

**TWENTY FIFTH
ANNUAL REPORT
AND
ACCOUNTS
2011-2012**



FUNWORLD

&

TOURISM DEVELOPMENT LTD.



FUNWORLD & TOURISM DEVELOPMENT LTD.

TWENTY FIFTH ANNUAL REPORT 2012

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 Bungalows,	
		Nr. Management Enclave,	
		Vastrapur, Ahmedabad - 380 015.	
Amusement Park	:	Race Cource Ground,	
		Rajkot - 360 001.	
Practicing Company Secretary	:	Pinakin Shah & Co.	
		C-103, Panchdhara Plaza,	
		Satellite Road,	
		Ahmedabad-380015.	



FUNWORLD & TOURISM DEVELOPMENT LTD.

NOTICE is hereby given that the 25th 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 Wednesday the 26th day of September, 2012 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 2012, 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 Shri Jaydipsinh A Vaghela, who retires by rotation and being eligible offers himself for reappointment
3. 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

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of change in accords its approval of Shri Arunkumar Muchhala as Executive Director for a period of five years w.e.f. 01/07/2012 and for the payment of remuneration of Rs. 7,20,000/- (Rs. Seven Lacs Twenty Thousand) p.a. to Shri Arunkumar Muchhala, on the following additional terms & conditions.
 - a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings if applicable
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
 - b. Payment made towards following perquisites will not be included on overall ceiling of Remuneration:
 - I. Car, mobile phone and telephone facility at residence for business use;
 - II. The Company's contribution to Provident Fund, Superannuation Fund; and
 - III. Gratuity in accordance with the rules of the Company."RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.
"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Shri Suraj Muchhala as Executive Director for a period of five years w.e.f. 01/07/2012 and for the payment of remuneration of Rs. 7,20,000/- (Rs. Seven Lacs Twenty Thousand) p.a. to Shri Suraj Muchhala, on the following additional terms & conditions.
 - a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings if applicable
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
 - b. Payment made towards following perquisites will not be included on overall ceiling of Remuneration:
 - I. Car, mobile phone and telephone facility at residence for business use;
 - II. The Company's contribution to Provident Fund, Superannuation Fund; and
 - III. Gratuity in accordance with the rules of the Company."RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.
"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 the consent of the company be and is hereby accorded to appointment of Mrs. Ritika Muchhala, who is in relation with Director of the Company, to hold an office or place of profit under the Company as Park Development Manager with effect from 1/6/2012 on such terms & conditions and on such remuneration as set out below:
 - i) Salary: Upto Rs 30,000/- p. m.
 - ii) Perquisites and Allowances: (a) Medical and accident insurance premium as per company rules. (b) Provision of car. (c) Leave in accordance with the leave rules of the Company from time to time.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote



FUNWORLD & TOURISM DEVELOPMENT LTD.

- on a Poll, if any, in his/her stead 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 Mr. Jaydipsinh A Vaghela, Director retiring by rotation and seeking re-appointment under Item No 2.
 4. Register of Members and Share Transfer Books of the Company was remained closed from Wednesday, the 19th September, 2012 to, Wednesday, 26 September, 2012 (both days inclusive).
 5. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection by members at the AGM.
 6. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the Members at the Registered Office of the Company.
 7. As a Green Initiative in the Corporate Governance, the Ministry of Corporate Affairs ("MCA") vide its circular bearing nos. (i) 17/ 2011 dated April 21, 2011 and (ii) 18/2011 dated April 29, 2011 allowed the Companies to send various notices/ documents (including Notice conveying AGM, Audited Financial Statements, Auditors' Report, Directors Report and other related documents) to shareholders through electronic mode, to the registered email Id of the shareholders. Pursuant to said Green Initiative. The Company urges the members to communicate their email id to the Company and / or RTA, so that the Company can send future communications to these shareholders in electronic mode.
 8. Members are requested to visit the website of the Company www.funworldparks.com for viewing the quarterly & annual financial results and for more information on the Company.
 9. For any investor-related queries, communication may be sent by e-mail to funworld@sify.com
 10. Big Share Services Private Limited (Big Share) is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to Big Share at the following address:
Big Share Services Private Limited.
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai, 400 072. Tel: 91-22-28470652|40430200|28470653
Fax: 91-22-28475207, E Mail: marketing@bigshareonline.com
 11. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate, members are requested to notify:
 - (i) The R&T Agent of the Company, viz. Big Share, if shares are held in physical form; and
 - (ii) Their respective Depository Participant (DP), if shares are held in electronic form.
 12. 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.
 13. 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: 02/05/2012

Regd. Office:

43, Sakan Twin Bungalows,

Nr. Management Enclave,

Vastrapur, Ahmedabad – 380015.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM 4:

Appointment of Shri Arunkumar Muchhala as Executive Director

On recommendation of remuneration committee on 30th June, 2012, the Board of Directors of the Company at its the meeting held on even date has, subject to the approval of the members, unanimously approved the appointment of Shri Arunkumar Muchhala as Executive Director of the Company w. e. f. 1st July, 2012 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 10th July, 2012 has already been circulated to the members.

