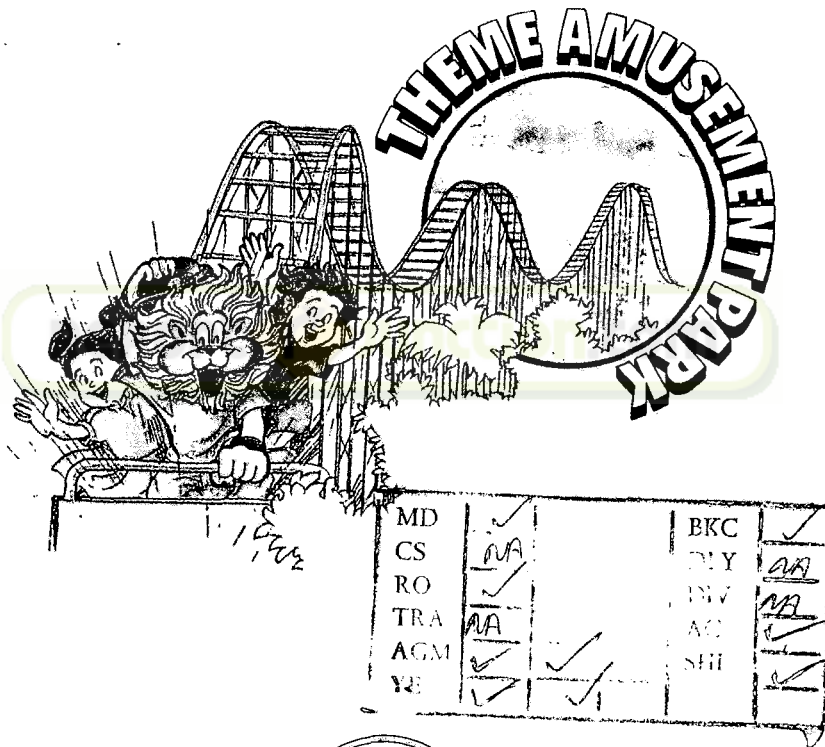


FOURTH ANNUAL REPORT 1997-98



JOLLY RIDES LIMITED





BOARD OF DIRECTORS

S.RAJKUMAR - DIRECTOR
N.RAMESH BABU - DIRECTOR
D.V.RAO - DIRECTOR

AUDITORS

ANANT RAO & MALLIK
Chartered Accountants,
310, Kushal Towers, Khairatabad,
HYDERABAD - 500 004.

BANKERS

VASAVI CO-OPERATIVE URBAN BANK LTD.,
Masab Tank, HYDERABAD - 500 004.

REGD. OFF. & PARK :

"ELLESS WORLD"
Gandipet, HYDERABAD - 500 175.



NOTICE :

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of JOLLY RIDES LIMITED will be held on Wednesday, the 30th December, 1998 at 10.00 A.M. at the Registered Office of the Company at "ELLESS WORLD" Opp. CBIT School, Gandipet, Hyderabad - 175 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss account for the year ending on 31st March, 1998 and the Balance Sheet as at 31st March, 1998 along with the Annexures, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Sri N. RAMESH BABU who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Anant Rao & Mallik, Chartered Accountants, Hyderabad, retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

By order of the Board
for JOLLY RIDES LIMITED

Place : HYDERABAD.

Sd/-

Date : 23.11.98.

N. RAMESH BABU,
Director

NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote at the Meeting instead of himself/herself and such proxy need not be a member of the Company.
2. Proxy form, in order to be effective, must be received by the Company not later than 48 hours before the commencement of the Meeting.
3. The Register of Members and share transfer books of the Company will remain closed from Wednesday the 23-12-98 to Wednesday, the 30-12-1998 (both days inclusive).
4. Members are requested to correspond on all matters relating to shares at the Regd. Office of the Company, quoting their folio numbers.
5. Members are requested to immediately intimate to the Company any change in their address.

By order of the Board,
for JOLLY RIDES LIMITED,

Place : HYDERABAD.

Sd/-

Date : 23.11.98.

N. RAMESH BABU,
Director



DIRECTORS' REPORT

Your Directors are pleased to present the 4th Annual Report together with the Audited Accounts for the year ended 31st March 1998.

<u>OPERATIONAL RESULTS</u>	Rs. in lakhs	
	1997-98	1996-97
Total Income	105.24	108.18
Expenditure	110.26	100.96
Profit/(Loss)	(5.02)	7.22

REVIEW OF OPERATIONS :

During the year under review, new entrants have come into the industry and consequently the company is facing tough competition. As such, the income from operations is marginally lower, Which resulted in a loss of Rs. 5.02 laksh.

