



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## TWENTY SEVENTH ANNUAL REPORT 2014

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

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

**Auditors** : **Jeevan Jagetiya & Co.**  
210, Shli II, Ashram Road,  
Ahmedabad - 380 009.

**Registered Office** : FUNWORLD  
Opp. Bahumali Building, Race Course,  
Rajkot - 360 002.

**Amusement Park** : Race Course Ground,  
Rajkot - 360 002.

**Practicing Company Secretary** : Pinakin Shah & Co.  
C-103, Panchdhara Plaza,  
Satellite Road,  
Ahmedabad-380015.



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## NOTICE

Notice is hereby given that the 27th Annual General Meeting of the shareholders of Funworld and Tourism Development Limited will be held on Tuesday 30th September, 2014 at 2:00 p.m. at registered office of the Company at 'FUNWORLD' Opp. Bahumali Building, Race Course ring road, Rajkot, 360002 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri H. S. Jadeja[DIN 00183473] who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors of the Company  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution  
RESOLVED THAT M/s. JeevanJagetiya and Co. Chartered Accountants, Ahmedabad[Membership No: 046553] be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of the 28th Annual General Meeting of the Company subject to ratification at every Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors."

## SPECIAL BUSINESS

4. Appointment of ShriPravinsinhJhalaas an Independent Director  
To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, ShriPravinsinhJhala(DIN 00183361), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 30/09/2014 up to 29/09/2019."
5. Appointment of ShriVirendraJaychandTurakhia an Independent Director  
To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, ShriVirendraJaychandTurakhia(DIN 00183302), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 30/09/2014 up to 29/09/2019."

Place: Ahmedabad  
Date: 31/07/2014

For and on behalf of the Board  
H.S.Jadeja

Regd. Office:  
'FUNWORLD'  
Opp. Bahumali Building,  
Race Course ring road,  
Rajkot, 360002.

Whole time Director

## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014, to Tuesday, 30th September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 4 and 5.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.



# FUNWORLD & TOURISM DEVELOPMENT LTD.

6. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
7. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23rd September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on 24th September, 2014 and will end at 5.00 p.m. on 26th September, 2014. The Company has appointed M/s Pinakin Shah & Co, Ahmedabad, Practicing Company Secretary [FCS 2562] to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
- i. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/Depositories):
  - a) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - b) Click on "Shareholders" tab.
  - c) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
  - d) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For CDSL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - e) Next enter the Image Verification as displayed and Click on Login.
  - f) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
	<ul style="list-style-type: none"><li>Please enter the DOB in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li></ul>

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



# FUNWORLD & TOURISM DEVELOPMENT LTD.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case of members receiving the physical copy:
- a) Please follow all steps from sl. no. (a) to sl. no. (q) above to cast vote.
  - b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- I. Other Instructions:
- a) The e-voting period commences at 9.00 a.m. on 24th September, 2014 and will end at 5.00 p.m. on 26th September, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 23rd September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
  - b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2014.
  - c) Mr. Pinakin Shah Practicing Company Secretary (FCS 2562), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the voting by Ballot) in a fair and transparent manner.
  - d) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
  - f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.funworldparks.com](http://www.funworldparks.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the Twenty-seventh Annual General Meeting of the Company on 30th September, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.
  - g) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
  - h) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Bigshare Services Private Limited/Investor Service Department of the Company immediately.
  - i) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. BigShareServices Private Limited / Investor Service Department of the Company.
  - j) Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
  - k) Details of the Directors seeking re-appointment in the Twenty seventh Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange] are provided below:

Particulars	Shri H.S. Jadeja	Shri Pravinsinh Dhirubha Jhala	Shri Virendra Jaychand Turakhia
Relationships with other Directors	None	None	None
Date of Appointment	15/07/1995	15/06/2006	03/08/2013
Expertise	Office Adm.	Mobe Management, Safety & Security	Office Librarian
Qualification	B.com	B.A	B.Com
No. of Equity Shares held in the Company	280290	0	0
List of other companies in which directorship are held	1) Gujarat Funworld Ltd.	Nil	Nil
Chairmanship/ Membership of committees (includes only Audit Committee and Shareholders Grievances Committee)	Nil	Audit Committee and Shareholders Grievances Committee	Audit Committee and Shareholders Grievances Committee

Note:

The Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

Place : Ahmedabad

Date: 02/05/2013

Regd. Office : 'FUNWORLD'

Opp Bahumali Building, Race Course ring road, Rajkot - 360002.

