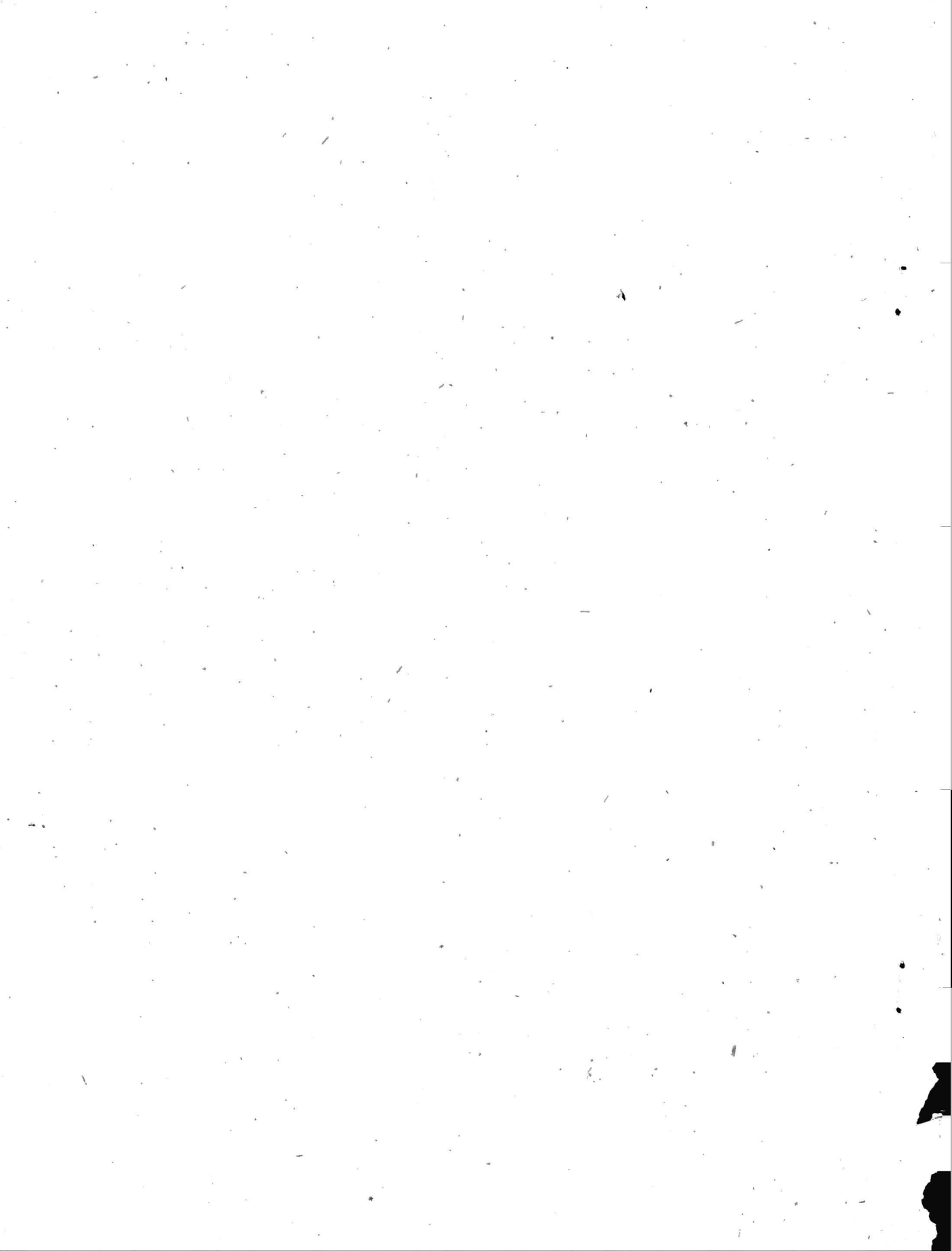


**Ajwa Fun World
&
Resort Limited**

**12TH
ANNUAL REPORT
2003-2004**





**AJWA FUN WORLD
&
RESORT LIMITED**

**12th
Annual
Report
2003-2004**

BOARD OF DIRECTORS

RAJESH C. JAIN
DEVENDRA U. JAIN
BABUBHAI D. MAKWANA
PARESH K. PATEL
SURBHI R. JAIN

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDITORS

M/s. Porwal & Porwal
Chartered Accountants,
214, Marine Chambers,
11, New Marine Lines,
Mumbai-400 020.

BANKERS

Bank of Baroda
Kothi Branch,
Baroda.

REGISTERED OFFICE / PARK

Ajwa Nimeta Road,
P.O. Ajwa Compound - 391 510.
Ta. Waghodia,
Dist. Baroda.

CORPORATE OFFICE

"A-Tower", 1st Floor,
Kunj Resi Cum Plaza,
Palace Road, Baroda - 390 001.

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**NOTICE**

NOTICE is hereby given that the **Twelfth Annual General Meeting** of the Members of **AJWA FUN WORLD & RESORT LIMITED** will be held on Thursday, 30th September, 2004 at the Registered office of the Company situated at Ajwa Nimeta Road, P.O. Ajwa Compound - 391 510, Tal. Waghodia, Dist. Baroda at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as at that date together with the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Devendra U Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED that, subject to the provisions of the Companies Act, 1956 (including any statutory modification/s, notifications or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board," which terms shall be deemed to include any committee thereof, for the time being exercising the powers conferred on the Board by this resolution), the consent is hereby accorded to the Board to delist the Company's Equity Shares from all or any of the Stock Exchanges viz. The Stock Exchange, Ahmedabad, The Vadodara Stock Exchange Limited, Vadodara and the M. P. Stock Exchange Limited, Indore, with an authority to do all the things and deeds at its discretion to give effect to the resolution."

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa

Date : 30th June, 2004

Rajesh C. Jain

[Chairman & Managing Director]

NOTE/S :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.



2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September 2004 to 30th September 2004 (both days inclusive).
3. Members are requested to notify any change in their addresses directly to the Corporate office of the Company situated at "A Tower", Kunj Resi Cum Plaza, Palace Road, Baroda - 390001.
4. The explanatory statement setting out material facts in respect of special business is annexed here to.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]

**EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under item No.4 of the accompanying Notice dated 30th June, 2004.

Item No.4:

Presently, the Company's Equity Shares are listed on the following 4 Stock Exchanges in India:

- (i) The Stock Exchange, Ahmedabad,
- (ii) The Vadodara Stock Exchange Limited, Vadodara,
- (iii) The M. P. Stock Exchange Limited, Indore &
- (iv) The Stock Exchange, Mumbai.

With the wide and extensive networking of centres of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country. The trading volumes of the Company's Equity Shares on the Stock Exchanges at Ahmedabad, Vadodara and Indore are almost nil.

The proposed voluntary delisting of the Company's Equity Shares from the said delisting on Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Exchanges are situated. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Member's approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said three Stock Exchanges as set out in the Resolution at item No. 4. In terms of the said Guidelines, as the Company's Equity Shares shall continue to remain listed on the BSE, no Exit Option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members. None of the Directors of the Company is concerned or interested in the Resolution at item No.4, except as shareholder.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]

**DIRECTORS' REPORT TO THE MEMBERS**

To,

The Members,

Your Directors present their **Twelfth Annual Report** together with the Audited Accounts for the year ended 31st March, 2004

Financial Results

PARTICULARS	[Rs. in Lacs]	
	2003-2004	2002-2003
Total Income	96.59	103.00
Profit/(Loss) before Depreciation and tax	(177.95)	(169.20)
Less : Depreciation	52.82	57.36
Profit/(Loss) Before Tax	(230.78)	(222.04)
Net Profit/(Loss) After Tax	(230.78)	(222.04)

OPERATIONS

The Company posted dismal performance particularly on account of the general recession in the entertainment industry and generally due to slow down in the economy as a whole. During the year under review, on a turnover of Rs. 96.59 Lacs, the Company's Net loss stood at Rs.230.78 Lacs. However, your Directors are exploring opportunities for corporate restructuring and the better future prospects of the Company. Your Company is engaged in a single corporate activity and hence there are no reportable business or geographical segments.

