPORTUNITIES, THREAT, OUTLOOK, RISKS AND CONCERNS

The Company sees positive impact in business because of rising income of people. But at the same time the industry also suffers shortage of skilled manpower. The shortage of blue collar employees poses various threats. Retention of the workforce through training and development is a problem. There is also need to improve roadways, transportation, ensure clean and hygienic environment and ensure safety and security conditions and give parks a modern look.

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.

DIRECTORS

The Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

Shri Hitendrasinh Jadeja and Shri Surajkumar Muchalla, Directors will retire by rotation and being eligible, offers themselves for reappointment. The details of their re-appointment together with nature of their expertise in specific functional areas and names of the companies in which they hold office as Director and/or the Chairman/Membership of Committees of the Board, are provided in the Notice of the ensuing Annual General Meeting.

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 & Whole Time Director of the Company is included as apart of this annual report.



FUNWORLD & TOURISM DEVELOPMENT LTD.

STATUTORY DISCLOSURES:

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.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to sub-Section (2AA) of Section 217 of Companies Act, 1956 the Board of Directors of the Company hereby State and confirm that:

- ◆ in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ◆ the Directors had selected such accounting policies and applied them consistently 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 state of affairs of the company at end of the financial year and of the profit or loss of the company for that period;
- ◆ the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ◆ The Directors had prepared the annual accounts on a going concern basis.

CASH FLOW

A Cash Flow statement for the year ended March 31, 2011 is attached to the Balance Sheet.

AUDITORS AND AUDITORS' REPORT

The Auditors' M/s M/s Jagetiya and Gurbani, Chartered Accountants, Ahmedabad have informed that the firm was demerged w.e.f 05/07/2010 & the new name of the firm is Jeevan Jagetiya & Co. and holds office until the conclusion of the ensuing Annual General Meeting and is recommended for appointment for the year 2011-2012. 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 at schedule 16 are self-explanatory and do not require further clarifications.

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

INSURANCE

The Company's assets are adequately insured against major risks.

ACKNOWLEDGEMENTS

The Board expresses their appreciation for continued co-operation and support extended to the Company by bankers, employees & shareholders.

Date : 30/08/2011

Regd. Office :

43, Sakan Twin Bungalows

Nr. Management Enclave,

Vastrapur, Ahmedabad.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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.

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 strength of the Board as on March 31, 2011 was Six and three of them are promoter directors and remaining three are independent directors. The requisite particulars are given below: -



FUNWORLD & TOURISM DEVELOPMENT LTD.

NAME	CATEGORY	DIRECTORSHIP IN OTHER CO.	MEMBERSHIP IN BOARD COMITTEES OF OTHER CO.	ATTENDANCE AT MEETINGS	
				BOARD	LAST AGM
Mr. H.S Jadeja	Chairman and Executive	3	Nil	4	Yes
Mr. Praveensinh Jhala	Non-Exe./ Independent	2	1	4	Yes
Mr. Bhuvanesh Bhatt	Non-Exe./ Independent	Nil	Nil	4	Yes
Mr. Jaydeepsinh Vaghela	Non-Exe./ Independent	1	1	4	Yes
Mr. Arunkumar Muchhala	Non-Executive	2	Nil	4	Yes
Mr. Suraj Arunkumar Muchhala	Non-Executive	1	Nil	4	Yes

Board Meetings

Board meeting dates are finalised in consultation with all directors. The Board is regularly apprised about important business related information and developments. Board members express opinions and bring up matters for discussion at its meetings. Board meeting minutes are circulated to all Directors in advance and confirmed at the subsequent Board meeting. Copies of signed minutes of the various Committees of the Board and Board meetings of subsidiaries of the Company are tabled at Board meetings.

Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board meetings are held atleast once every quarter and the time gap between two meetings is not more than four months. During the year, Four Board Meetings were held.

Date of Meeting	No. of Directors Present
29.05.2010	6
31.07.2010	6
30.10.2010	6
31.01.2011	6

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 members:

Name	Designation	Attendance
Shri Praveensinh Jhala Chairman	Non executive Independent	4
Shri Bhuvnesh Bhatt	Non executive Independent	4
Shri Arunkumar Muchhala	Non executive	4

Compliance officer acts as the Secretary of the Committee. All the members of the Audit Committee are financially literate. The Chairman of the Committee attended the last Annual General Meeting of the Company held on September 30th, 2010. The meetings of the Audit Committee are attended by the finance head, representatives of accounts, statutory and internal auditors.

- 1) The Committee performs the functions enumerated in Clause 49 of the Listing Agreement, Section 292A of the Companies Act, 1956 and duties cast upon from time to time by the Ministry of Corporate Affairs through its circulars and notifications.

Details of Audit Committee Meetings:

The Audit Committee met four times during the year under review on 29/5/10, 31/7/10, 30/10/10, and 31/1/11 and was attended by all members.