For and on behalf of the Board

H. S. Jadeja

Whole time Director



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## Explanatory statement [Pursuant to section 102 of the Companies Act, 2013]

Item No. 4 and 5

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every Annual General Meeting. Every listed public company is required to have at least one-third of the total number of directors as independent directors.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, ShriPravinsinhJhala (DIN 00183361), Shri Virendra Jaychand Turakhia (DIN 00183302 ), being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. Shri Pravinsinh Jhala (DIN 00183361), Shri Virendra Jaychand Turakhia (DIN 00183302 ), non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management. The Nominations Committee has recommended the reappointment of these directors as Independent Directors from 30th September, 2014 up to 29th September, 2019. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Shri Pravinsinh Jhala (DIN 00183361), Shri Virendra Jaychand Turakhia (DIN 00183302 ), as Independent Directors on the Board of the Company for a term up to five consecutive years, commencing from 30th September, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report. Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Shri Pravinsinh Jhala (DIN 00183361), Shri Virendra Jaychand Turakhia (DIN 00183302 ), fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.gccl.co.in](http://www.gccl.co.in). None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Resolution at Item No.4 and 5 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 and 5 of the accompanying Notice.

Place: Ahmedabad  
Date: 31/07/2014

For and on behalf of the Board  
H.S.Jadeja

Regd. Office:  
'FUNWORLD'  
Opp. Bahumali Building,  
Race Course ring road,  
Rajkot, 360002

Whole time Director

## DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

### SUMMARY OF THE FINANCIAL RESULTS

[Rs. In lacs]

Particulars	2013-14	2012-2013
Gross income	255.08	250.29
Depreciation	46.44	46.98
Profit/Loss after Depreciation	2.70	4.66
Tax - Current	0.57	0.91
Deferred	(5.56)	(4.97)
Profit / Loss After Tax	7.70	8.72



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## **PERFORMANCE**

Net Revenue from Operations for the year ended March 31, 2014 was at Rs255.08 Lacs representing a increase of 1.91% per cent over the previous year.

Profit before tax for the year was at Rs. 2.70 Lacs representing a decline of 41.97% per cent over the previous year.

## **APPROPRIATIONS**

### **DIVIDEND**

The Board does not recommend any dividend for the financial year 2013-14.

### **TRANSFER TO RESERVES**

According to Companies (Transfer of Profits to Reserves) Rules, 1975, your Company is not mandatorily required to transfer certain minimum percentage of profits to general reserve and hence the Board has recommended a transfer of Rs. Nil to the general reserve and an amount of Rs. 85.44 Lacs has retained in the profit and loss account.

## **LISTING OF SHARES**

The Company's share continues to remain listed with the Bombay Stock Exchange

## **CORPORATE GOVERNANCE**

The Company is committed to good corporate governance in line with the Listing Agreement. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with the Bombay Stock Exchange Limited.

A certificate of compliance from M/s Pinakin Shah & Co., Ahmedabad, a practicing Company Secretary and the report on Corporate Governance form part of this Directors' Report.

## **DIRECTORS**

Shri H. S. Jadeja [DIN 00183473] retire at 27th the Annual General Meeting and have offered themselves for re-appointment.

It is also proposed to appoint Shri Pravinsinh Jhala (DIN 00183361), Shri Virendra Jaychand Turakhia (DIN 00183302), as Independent Directors of the Company for a term up to 5 years, at the forthcoming Annual General Meeting.

Necessary Resolutions for the appointment of the aforesaid Directors have been included in the Notice convening the ensuing Annual General Meeting and details of the proposal for appointment are mentioned in the explanatory statement to the Notice.

## **STATUTORY DISCLOSURES:**

### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

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

Part A and B pertaining to conservation of energy and technology absorption are 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

## **PERSONNEL**

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of employees.

Information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011 is nil.

## **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 CEO of the Company is included as a part of this Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended March 31, 2014;
- 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 fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

## **CASH FLOW**

A Cash Flow statement for the year ended 31st March, 2014 is attached to the Balance Sheet.

## **AUDITORS**

M/s Jeevan Jagetiya & Co., Chartered Accountants, Ahmedabad, [Membership No: 046553] were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 30/09/2014. M/s Jeevan Jagetiya & Co., Chartered Accountants, Ahmedabad [Membership No. 046553] have been the Auditors of the Company since 05/07/2010 and have completed a term of 3 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Jeevan Jagetiya & Co., Chartered Accountants, Ahmedabad [Membership No: 046553], being eligible for re-appointment, offer themselves for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors proposes their reappointment as the statutory auditors of the Company. However they will be eligible for reappointment for a maximum period of four years to hold office from the conclusion of this Annual General Meeting.

## **FIXED DEPOSITS**

The Company does not have any unclaimed or overdue deposits as of date.

## **INSURANCE**

The Company's assets are adequately insured against major risks





# FUNWORLD & TOURISM DEVELOPMENT LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis has been reviewed by the Audit Committee and the same forms a part of the Annual Report.

## ACKNOWLEDGEMENT

The Board appreciates and places on record the contribution made by employees to the sustained satisfactory business performance during the period under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, customers, suppliers, all of whom have contributed to the Company's success.

Place: Ahmedabad

Date: 31/07/2014

Regd. Office:

'FUNWORLD'

Opp. Bahumali Building,

Race Course ring road, Rajkot, 360002.