DIVIDEND

Your Board of Directors do not recommend any dividend in view of the carried over losses.

DIRECTORS

Mr. Devendra U Jain, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

AUDITORS

M/s. Porwal & Porwal, Chartered Accountants, Mumbai, retire as an Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment and they have furnished the certificates for their eligibility as per Section 224(1B) of the Companies Act, 1956.

AUDIT COMMITTEE

As required under Section 292A of the Companies Act, 1956, Audit Committee comprising Shri Rajesh C Jain, Shri Devendra U Jain and Ms. Surbhi R Jain has been formed. Audit Committee meetings were held in accordance with statutory requirements.

INDUSTRIAL RELATIONS

During the year under review the relation between employees and management remained cordial.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO**

As required by the provisions of section 217 (I) (e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant data pertaining to Conservation of Energy, Technology absorption & Foreign exchange earnings and out go are furnished in the Annexure forming part of this report.

AUDITORS REPORT

Auditors observations are self-explanatory and/or suitably explained in the notes on Accounts.

PARTICULARS OF EMPLOYEES

There was no employee during the year under review whose particulars are required to be given pursuant to Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good corporate governance as an important step towards building investor confidence, improve investor's protection and maximise long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on the Corporate Governance forms part of the Annual Report along with Auditor's Certificate on its compliance.

DIRECTORS RESPONSIBILITY

Pursuant to the requirement under Section 217 (2AA) of the companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i] That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii] That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii] That the Directors have taken proper and sufficient care 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;
- iv] That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a 'going concern' basis.

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM CERTAIN STOCK EXCHANGES

The Equity Shares of your Company are presently listed on the Stock Exchanges at Ahmedabad, Mumbai, Vadodara & Indore. The Shares of your Company are compulsorily traded in dematerialised form.

Specific attention of the Members is drawn to item No.4 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its Equity Shares from all Stock Exchanges excluding The Stock Exchange Mumbai. With the wide and extensive



networking of centres of the BSE, the investors have access to online dealings in the Company's Shares across the country. The trading volumes of the Company's Equity Shares on the Stock Exchanges at Ahmedabad, Vadodara and M.P. (hereinafter referred to as "the said Stock Exchanges") are practically Nil since past few years as the bulk of trading is transacted on the BSE & hence it is not at economical and cost effective to pay listing fees to the detriment of small and scattered investors.

ACKNOWLEDGMENT

Your Directors places on record their sincere appreciation of the co-operation and assistance extended by the bankers of the Company. They also places on record their appreciation of the devoted services rendered by the Whole Time Directors, Executives, Staff Members and Workers of the Company.

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2004.

I. CONSERVATION OF ENERGY**FORM "A"**

Your Company falls out of the purview of the list of Industries which are required to furnish the necessary information in Form A.

II. Disclosure of Particulars with respect to Technology Absorption, Adaptation and Innovation (To the extent applicable)**FORM "B"**

	Current Year	Previous Year
1) Research & Development (R & D)	NIL	NIL
2) Technology Absorption, Adaptation and innovation	NIL	NIL
III. FOREIGN EXCHANGE		
EARNINGS	NIL	NIL
OUT GO	NIL	NIL

By order of the Board of Directors,
For Ajwa Fun World & Resort Ltd.

Place : Ajwa
Date : 30th June, 2004

Rajesh C. Jain
[Chairman & Managing Director]


CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the listing agreement, a report on corporate governance is given below.

1) Company's philosophy on code of governance

Corporate Governance deals with the laws, procedures, and practices to determine Company's ability to take managerial decisions and in particular relations with shareholders, customers / suppliers and employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other stakeholders. This in turn will lead to corporate growth and the actions of the management arising out of this Corporate Governance would create wealth for the Company as well as for Society at large.

2) Board of Directors

The present strength of the Board is 5 Directors. The Board comprises of executives and non-executive Directors. The non-executive Directors are 4 and 1 Director is Chairman & Managing Director.

During the year, Four Board meetings were held and the gap between two meetings did not exceed 4 months. The Board meetings were held on June 30, 2003, September 30, 2003, December 31, 2003 & March 31, 2004. None of the Directors on the Board is a member of more than 10 Committees & more than 5 Committees as Chairman.

The names and category of Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meetings and also the number of Directorships and Committee memberships / Chairmanships held by them in other Companies are given below:

Sr No.	Name of the Director/s	Executive/ Non-Executive/ Independent/ Promoter	No. of other Companies in which Director	No. of Committees/ Positions held in other Companies
1	Rajesh C. Jain *	Executive & Promoter	3	1
2	Devendra U. Jain	Non-Executive independent	0	3
3	Babubhai D. Makwana	Non-Executive independent	0	0
4	Paresh K. Patel	Non-executive independent	0	0
5	Surbhi R. Jain	Non-Executive	0	3

* Reappointed as Chairman & Managing Director w.e.f. 25th January, 2003.

3. Information regarding Directors pursuant to part VI (A) of Clause 49 of the Listing agreement entered into with the Stock Exchanges.

- a) Mr. Devendra U. Jain, a seasoned businessman, is retiring by rotation and being eligible offers himself for reappointment. Shri Devendra U. Jain, is an industrialist and has been a Director of the Company for the past several years.



His association with the Company shall go a long way to provide the guidance in respect of various issues relating to corporate administration and hence the re-appointment is commended by the Board. No Director is deemed to be directly or indirectly interested in the appointment.

- 4) As per Clause 49 (I) (B) of the Listing Agreement, the Company has no pecuniary relationship or transactions with the non-executive Directors vis - a - vis the Company.

5) Audit Committee:

The Audit Committee comprises entirely of executive and non-executive Directors and has been set up with scope of activities as set out in 49 of the listing agreement with the Stock Exchanges read with Section 292 A of the Companies Act, 1956. The broad terms of reference are as contained in Clause 49. The Managing Director is one of the Members of the Audit Committees. Statutory Auditors of the Company attend the meeting. Mr. Amjad Shaikh, is the co-ordinator of the Committee. The Committee met during the year on June 30, 2003, September 30, 2003 & December 31, 2003. The attendance of the Members at the meetings is stated hereinbelow:

Name of Director	Category	No. of meetings attended during the year 2003-04
Rajesh C. Jain	Executive & Promoter	3
Devendra U. Jain	Non-Executive independent	3
Surbhi R. Jain	Non-Executive independent	3

6) Remuneration Committee:

The Company has a committee of Directors called remuneration committee with broad terms of reference covering all the key executives including executive Directors/ Non-executive Directors and other employees to deal with 1) succession plans, appointments, placements and major proposals 2) remuneration in general 3) employees stock option schemes plans 4) personnel policies including training and Humun-resources developements.

The composition of the remuneration committees and the details of the meetings attended by the Directors are given below:

Name of Director	Category	No. of meetings attended during the year 2003-04
Devendra U. Jain	Non-Executive independent	2
Babubhai D. Makwana	Non-Executive independent	0
Paresh K. Patel	Non-executive independent	0
Surbhi R. Jain	Non-Executive independent	3



The Company while formulating policy for deciding the remuneration, package of the Senior managerial personnel takes into consideration employment scenario, remuneration levels, prevalent in the industry and Company.

Details of Remuneration paid to the Directors:

Name	Salary, Perquisites & others
Rajesh C. Jain	Rs. 3,00,000/- p.a.

The Directors have decided not to receive the sitting fees in view of the financial position of the Company.