Shri Arunkumar Muchhala has been associated with the Company for last 19 years as a Director and has been instrumental in formulation of long-term vision and strategy of the Company. Members' approval is required for his appointment as Executive Director of the Company and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

A draft agreement proposed to be entered between the Company and the Appointee is available for inspection on any working day during business hours.

The Board recommends the resolution as set out in the notice for your approval.

None of the Directors except Shri Suraj Muchhala and appointee Shri Arunkumar Muchhala are in any way concerned or interested in the resolution set out in the Notice.

ITEM 5:

Appointment of Shri Suraj Muchhala as Executive Director

On recommendation of remuneration committee on 30th June, 2012, the Board of Directors of the Company at its the meeting held on even date has, subject to the approval of the members, unanimously approved the appointment of Shri Suraj Muchhala as Executive Director of the Company w. e. f. 1st July, 2012 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms



FUNWORLD & TOURISM DEVELOPMENT LTD.

of appointment pursuant to Section 302 of the Companies Act, 1956 dated 10th July, 2012 has already been circulated to the members. Shri Suraj Muchhala has been associated with the Company for last 3 years as a Director and has been instrumental in formulation of marketing strategy of the Company. Members' approval is required for his appointment as Executive Director of the Company and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit. A draft agreement proposed to be entered between the Company and the Appointee is available for inspection on any working day during business hours.

The Board recommends the resolution as set out in the notice for your approval.

None of the Directors except Shri Arunkumar Muchhala and appointee Shri Suraj Muchhala, are in any way concerned or interested in the resolution as set out at item no. 5 of the Notice.

ITEM 6:

Appointment of Mrs. Ritika Muchhala to hold an office of profit

On recommendation of remuneration committee on 30th June, 2012, the Board of Directors of the Company at its the meeting held on even date has, subject to the approval of the members, unanimously approved the appointment of Mrs. Ritika Muchhala as an Consultant Officer of the Company.

Mrs. Ritika Muchhala is commerce graduate. She is responsible for liaisoning with various Government and non Government agencies, HRD etc. She was found competent to hold the said position in the Company. She is a relative of Director/s. She was drawing a salary of Rs 30,000/- plus other permissible perquisites.

It is proposed to appoint Mrs. Ritika Muchhala, as Administrative Officer of the Company commencing from 1 June, 2012. The remuneration proposed to Mrs. Ritika Muchhala is commensurate with her experience and is in line with the industry standards.

The Board recommends the resolution as set out in the notice for your approval.

None of the Directors, except Shri Arunkumar Muchhala, and Shri Surajkumar Muchhala are in any way, concerned or interested in the resolution as set out at item no. 6 of the Notice.

Date: 02/05/2012

Regd. Office:

43, Sakan Twin Bungalows,

Nr. Management Enclave,

Vastrapur, Ahmedabad – 380015.

By Order of the Board of Directors

H S Jadeja

Whole time Director

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

Particulars	Jaydipsinh Vaghela
Relationships with other Directors	None
Date of Appointment	12-06-2004
Expertise	Marketing
Qualification	B.A
No. of Equity Shares held in the Company	None
List of other companies in which directorship are held	None
List of committees of the Board of Directors (across all companies) in which Chairmanship/ Membership is held	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-Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULTS

	[Rs. In lacs]	
	2011-12	2010-11
Total income	279.91	260.09
Profit before tax	10.93	30.93
Provision for tax	2.18	1.08
Profit after tax	11.72	6.06
Net profit carried forward	9.69	(2.03)

OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 279.91 lacs as compared to Rs. 263.89 lacs of that of the previous year showing increase of 06.07%. 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.

APPROPRIATIONS

The Company has not recommended any dividend. The Board has not transferred any amount to General Reserve and an amount of Rs 11.72 Lacs has been retained in Profit and Loss Account.

LISTING OF SHARES

The Company's share continues to remain listed with The Stock Exchange, Mumbai.

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 Bhuvanesh J. Bhatt and Shri Jaydipsinh A Vaghela, Directors will retire by rotation and Shri Jaydipsinh A Vaghela being eligible, offers himself for reappointment and Shri Bhuvanesh J. Bhatt does not offers himself for reappointment. The details of Shri Jaydipsinh A Vaghela together with nature of his expertise in specific functional areas and names of the companies in which he 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.

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.

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.

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.



FUNWORLD & TOURISM DEVELOPMENT LTD.

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.

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 31 March, 2012 is attached to the Balance Sheet.

AUDITORS AND AUDITORS' REPORT

The retiring Auditor M/s Jeevan Jagetiya & Co., Chartered Accountants, Ahmedabad has indicated their willingness to continue as auditor of the Company. It is proposed to reappoint M/s Jeevan Jagetiya & Co., Chartered Accountants, Ahmedabad as auditors of the Company till the conclusion of Twenty Sixth Annual General Meeting. The Company has received certificate from auditor to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

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 : 02/05/2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Regd. Office :

43, Sakan Twin Bunglows

Nr. Management Enclave,

Vastrapur, Ahmedabad.

H. S. Jadeja

Chairman

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, 2012 was Six and three of them are promoter directors and remaining three are independent directors. The requisite particulars are given below: -