For and on behalf of the Board

Chairman

P.D.Jhala

## ANNEXURE TO DIRECTOR'S REPORT

### Industry structure and development

Euromonitor estimates the annual revenue from India's amusement park business currently at about Rs 2,000 crore, and projects a compound annual growth rate (CAGR) of four per cent to touch Rs 2,600 crore by 2018. Volume growth, or the number of people visiting such parks, estimated by another global market research firm Mintel has been much higher. Mintel says the market grew 30.7 per cent by volume in 2012 and will keep expanding at a CAGR of 18.9 per cent till 2017 when there will be 129.1 million visitors.

Being an integral part of the leisure industry, the amusement park industry contributes almost 40 per cent of the total turnover of the entire leisure industry.

There is a huge untapped potential in this segment for Indian market. There are handfuls of amusements parks in the country and seeing the success of such properties, industry analysts have revealed that in the coming years there would be around 200 more amusement parks coming up. By 2020, the industry will grow by almost 100 per cent. The associated and participatory entertainment in the amusement industry is one of the major reasons behind the rapid growth of amusement parks. Hence, the industry has a bright future in the coming years.

### Opportunities, Outlook

As the lifestyle and spending behaviour has changed with time drastically, today youngsters and families prefer to spend quality time where one can have fun, shop, eat and relax under one roof. On an average, a person visits five-six times in a month depending upon the facilities and entertainment options available in the park. The amusement industry has huge potential and we have seen only increase in the footfalls over last couple of years which indicates that more number of people are looking for wholesome family entertainment destinations and amusement parks provide that opportunity where a family can spend quality time together.

### Threat, Risks and Concerns

Amusement parks seek uniform entertainment tax. The Indian Association of Amusement Parks and Industries, apex body of the amusement parks, has sought uniformity in the entertainment tax being imposed by different states. The Association rues that the exorbitantly charged entertainment tax by some states is a major impediment in the growth of the industry in these regions. "West Bengal, Punjab and Gujarat charge entertainment tax at 20%, 40% and 25% respectively, whereas the entertainment tax rate hovers around 5-15% in majority of the states.

### Financial Performance

Net Revenue from Operations for the year ended March 31, 2014 was at Rs255.08 Lacs representing an increase of 1.91% per cent over the previous year.

Profit before tax for the year was at Rs. 2.70 Lacs representing a decline of 41.97% per cent over the previous year.

### Internal Control Systems & their Adequacy

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorised, recorded and reported correctly.

The internal audit department together with a firm of Chartered Accountants reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee of the Board following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps with no monetary loss.

### 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.

Place: Ahmedabad

Date: 31/07/2014

Regd. Office:

'FUNWORLD'

Opp. Bahumali Building, Race Course ring road, Rajkot, 360002

For and on behalf of the Board

H.S.Jadeja

Whole time Director



# FUNWORLD & TOURISM DEVELOPMENT LTD.

## 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 Bombay 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. The Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealing with all its constituents.

Codes of conduct, adopted by the directors and Key Managerial Personnel, are posted on the website of the Company ([www.funworldparks.com](http://www.funworldparks.com)).

All board members and Key Managerial personnel have affirmed compliance with the respective codes of conduct for the year ended March 31, 2014. In terms of Clause 49 (I) (D) of the Listing Agreement, the CEO i.e Whole time Director has given the requisite declaration to this effect. In terms of Clause 49 (V) of the Listing Agreement, Whole time Director [CEO] and Whole time Director [CFO] has given the requisite certification to the Board of Directors in the prescribed format for the period under review.

### B. BOARD OF DIRECTORS :

#### COMPOSITION OF THE BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

The Board of the Company is composed of Executive and Non-Executive Directors. As on March 31, 2014, the strength of the Board was five Directors comprising of Three Whole Time Directors and Two Independent Directors.

Details of Directors as on March 31, 2014 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2014 are given below:

	Attendance Particular				Other Committee Membership	
	Category	Board Meeting	Last AGM	Other Directorship	Member	Chairman
Directors						
Shri H.S. Jadeja	Whole Time Director	5	Yes	3	Nil	2
Shri Arunkumar Muchhala	Whole Time Director	5	Yes	14	Nil	1
Shri Suraj Muchhala	Whole Time Director	5	Yes	9	Nil	1
Shri Pravinsinh Jhala	Independent Director	5	Yes	3	Nil	4
Shri Virendra Turakhia	Independent Director	4	No	4	Nil	2

### BOARD MEETINGS

The Company held one Board Meeting in each quarter as required under the Companies Act, 1956 ("the Act") and the gap between two Board meetings was in compliance with the provisions contained in the Listing Agreement.

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings. During the financial year under review, five Board meetings were held on 30/05/2013, 25/07/2013, 26/08/2013, 24/10/2013 and 30/01/2014.