The Shareholders Transfer and Investor Grievance Committee:

The investors/shareholders grievance committee comprises entirely of non-executive Directors. The composition and the attendance of each members of the Committee at the meeting are as follows:

Sr No.	Name of the Committee Members	Executive/ Non-Executive/ Independent/ Promoter	Meeting Details	
			Attended	% of total
1	Devendra U. Jain	Non-Executive independent	12	100%
2	Rajesh C. Jain	Executive & Promoter	12	100%
3	Surbhi R. Jain	Non-Executive	12	100%

The Share transfer and investor grievance committee were held during the year 2003-2004 on 30/04/03, 31/05/03, 30/06/03, 31/07/03, 31/08/03, 30/09/03, 31/10/03, 30/11/03, 31/12/03, 31/01/04, 29/02/04 & 31/03/04.

All the complaints received from the Shareholders have been attended for resolution.

7) **General Body meetings:**

Date of AGM	Locations
28/09/2001	At the Registered Office of the Company
28/09/2002	At the Registered Office of the Company
30/09/2003	At the Registered Office of the Company

No special Resolution was put through postal ballot during the previous year.

8) **Disclosures:**

- a) Disclosures of related party transactions as required by the Accounting Standard 18 have been given in the Note No. 14 of Schedule No. 19 attached to the Accounts. There are no material significant transactions with its promoters, as a Director or the management or relatives or subsidiaries that may have potential conflicts with the interest of the Company.
- b) There is no non-compliance by the Company except the circumstantial delay caused the penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital market during the last 3 years.

**9) Means of Communications :**

1. Date on which half yearly results were sent to each share holders	No. As results of the Company are published in the news papers, having wide circulation.
2. News papers in which Quarterly results were published	-
3. Any website where displayed	www.ajwafunworld.com The Company is planing to furnish share holding patterns, financial results on SEBI Websid www.sebiedifar.nic.in
4. Whether the Company displays the the official News releases ?	No
5. Whether the management discussion and analysis report forms a part of the Annual Report.	Yes

10) General Shareholders Information:

Sr No.	Particulars	Date
1.	Annual General Meeting	September, 30, 2004.
2.	Dates of Book-Closure	26.9.2004 to 30.09.2004 (Both days inclusive)
3.	Record Date	-
4.	Dividend Payment date	N.A.
5.	Listed on Stock Exchanges	Mumbai, Vadodara, Indore & Ahmedabad
6.	Stock Code	Demat : INE863E01015 Physical : 526628 BSE
7.	ISIN No.	CDSL:INE863E01015

Address for communication : Corporate Office:

Managing Director
Ajwa Fun World & Resort Limited
"A" Tower, 1st Floor, Kunj Resi Cum Plaza,
Palace Road, Baroda - 390 001.
Phone No. : 0265-2434864/ 0265-5545891 Fax No. : 0265-2415579
Email ID : ajwafun@iquara.net

RTA :

MCS Limited
Neelam Apartment, 88, Sampatrao colony,
Above Chappan Bhog, Alkapuri, Baroda-390 007.
Phone No. : 0265-2339397 Fax No. : 0265-2341639
Email I D : mcsbaroda@iquara.net

**Share Transfer System :**

All transfer requests received are processed and approved by a authorised officer of the Company after a careful scrutiny of the same for transfer or rejection as the case may be. Shareholders holding their shares in electronic mode are advised to address all correspondence to their respective depository participants. As on date no complaints received are pending for redressal and the Company ensure to attend to the complaint within the period notified by the SEBI guidelines.

Park Location :

Ajwa Nimeta Road,
P.O.Ajwa Compound- 391 510.
Ta.Waghodia, Dist.Baroda.

11) Distribution of Share holding as on March 31, 2004.

No. of Shares	Share Holders		Share Amount	
	Number	% Total	Amount	% Total
Up to 5000	4984	86.57	9788000	15.32
5001 10000	376	6.53	3130000	4.90
10001 20000	146	2.54	2244000	3.51
20001 30000	64	1.11	2124000	3.32
30001 40000	20	0.35	1065000	1.67
40001 50000	49	0.85	2781000	4.35
50001 100000	48	0.83	4307000	6.74
100001 Above	70	1.22	38461000	60.19
	5757	100	63900000	100.00

12) Shareholding pattern as on March 31, 2004.

Total Nominal value : Rs. 6,39,00,000/-

Total No. of Shares : 6390000

Nominal Value of each Shares : Rs. 10/-

Paid up Value of each Shares Rs. 10/-

Category	No. of Shares	% of Shareholding
Indian Promoters	1129500	17.68
Mutual Funds & UTI	Nil	Nil
FIs	Nil	Nil
Banks & Financial Institution	Nil	Nil
Corporate Bodies	1534600	24.02
Indian Public	3725900	58.32
NRIs/OCBs	Nil	Nil
Non Resident Company	Nil	Nil
Clearing Members	Nil	Nil
Total	6390000	100%

13) Market Price data High and Low during each Month for financial year 2003-2004.

The Securities of the Company were traded on the Mumbai Stock Exchange during the Month of December, 2003 wide which one trade involving 100 Equity shares of the Company were traded for a price of Rs. 20.45 np.



However, there were no instances of any trading taken place on the M.P., Vadodara and Ahmedabad Stock Exchanges, where the securities of the company are listed.

The shares of the Company are not listed at the National Stock Exchange Limited.

Dematerialisation of shares as on 31st March,2004 and Liquidity.

The Company's Share are compulsorily traded in Dematerialised form and are available for trading on Cental Depository Services (I) Limited (CDSL). 905900 equity shares of the Company representing 14.18% of the Company's Shares Capital are dematerialised as on 31st March,2004 .

Secretarial Audit

A qualified practising Company Secretary carried out a secretarial audit to reconcile total admitted capital with central depository services (India) limited(CDSL) and the total issued and listed capital. The Audit conforms that the total issued and paid up share capital is in agreement with the total number of shares in physical form and the total no.of shares dematerialised shares in CDSL.

Plant Location : Ajwa Nimeta Road,
P.O.Ajwa Compound - 391 510.
Ta.Waghodia, Dist.Baroda.

Address for correspondence :**Registered Office**

Ajwa Nimeta Road,
P. O. Ajwa Compound-391 510
Ta. Waghodia
Dist. Baroda.

Corporate Office

"A" Tower, First Floor,
Kunj Resi-Cum-Plaza,
Palace Road, Baroda-390 001.
Tele No. 0265-2434864
Fax No. : 0265-2415579
Email : ajwafun@iquara.net

For and on behalf of the Board of Directors,

Rajesh C. Jain
Chairman & Managing Director

CERTIFICATE

**TO,
THE MEMBERS OF
AJWA FUN WORLD & RESORTS LTD.**

We have examined the compliance of conditions of Corporate Governance by, Ajwa Fun World & Resorts Ltd. for the year ended on 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by



the company of ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that while the Shareholders/investors Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrars of the Company have certified that as at 31st March, 2004, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/S. PORWAL & PORWAL**
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATED : 30.06.2004

NIKHIL PORWAL
PARTNER

**AUDITORS' REPORT**

**TO,
THE MEMBERS OF
AJWA FUN WORLD & RESORT LIMITED**

We have audited the attached Balance Sheet of AJWA FUN WORLD & RESORT LIMITED as at 31st March 2004, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit..