Your company "ELLESS WORLD" Amusement Park at Gandipet, Hyderabad has gained lot of popularity, especially among school children in the twin cities as also in the neighbouring districts. Lot of enquiries are being received from various schools.

FUTURE OUTLOOK :

Amusement parks Now-a-days, are accepted as a means of recreation and entertainment. The concept is gaining momentum among middle class and higher class people, rapidly. However, of late it is observed that water rides are more preferred to dry rides. To face the competition as well as to tap the new potential, your Company proposes to mainly concentrate on water rides In its expansion plans. Your Company is hopeful of achieving good results on completion of its expansion plans.

PERFORMANCE Vs. PROMISES :

As required under Clause 43 of the Listing Agreement with the Stock Exchanges, a statement of actual performance for the year 1997-98 compared to those projected in the Prospectus dated 10th January, 95 is given below.

Particulars	Projections	Actuals
		Rs. in lakhs
Net turnover	237.00	105.24
Net Profit/(Loss) Before Tax	172.28	(5.02)
Net Profit/(Loss) after tax	105.50	(5.02)



The main reasons for lower income are due to general recessionary market conditions, record heavy rainfalls and tough competition from new entrants, resulting in reduction in the flow of visitors to the park.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE :

Information on technology absorption, adaptation etc., as required under Section 217 (1) (e) of the Companies Act 1956, is not applicable to the Company. Information relating to conservation of Energy is given in Annexure forming part of this Report. There are no foreign exchange earnings and outgo.

ENVIRONMENT :

Your Company is glad to develop an environment friendly and pollution free green area. A green belt is also developed by the Company along the road side for giving shade to the travellers.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits during the year under review.

INSURANCE :

All Assets of the Company including buildings, machinery and electrical installations are adequately insured, besides third party insurance to visitors.

EMPLOYEE RELATIONS :

The employee relations continue to be satisfactory during the year also. As per the provisions of section 217(2A) of the Companies Act, 1956, read the Companies (Particulars of employees) Rules, 1975, as amended, there is no employee drawing over and above the limits specified.

AUDITORS :

The Statutory Auditors M/s. Anant Rao & Mallik, Chartered Accountants, Hyderabad, retire at the conclusion of the ensuring Annual General Meeting and are eligible for reappointment.

DIRECTORS :

Shri K.S.N. Raju, Shri V. Chandrasekhar and Smt. K.S.Lakshmi resigned as Directors. The Board places on record their deep appreciation of the services rendered by them to the company during their respective tenures.

Shri N.Ramesh Babu, Director, retires by rotation and being eligible, offers himself for reappointment.



ACKNOWLEDGEMENTS :

Your directors take this opportunity to thank the Vasavi Co-operative Urban Bank Limited, Gowra Leasing and Finance Ltd., NCC Finance Ltd., various State Government Agencies and Departments and the visitors to the park for extending their full support and assistance to the company. Your Directors also thank all employees of the company for their dedicated services.

By and on Behalf of the Board,
for JOLLY RIDES LIMITED,

Place : HYDERABAD.
Date : 23.11.98.

Sd/-
N. RAMESH BABU
Director

Sd/-
S.RAJKUMAR
Director

ANNEXURE TO DIRECTORS' REPORT :

A) Conservation of energy :

a) Energy conservation measures taken :
Efforts for conservation of energy is an on going process in the Company. Every effort is made in that direction. Efforts are made to eliminate wastage in all operations.

b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy.

NILL

c) Impact of the measure at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of Operations.

Lower energy consumption.

d) Total energy consumption and energy consumption per unit of production in Form A:

NOT APPLICABLE

By and on Behalf of the Board,
for JOLLY RIDES LIMITED,

Place : HYDERABAD.
Date : 23.11.98.

Sd/-
N. RAMESH BABU
Director

Sd/-
S.RAJKUMAR
Director



AUDITORS REPORT

To
The Members,
JOLLY RIDES LIMITED,

We have audited the annexed Balance Sheet JOLLY RIDES LIMITED as at March 31st, 1998 and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
3. The Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account;
4. In our opinion, and to the best of our information and according to the explanations given to us, the information required by the Companies Act, 1956, in the manner so required and give a true and fair view : subject to Notes to Accounts (Schedule-13).

(a) In the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 1998.

(b) In the case of Profit & Loss Account of the Loss for the year ended on that date.

5. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms section 227 (4-A) of the Companies Act, 1956 we further report that :

a) The Company has maintained fixed assets register. Physical Verification of the fixed assets has been carried out by the management and no discrepancies were noticed on such physical verification as compared to the records.

b) None of the fixed assets have been revalued during the year.