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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.
3. In our opinion, proper books of account as required by law, have been kept by the company, so far as appears from our examination of the books of the company.
4. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
5.
 - i) **Provision for diminution in the value of investments to recognise the decline other than temporary, in accordance with Accounting Standard – 13, is not made in the accounts.**
 - ii) **Provision for Gratuity & Leave Encashment, in accordance with Accounting Standard – 15, is not made in the accounts.**
 - iii) **Some of the Investments made by the Company in shares are not held in the name of the company though required under the provisions of section 49 of the Companies Act, 1956.**
 - iv) **The Company has not provided for diminution in the value of Investments amounting to Rs. 1,74,29,440. Consequently the losses for the year are understated by Rs. 82,22,600 and the Profit & Loss Account in the Balance Sheet is understated by Rs. 1,74,29,440 correspondingly Investments are overstated to the same extent of Rs. 1,74,29,440.**
 - v) **The Company has not adhered to the provisions of section 295 & 372A of the Companies Act, 1956 in respect of certain loans given and Investments made by it.**

We further report that, without considering item (ii) above, the effect of which could not be determined, had the observations made by us in paragraph (iv) above been considered, the losses for the year would have been Rs. 3,13,00,460 (as against the reported figure of Rs. 2,30,77,860), total investments would have been Rs. 85,000 (as



against the reported figure of Rs. 1,75,14,440) and accumulated losses would have been Rs. 13,71,91,864 (as against the reported figure of Rs.11,97,62,424).

- vi) Subject to the foregoing, in our opinion, the Balance Sheet and Profit & Loss Account comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
6. On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (l) of section 274 of the Companies Act, 1956.
7. Subject to the matters referred to in paragraphs 5(i) to 5(v) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the informations required under the Companies Act, 1956 in the manner so required under the Companies Act, 1956 in the manner so required and give a true and fair view:
- (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2004; and
- (b) In the case of the Profit & Loss Account of the Loss for the year ended on that date.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4A of section 227 of The Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further report that :

- (i) (a) In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year. We have been informed that no serious discrepancies were noticed on such verification.
- (c) In our opinion, the company has not disposed of substantial part of the fixed assets during the year.
- (ii) (a) In our opinion, the stocks of the stores, eatables & beverages, spare parts etc. have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification, which were not material, have been properly dealt within the books of account.
- (iii) (a) The Company has taken interest-free unsecured loans from six parties covered in the register maintained u/s.301 of the Companies Act, 1956 and the year end balance was Rs. 10,38,781.61 . The Company has granted interest free unsecured loan to one party covered in register maintained u/s. 301 of the Companies Act, 1956 and the year end balance was Rs. 31,020.



- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken /granted from the parties listed in the register maintained u/s.301 of the Companies Act are not, *prima facie*, prejudicial to the interest of the Company.
- (c) In respect of interest - free loans taken/granted by the company, principal amount is repayable on demand.
- (d) There are no overdue amounts of loans taken/granted by the company as these loans are repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. Further on the basis of our examination and according to the information and explanations given to us, we have not come across any instance of major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanation given to us, the transactions that need to entered into the register maintained u/s.301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information given to us, there are no transactions in pursuance of the contract or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000 or more.
- (vi) As per the information and explanations given to us, the company has accepted deposits from public and has not complied with any of the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the act and the rules framed there under in respect of such deposits.
- (vii) The Company does not have any internal audit system.
- (viii) This clause is not applicable as the Company is not a manufacturing Company.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion undisputed statutory dues have not been regularly deposited with the appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of Statutory dues were in arrears as at 31st March 2004 for a period of more than 6 months from the date they became payable.

PARTICULARS	AMOUNT (RS.)	PERIOD TO WHICH THE AMOUNT RELATES	DUE DATE	DATE OF PAYMENT
PROVIDENT FUND	10,593.00	30.09.2003	20.10.2003	18.05.2004
PROFESSIONAL TAX	2,400.00	01.04.2002 TO 31.03.2003	Various	03.08.2004
	1,200.00	01.04.2003 TO 30.09.2003	Dates	03.08.2004
INCOME TAX	108,968.00	01.04.1996 TO 31.03.1997	25.07.2000	---
TDS PAYABLE	57,560.00	01.04.2003 TO 30.09.2003	Various	18.05.2004
			Dates	24.05.2004



- (b) According to the records of the Company and the information and explanations given to us, detail of dues of Sales tax, Income tax, Custom tax, Wealth tax, Excise duty and Cess which have not been deposited as on 31st March, 2004 on account of any dispute are given below:

NAME OF THE STATUTE	NATURE OF DUES	PERIOD TO WHICH THE AMOUNT RELATES	AMOUNT (RS.)	FROM WHERE DISPUTE PENDING
GUJARAT ELECTRICITY BOARD	INSTALLATION CHARGES & INTEREST	01.04.1997 TO 31.03.1998	195,070	GUJARAT ELECTRICITY BOARD
THE COMMISSIONER OF ENTERTAINMENT TAX	ENTERTAINMENT TAX	01.04.2002 TO 31.03.2003	1,131,461	COLLECTORS OFFICE VADODARA

- (x) The accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and had also incurred the same during the immediately preceding financial year also.
- (xi) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions, banks as given below:

NAME OF THE BANK/ FINANCIAL INSTITUTION	AMOUNT (RS.)	PERIOD
BANK OF BARODA	1,20,62,420.00	26.10.1997
GUJARAT STATE FINANCIAL CORPORATION	25,588.00	01.08.2003
	2,31,61,143.00	01.02.2003

- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions which are prejudicial to the interest of the Company.
- (xvi) This clause is not applicable as the Company has not obtained any loans in the nature of term loan, during the financial year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have



been used for long term assets and no long term loans have been used to finance short term assets.

- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) This clause is not applicable as the Company has not issued any debentures.
- (xx) During the period covered by our report, the Company has not raised any money by way of a public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M/S. PORWAL & PORWAL**
CHARTERED ACCOUNTANTS

PLACE : MUMBAI
DATED : 30.06.2004

NIKHIL PORWAL
PARTNER


BALANCE SHEET AS AT 31ST MARCH, 2004

PARTICULARS	SCHEDULE	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
SOURCE OF FUNDS :			
SHARE HOLDERS' FUNDS :			
a. Share Capital	1	63,900,000.00	63,900,000.00
b. Reserves & Surplus	2	11,120,000.00	11,120,000.00
		<u>75,020,000.00</u>	<u>75,020,000.00</u>
LOAN FUNDS :			
a. Secured Loans	3	85,793,564.00	71,321,627.50
b. Unsecured Loans	4	5,088,781.61	4,916,813.61
		<u>90,882,345.61</u>	<u>76,238,441.11</u>
TOTAL :		<u>165,902,345.61</u>	<u>151,258,441.11</u>
APPLICATION OF FUNDS :			
FIXED ASSETS :			
a. Gross Block	5	121,474,636.51	121,160,981.51
b. Less : Depreciation		<u>69,180,395.00</u>	<u>63,897,966.00</u>
		52,294,241.51	57,263,015.51
Pre-Operative Expenses [Pending Allocation]	6		
INVESTMENTS	7	17,514,440.20	17,514,440.20
CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories[Stores, Beverages, Eatables]		47,726.00	25,688.00
b. Sundry Debtors	8	5,672.00	
c. Cash & Bank Balances	9	89,554.83	255,156.93
d. Loans & Advances	10	2,750,253.50	3,671,972.00
		<u>2,893,206.33</u>	<u>3,952,816.93</u>
Less : Current Liabilities & Provisions	11	<u>27,000,484.82</u>	<u>(24,615,233.35)</u>
NET CURRENT ASSETS		(24,107,278.49)	(20,662,416.42)
PROFIT & LOSS ACCOUNT		119,762,424.39	96,684,563.82
MISCELLANEOUS EXPENDITURE	12	438,518.00	458,838.00
TOTAL :		<u>165,902,345.61</u>	<u>151,258,441.11</u>
Notes on Accounts and Accounting Policies :	19		

As per our Report of even date
For M/s. **PORWAL & PORWAL**
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

[**NIKHIL PORWAL**]

PARTNER

PLACE : MUMBAI.

DATE : 30th June, 2004

RAJESH C. JAIN

CHAIRMAN & MANAGING DIRECTOR

PLACE : AJWA, BARODA.

DATE : 30th June, 2004

SURBHI R. JAIN

DIRECTOR


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

PARTICULARS	SCHE- DULE	FOR THE YEAR ENDED 31/3/04 [Rs.]	FOR THE YEAR ENDED 31/3/03 [Rs.]
INCOME:			
Sales / Income from Operations	13	9,659,037.00	9,952,875.00
Other Income	14	122.00	354,584.01
TOTAL INCOME		<u>9,659,159.00</u>	<u>10,307,459.01</u>
EXPENDITURE:			
a. Parks/Garden Operating Expenses	15	6,607,805.00	5,557,332.99
b. Administrative & Other Expenses	16	4,420,671.97	4,315,535.47
c. Interest & Financial Expenses	17	16,405,793.60	16,737,856.45
d. Miscellaneous Expenses Written off		20,320.00	437,528.00
TOTAL EXPENDITURE		<u>27,454,590.57</u>	<u>27,048,252.91</u>
Profit/(Loss) for the year before Depreciation		(17,795,431.57)	(16,740,793.90)
Less : Depreciation		5,282,429.00	5,754,581.00
Profit/(Loss) for the year after Depreciation		(23,077,860.57)	(22,495,374.90)
Less : Provision for Taxation/Deffered Tax Refer (note no. 11)			
Profit/(Loss) for the year after Taxation		(23,077,860.57)	(22,495,374.90)
Less : Prior period Adjustments	18		(15,418.00)
Add : Profit /(Loss) Brought Forward		(96,684,563.82)	(74,173,770.92)
Total Profit/(Loss) carried to Balance Sheet		<u>(119,762,424.39)</u>	<u>(96,684,563.82)</u>
Notes on Accounts and Accounting Policies :	19		

As per our Report of even date
For M/s.PORWAL & PORWAL
 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

[NIKHIL PORWAL]
 PARTNER
 PLACE : MUMBAI.
 DATE : 30th June, 2004

RAJESH C. JAIN
 CHAIRMAN & MANAGING DIRECTOR
 PLACE : AJWA, BARODA.
 DATE : 30th June, 2004

SURBHI R. JAIN
 DIRECTOR


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
SCHEDULE : [1] SHARE CAPITAL :		
AUTHORISED :		
2,50,00,000 Equity Shares of Rs.10/- each	<u>250,000,000.00</u>	<u>250,000,000.00</u>
ISSUED, SUBSCRIBED & PAID UP :		
63,90,000 Equity Shares of Rs.10/- each fully paid up.	<u>63,900,000.00</u>	<u>63,900,000.00</u>
TOTAL	<u>63,900,000.00</u>	<u>63,900,000.00</u>
SCHEDULE : [2] RESERVES & SURPLUS :		
Securities Premium Account	<u>11,120,000.00</u>	<u>11,120,000.00</u>
TOTAL	<u>11,120,000.00</u>	<u>11,120,000.00</u>
SCHEDULE : [3] SECURED LOANS :		
a. Term Loan from Bank of Baroda	12,062,420.00	12,062,420.00
[Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & personal guarantee of Directors] [Repayable within one year Rs.12,062,420.00, Previous Year Rs.12,062,420.00]		
b. Loan from Citi Bank N.A.	Nil	26,256.84
[Secured against Hyp. of Vehicles] [Repayable within one year Rs. Nil, Previous Year Rs.26,256.84]		
c. Loan from I.C.I.C.I. Bank Limited	Nil	72,839.66
[Secured against Hyp. of Vehicles] [Repayable within one year Rs. Nil/-, Previous Year Rs. 72,839.66]		


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
d. Loan from Punjab National Bank	Nil	31,154.00
[Secured against Hyp. of Vehicles] [Repayable within one year Rs.Nil, Previous Year Rs. 31,154.00]		
e. Term Loan from Gujarat State Financial Corpn.	73,731,144.00	59,128,957.00
[Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & personal guarantee of Directors] [Repayable within one year Rs.73,731,144.00, Previous Year Rs.59,128,957/-]		
Note : The amount of Secured Loans are inclusive of interest accrued and due and overdue amounts of Interest & Installments, but does not include interest not charged by Banks in the respective accounts due to the relevant A/c. being NPA.		
TOTAL	<u>86,793,564.00</u>	<u>71,321,627.50</u>
SCHEDULE : [4] UNSECURED LOANS :		
From Directors	478,328.61	742,370.61
From Bodies Corporate	395,725.00	124,443.00
From Shareholders	164,728.00	
From Others	4,050,000.00	4,050,000.00
TOTAL	<u>5,088,781.61</u>	<u>4,916,813.61</u>



**SCHEDULE ANNEXED TO THE ACCOUNTS
SCHEDULE : [5] FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	As On 01/04/03	Additions During the year	Deduction/ Adjustment	As On 31/03/04	Up to 31/03/03	Additions During the year	Deduction/ Adjustment	Up to 31/03/04	As On 31/03/04	As On 31/03/03
1. Land	16112980.00	Nil	Nil	16112980.00	Nil	Nil	Nil	Nil	16112980.00	16112980.00
2. Building & Site Development	30650778.00	Nil	Nil	30650778.00	15525495.00	1512530.00	Nil	17038025.00	13612753.00	15125283.00
3. Plant & Machineries	6809987.00	1900137.00	Nil	70000124.00	45760702.00	3347191.00	Nil	49107893.00	20892230.00	22339284.00
4. Office Equipments	935447.00	64400.00	Nil	999847.00	655239.00	52585.00	Nil	707824.00	292023.00	280208.00
5. Furnitures & Fixtures	841979.00	21825.00	Nil	863804.00	578456.00	50290.00	Nil	628746.00	235058.00	263523.00
6. Miscellaneous Assets	460056.00	137765.00	Nil	597821.00	314720.00	103922.00	Nil	418642.00	179179.00	145336.00
7. Vehicles	1863682.00	40350.00	Nil	1904032.00	1063354.00	215911.00	Nil	1279265.00	624767.00	800328.00
TOTAL [A]	118964909.00	2164477.00	Nil	12129386.00	63897966.00	5282429.00	Nil	69180395.00	51948990.00	55066942.00
CAPITAL WORK IN PROGRESS :-										
1. Building & Civil Construction	205761.00	Nil	Nil	205761.00	Nil	Nil	Nil	Nil	205761.00	205761.00
2. Plant & Machinery	1990312.00	Nil	1850822.00	139490.00	Nil	Nil	Nil	Nil	139490.00	1990312.00
TOTAL [B]	2196073.00	Nil	1850822.00	345251.00	Nil	Nil	Nil	Nil	345251.00	2196073.00
TOTAL [A] + [B]	121160982.00	2164477.00	1850822.00	121474637.00	63897966.00	5282429.00	Nil	69180395.00	52294241.00	57263015.00
PREVIOUS YEAR	123654086.00	580392.00	3073496.00	121160982.00	59736865.00	5754583.00	1593481.00	63897966.00	57263015.00	63917206.00


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
SCHEDULE : [6] PRE-OPERATIVE EXPENSES		
[PENDING ALLOCATION]		
As per Last Balance Sheet	Nil	41,134.00
Add : Transferred from Profit & Loss Account	Nil	Nil
	Nil	41,134.00
Less : Capitalised to Fixed Assets	Nil	41,134.00
TOTAL	Nil	Nil
SCHEDULE : [7] INVESTMENTS :		
[Trade] [Long Term Investments].		
Quoted [Equity Shares of Companies]		
a. 11,20,000 Equity Shares of Rs.10/- each fully paid of Vatsa Finance Limited. [Previous year 11,20,000 Equity Shares] [Market value Rs.Nil, Previous year Rs. Nil]	7,849,144.00	7,849,144.00
b. 1,500 Equity Shares of Rs.10/- each fully paid of Rencal Chemicals [I] Limited. [Previous year 1500 Equity Shares] [Market value Rs.Nil/- Previous Year Rs. Nil/-]	64,821.00	64,821.00
c. 17,500 Equity Shares of Rs.10/- each fully paid of Trans Techno Foods Limited. [Previous year 17500 Equity Shares] [Market value Rs.Nil/- Previous Year Rs. 7,000/-]	342,875.00	342,875.00
d. 1000 Equity Shares of Rs.10/-each partly paid up of Bank fo Baroda [Previous year 1000 Equity Shares partly paid] [Market value Rs.2,39,800/-, Previous Year Rs.86,000/-]	85,000.00	85,000.00
e. 8,09,400 Equity Shares of Rs.10/- each fully paid of Apple Amusement Ind. Ltd.* [Previous year 809400 Equity Shares] [Market Value Rs. Nil Previous year Rs. 94,29,510/-]	8,222,600.00	8,222,600.00
f. Un Quoted [Equity Shares of Companies] 95,000 Equity Shares of Rs.10/- each fully paid of Ajwa Finance Limited* [Previous year 95,000 Equity Shares] * [A Company under the same management]	950,000.00	950,000.00
TOTAL	<u>17,514,440.20</u>	<u>17,514,440.20</u>



SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
SCHEDULE : [8] SUNDRY DEBTORS :		
[Unsecured, considered good]		
Debts outstanding for a period Exceeding :		
a. Six Months	Nil	Nil
b. Others	5,672.00	Nil
TOTAL	<u>5,672.00</u>	<u>Nil</u>
SCHEDULE : [9] CASH & BANK BALANCE :		
a. Cash on hand	65,816.15	162,163.15
b. Balance with Scheduled Banks :		
- In Current Accounts	23,738.68	92,993.78
TOTAL	<u>89,554.83</u>	<u>255,156.93</u>
SCHEDULE : [10] LOAN AND ADVANCES :		
a. LOANS [Unsecured, considered good]		
- To Directors	Nil	Nil
- To Others (Mahavir Estate Pvt. Ltd.)	31,020.00	31,020.00
b. ADVANCES		
[Recoverable in cash or in kind or for value to be received]		
- Deposits with various agencies	921,145.00	934,235.00
- Advances to Trade Creditors	43,604.00	47,566.00
- Other Advance	295,700.00	1,240,543.00
- Staff Advances	299,201.50	249,051.00
- Prepaid Expenses	104,190.00	111,565.00
- Share Application Money (Pending Allotment)	250,000.00	250,000.00
- Accrued Income	Nil	5,000.00
- Deposit with Bank of Baroda-No Lien A/c	700,000.00	700,000.00
- TDS (A.Y. 2004-2005)	5,393.00	2,992.00
- Entertainment Tax	100,000.00	100,000.00
TOTAL	<u>2,750,253.50</u>	<u>3,671,972.00</u>
SCHEDULE : [11] CURRENT LIABILITIES & PROVISIONS :		
CURRENT LIABILITIES :		
a. Sundry Creditors	4,360,558.00	5,470,390.00
b. Corporation Bank O/D. A/c.	38,933.47	Nil
[Current A/c with Schedule Bank]		
c. Unearned Income	4,094,600.00	2,295,220.00
d. Share Application Money Refundable	180,363.35	105,604.35
e. Income Tax Payable (A.Y. 1997-98)	108,968.00	110,602.00
f. T.D.S. Payable	136,515.00	129,458.00
g. Other Current Liabilities	Nil	343,148.00
h. Outstanding Expenses	507,125.00	312,523.00
SUB-TOTAL	<u>9,427,062.82</u>	<u>8,766,945.35</u>
PROVISIONS		
For Expenses	17,573,422.00	15,848,288.00
For Taxation	Nil	Nil
SUB-TOTAL	<u>17,573,422.00</u>	<u>15,848,288.00</u>
TOTAL	<u>27,000,484.82</u>	<u>24,615,233.35</u>


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	As at 31/3/04 [Rs.]	As at 31/3/03 [Rs.]
SCHEDULE : [12] MISCELLANEOUS EXPENDITURE :		
a. Preliminary Expenses		
Balance as per last Balance Sheet	418,199.00	835,407.00
Less : 1/10th written off during the year	Nil	417,208.00
TOTAL [A]	<u>418,199.00</u>	<u>418,199.00</u>
b. Deferred Revenue Expenses		
Balance as per last Balance Sheet	40,639.00	60,959.00
Add : Addition during the year	Nil	Nil
	<u>40,639.00</u>	<u>60,959.00</u>
Less : 1/5th written off for the year	20,320.00	20,320.00
TOTAL [B]	<u>20,319.00</u>	<u>40,639.00</u>
TOTAL [A + B]	<u>438,518.00</u>	<u>458,838.00</u>

PARTICULARS	For the Year Ended 31/3/04 [Rs.]	For the year Ended 31/3/03 [Rs.]
SCHEDULE : [13] SALES/INCOME FROM OPERATIONS :		
a. Parks / Garden Income	6,455,949.00	7,033,456.00
b. Restaurant Income [Sale of eatables / commission]	2,252,373.00	1,688,538.00
c. Bus Income	39,410.00	20,000.00
d. Membership Income	587,720.00	605,838.00
e. Super Store Income	161,359.00	130,240.00
f. Misc. Other Income	162,226.00	474,803.00
TOTAL	<u>9,659,037.00</u>	<u>9,952,875.00</u>
SCHEDULE : [14] OTHER INCOME :		
a. Discount & Kaşar	Nil	36,060.00
b. Interest Income [TDS Rs. Nil, Previous Year Rs. Nil/-]	122.00	105.00
c. Sundry Balance W/off	Nil	256,341.01
d. Profit on sale of assets	Nil	51,951.00
e. Surplus on destruction of Assets	Nil	10,127.00
TOTAL	<u>122.00</u>	<u>354,584.01</u>


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	For the Year Ended 31/3/04 [Rs.]	For the year Ended 31/3/03 [Rs.]
SCHEDULE : [15] PARKS / GARDEN		
OPERATING EXPENSES :		
a. Electricity, Power & Fuel	2,600,402.00	1,930,521.00
b. Repairs & Maintenance [P & M]	1,355,791.00	1,088,668.00
c. Repairs & Maintenance [Building]	107,671.00	176,823.00
d. Repairs & Maintenance [Others]	77,992.00	69,589.00
e. Rajwadi Program Exp.	259,917.00	309,307.00
f. Stores & Spares Consumed	133,971.00	129,753.00
g. Security Expenses	266,362.00	213,375.00
h. Commission & Discount Expenses	83,017.00	94,463.49
i. Restaurant Expenses [Cost of Sale of eatables etc.]	1,547,157.00	1,320,689.00
j. Buses Operating Expenses	38,200.00	66,425.00
k. Super Store Material Expenses	111,804.00	135,392.50
l. Plantation Expenses	25,521.00	22,327.00
TOTAL	<u>6,607,805.00</u>	<u>5,557,332.99</u>
SCHEDULE : [16] ADMINISTRATIVE & OTHER EXPENSES :		
a. PAYMENT TO & PROVISIONS FOR EMPLOYEES :		
Directors' Remuneration	300,000.00	300,000.00
Salary & Wages to staff	1,157,962.00	1,096,366.57
Staff Welfare Expenses	52,691.00	85,229.00
Contribution to Provident & Other Funds	69,099.00	74,218.00
SUB-TOTAL	<u>1,579,752.00</u>	<u>1,555,813.57</u>
b. ADMINISTRATIVE & GENERAL EXPENSES :		
Advertisement & Business Promotion Expense	732,271.00	857,406.25
Legal & Professional Fees & Expenses	170,552.00	201,311.00
Travelling Expenses [Including Directors' Domestic Travelling Rs.36,845/-, Previous Year: Domestic Travelling Rs.93,081/-]	394,671.00	201,170.00
Office & General Expenses	270,001.50	227,291.50
Printing & Stationery Expenses	71,229.00	76,493.00
Postage, Telegram & Telephone Expenses	137,664.47	175,284.86
Conveyance & Vehicle Expenses	482,316.00	397,505.00
Insurance Expenses	199,493.00	152,460.29


SCHEDULE ANNEXED TO THE ACCOUNTS

PARTICULARS	For the Year Ended 31/3/04 [Rs.]	For the year Ended 31/3/03 [Rs.]
Auditors' Remuneration	29,600.00	26,000.00
Expenses on Medical treatment of Customers	5,480.00	71,923.00
Listing Fees	Nil	15,000.00
Rent, Rates & Taxes	318,270.00	321,670.00
Repairs & Maintenance Expenses	26,904.00	36,207.00
Discount Kasar	2,468.00	Nil
SUB-TOTAL	<u>2,840,919.97</u>	<u>2,759,721.90</u>
TOTAL	<u>4,420,671.97</u>	<u>4,315,535.47</u>

SCHEDULE : [17] INTEREST & FINANCIAL EXPENSES :

a. Bank Charges	3,771.44	7,954.00
b. Interest Expenses		
- For Bank Loans	5,138,144.00	4,247,095.00
- For G. S. F. C. Loans	11,238,603.00	12,431,511.00
- For Other Loans	25,275.16	51,296.45
TOTAL	<u>16,405,793.60</u>	<u>16,737,856.45</u>

SCHEDULE : [18] PRIOR YEAR ADJUSTMENTS :

Interest	Nil	(4811)
Legal & Professional Fees & Expenses	Nil	6800.00
Discount	Nil	5,400.00
Telephone Expenses	Nil	8029.00
TOTAL	<u>Nil</u>	<u>15,418.00</u>

**SCHEDULE ANNEXED TO THE ACCOUNTS**

(Annexed to and forming part of the Accounts for the year ended 31st March, 2004)

SCHEDULE : [19] "ACCOUNTING POLICIES & NOTES ON ACCOUNTS" :**A. "STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES":****1. ACCOUNTING CONVENTIONS :**

1. The Financial statements have been prepared under the historical cost conventions in accordance with the generally accepted accounting principles and as per the provisions of the Companies Act, 1956 except non following of Accounting Standard No.13 and 15 regarding "accounting of Investments" and accounting for retirement benefits in the financial statement of employer's respectively.
2. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles as consistently followed by the Company.

2. RECOGNITION OF INCOME / EXPENDITURE :

Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred except employees' retirement benefits, which are accounted as and when actually paid.

3. SALES/INCOME FROM OPERATIONS :

Parks/Garden Income is accounted on accrual basis i.e. date of visit to park/garden is the date of reckoning the income, however in the case of the Membership for a specified period, the income has been treated as accrued proportionately on the basis of span of period of membership. Also in the case of life membership deposits, the income is recognised by spreading deposit over a period of ten years.

4. INVESTMENTS :

- i. Investment are stated at cost.
- ii. Profit/(Loss) on sale of investments is accounted reckoning the first in first out (FIFO) method of accounting.

5. FIXED ASSETS AND DEPRECIATION :

1. Fixed Assets (Including assets purchased under hire purchase agreements) are stated at cost of acquisition less accumulated depreciation. Cost includes pre-operation expenses net of revenue. The Fixed Assets which are not yet completed are treated as Capital Work-In-Progress and no depreciation is provided for the same.



2. Depreciation on Fixed Assets is provided on the Written Down Value Method (W.D.V.) at the rates specified in Schedule XIV to the Companies Act, 1956, as amended upto the date of Balance Sheet.
3. Depreciation on Fixed Assets, for which no rates have been specified in Schedule XIV to the Companies Act, 1956, is provided on the Written Down Value Method at the rates at which the assets are depreciated over its estimated useful life.
4. Depreciation is provided on pro-rata basis from the month in which assets have been put to use and upto the date on which assets have been disposed, discarded or sold.
5. The assets having average life of about two years such as Costumes, Restaurant Crockerics etc. are being clubbed under Miscellaneous Assets and have been written off after a period of two years.

6. EXPENDITURE DURING PROJECT IMPLEMENTATION :

- i. Pre-Operative Expenses for the projects of the Company incurred upto the date of Installation and pertaining to the completed Assets are capitalised and added proportionately to the cost of relevant Fixed Assets.
- ii. Pre-Operative Expenses pertaining to the assets under construction/ installation are carried forward to the next year, to be capitalised on completion of respective Fixed Assets.

7. VALUATION OF INVENTORIES :

Inventories of stores, beverages & eatables are valued at cost. Cost is arrived at by following Weighted Average method of accounting.

8. AMORTISATION OF MISCELLANEOUS EXPENSES :

- i. The preliminary expenses and issue expenses are amortised over a period of ten years.
- ii. Expenses towards intensive advertisement campaign as well as sales promotion and foreign travelling, the benefit of which are expected to accrue over a number of years are treated as deferred revenue expenditure. Appropriate amounts are being written off every year.
- iii. Advertisement & other travelling & office expenses relating to the Periodic Membership Schemes whose income have been treated as accrued on proportionate basis are treated as deferred revenue expenditure and appropriate amounts are being written off every year, over the period of such Schemes

B. "NOTES ON ACCOUNTS" :

1. Figures of Previous year have been regrouped/recast wherever necessary to make them comparable with the figures of the Current year.



2. The company has not provided for the gratuity liability as well as employees' other retirement benefits though it should have provided for the same in line with the accounting standard made mandatory.

Since the company is following cash method of accounting in this respect, the liability in respect of gratuity is not being worked out by it.

3. No provision has been made for penalty and interest which may be levied upon the Company for non deduction/short deduction of TDS and delay/default in remitting money to various authorities because the amount is not ascertainable as on the date of Balance Sheet. The same shall be accounted for as and when levied by such authorities.

4. AUDITORS' REMUNERATION INCLUDES :

Sr. No.	Particulars	2003-04 [Rs.]	2002-03 [Rs.]
[1]	Statutory Audit Fees	16,200	15,750
[2]	Tax Audit Fees	5,400	5,250
[3]	Fees for Taxation Matters	5,000	5,000
[4]	Company Law Matters	3,000	Nil
TOTAL		29,600	26,000

5. Balance due to or due from parties/ banks from whom confirmations are not received are subject to necessary adjustment on receipt of confirmations including balance with Bank of Baroda Term Loan A/c., Samta Sahkari Bank-Bombay Branch and Bank of Baroda-Bombay Branch.

6. LOANS & ADVANCES INCLUDE THE FOLLOWING :

Rs.31,020/- given as loan to M/s.Mahavir Estate Pvt. Ltd. Maximum outstanding during the year Rs.31,020/-. (Previous year both the amounts were Rs.31,020/-)

7. Directors' Remuneration (Current year as well as previous year) represents Directors salary only.
8. The Inventory of stores includes stocks of Stores, Spares, Restaurant Items etc. and is stated in the Balance Sheet as taken, valued and certified by the management.

9. CONTINGENT LIABILITIES :

- i. Disputes not acknowledged as debt by the company for Rs.19,46,655/-.
- ii. Demand raised by the Gujarat Electricity Board for Rs.1,95,070/- towards installation charges and interest but contested by the company.

10. The company has been advised by experts that due to business loss and claim of depreciation as per the provisions of the Income Tax Act, 1961, the company does not have any tax liability for the current financial year and therefore no provision for Income Tax has been made. Also, due to carried forward depreciation and business loss as per the provisions of



Income Tax Act, 1961, there is no need to provide any deferred Tax liability under accounting standard 22(AS 22).

11. The investments made by the Company are not held in its own name though required as per the provisions of section 49 of the Companies Act, 1956.
12. The company has not provided for the diminution in the value of long term investments held by it though it is required to do so as per the accounting standard being made mandatory. Since the Company is stating the investments at cost, the same method of accounting has been continued. The diminution in the value of investments of the Company as at 31.3.2004 is Rs. 1,74,29,440.
13. The Company is primarily engaged in a single segment business of Fun World, Water Park, Rajwadi the Village & Resort. Also it has no branches either in India or outside. Hence the reporting pursuant to AS-17 is not applicable.

14. RELATED PARTY TRANSACTIONS :

Related Parties with whom the Company had transactions.

1. ASSOCIATES :

1. Ajwa Finance Ltd.
2. S.R.J. Builders Pvt. Ltd.
3. Mahavir Estate Pvt. Ltd.
4. Apple Allied Ind. Ltd.
5. Unique Construction Pvt. Ltd.

2. Key Material Personal :

1. Shri Rajesh C. Jain (C.M.D.)
2. Smt. Surbhi N. Kothari

3. Relatives of Key Managerial Personnel :

1. Smt. Vijaybala R. Jain
2. Master Rahil R. Jain

Disclosure of Transactions between the Company & related parties & the status of outstanding Balance as on 31st March, 2004.

Sr. No.	Component	Associates Transaction (Net) Rs.	Significant Influence (Net) Rs.	Key Managerial Personnel (Net) Rs.	Relatives of Key Managerial Personnel Transaction (Net) Rs.
1.	Loan (taken)	3,00,725.00	-	4,78,329.00	-
2.	Remuneration Sitting fees to Key Managerial Person	-	-	3,00,000.00	-
3.	Loan given/Rent paid to key Managerial Person	31,020.00	-	-	3,00,000.00



15. Figures are rounded off to the nearest rupee.

16. Additional information pursuant to the provisions of paragraphs 3 & 4 in part II of the Schedule VI of the Companies Act, 1956.

	Current Year 2003-04		Previous Year 2002-03	
	Qty.	Amount [Rs.]	Qty.	Amount [Rs.]
i LICENSE AND INSTALLED CAPACITY	Not Applicable		Not Applicable	
ii RAW MATERIAL CONSUMED	Nil	Nil	Nil	Nil
iii OPENING & CLOSING STOCK OF FINISHED GOODS :	Nil	Nil	Nil	Nil
iv C.I.F. VALUE OF IMPORTS	-	Nil	-	Nil
v EXPENDITURE IN FOREIGN CURRENCY	-	Nil	-	Nil
vi EARNINGS IN FOREIGN CURRENCY	-	Nil	-	Nil
vii DIVIDEND TO NRI(S)	-	Nil	-	Nil



17. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration No.

0	4			1	8	2	9	4	
---	---	--	--	---	---	---	---	---	--

 State Code

Balance Sheet Date

3	1	.	0	3	.	2	0	0	4
---	---	---	---	---	---	---	---	---	---

0	4
---	---

II. Capital Raised during the year [Amount in Rs. Thousands]

Public Issue

		N	I	L					
--	--	---	---	---	--	--	--	--	--

Right Issue

		N	I	L					
--	--	---	---	---	--	--	--	--	--

Bonus Issue

		N	I	L					
--	--	---	---	---	--	--	--	--	--

Private Placement

		N	I	L					
--	--	---	---	---	--	--	--	--	--

III. Position of Mobilisation and Deployment of Funds [Amount in Rs. Thousands]

Total Liabilities

				1	6	5	9	0	2
--	--	--	--	---	---	---	---	---	---

Total Assets

				1	6	5	9	0	2
--	--	--	--	---	---	---	---	---	---

Sources of Funds [Amount in Rs. Thousands]

Paid-up Capital

				6	3	9	0	0	
--	--	--	--	---	---	---	---	---	--

Reserve and Surplus

				1	1	1	2	0	
--	--	--	--	---	---	---	---	---	--

Secured Loans

				8	5	7	9	4	
--	--	--	--	---	---	---	---	---	--

Unsecured Loans

				5	0	8	8		
--	--	--	--	---	---	---	---	--	--

Application of Funds [Amount in Rs. Thousands]

Net Fixed Assets

				5	2	2	9	4	
--	--	--	--	---	---	---	---	---	--

Investment

				1	7	5	1	4	
--	--	--	--	---	---	---	---	---	--

Net Current Assets

				(-)	2	4	1	0	7
--	--	--	--	-----	---	---	---	---	---

Miscellaneous Expenditure

							4	3	9
--	--	--	--	--	--	--	---	---	---

Pre-operative Expenses

							N	I	L
--	--	--	--	--	--	--	---	---	---

Accumulated Losses

				1	1	9	7	6	2
--	--	--	--	---	---	---	---	---	---


IV. Performance of the Company [Amount in Rs. Thousands]

Turnover	Total Expenditure																				
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					9	6	5	9													
					3	2	7	3	7												
Profit/(Loss) Before Tax	Profit/(Loss) after Tax																				
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				(-)	2	3	0	7	8												
				(-)	2	3	0	7	8												
Earning Per Share in Rs.	Dividend Rate %																				
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					0	.	0	0													
	N	I	L																		

V. Generic Names of Three Principal Product/Services of the Company

(As per Monetary Terms)

Item Code No. (Itc Code)	Not Applicable
Production Description	
Item Code No. (Itc Code)	Not Applicable
Production Description	
Item Code No. (Itc Code)	Not Applicable
Production Description	

Signatures to Schedules 1 to 19

As per our Report of even date
For M/s. PORWAL & PORWAL
 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

[NIKHIL PORWAL]
 PARTNER
 PLACE : MUMBAI.
 DATE : 30th June, 2004

RAJESH C. JAIN
 CHAIRMAN & MANAGING DIRECTOR
 PLACE : AJWA, BARODA.
 DATE : 30th June, 2004

SURBHI R. JAIN
 DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2004
[PREPARED PURSUANT TO LISTING AGREEMENT]

PARTICULARS	FOR THE YEAR ENDED 31/3/04 [Rs.]	FOR THE YEAR ENDED 31/3/03 [Rs.]
A. CASH FLOW FROM OPERATIVE ACTIVITIES :		
NET PROFIT/(LOSS) AFTER TAX AND EXTRAORDINARY ITEMS	(23,077,860.57)	(22,510,792.90)
ADJUSTED FOR		
DEPRECIATION	5,282,429.00	5,754,581.00
MISC. EXP. WRITTEN OFF	20,320.00	437,528.00
LOSS/(PROFIT) ON SALE OF ASSETS [NET]	Nil	(62,078.00)
PRIOR YEAR ADJUSTMENTS	Nil	15,418.00
SUNDRY BALANCES WRITTEN OFF	Nil	(256,341.00)
INTEREST EXPENSES	16,402,022.16	16,729,902.45
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES :	(1,373,089.41)	108,217.55
ADJUSTED FOR		
TRADE AND OTHER RECEIVABLES	916,046.50	363,252.00
INVENTORIES	(22,038.00)	126,452.00
TRADE PAYABLES AND OTHER LIABILITIES	770,777.47	2,782,258.00
CASH GENERATED FROM OPERATIONS :	291,696.56	3,380,179.55
INTEREST PAID	26,275.16	141,296.00
CASH FLOW BEFORE EXTRA ORDINARY ITEMS :	266,421.40	3,238,883.55
ADD/(LESS) : EXTRA ORDINARY ITEMS :		
PRIOR YEAR ADJUSTMENTS	Nil	(20,229.00)
NET CASH FLOW FROM OPERATING ACTIVITIES : [A]	266,421.40	3,218,654.55
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	(313,655.00)	(539,258.00)
SALE OF FIXED ASSETS	Nil	1,542,092.00
PURCHASE OF INVESTMENTS	Nil	(3,498,600.00)
REPAYMENT RECEIVED FOR LOANS GIVEN	Nil	678,973.00
NET CASH FLOW FROM INVESTING ACTIVITIES : [B]	(313,655.00)	(1,815,793.00)


CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2004
[PREPARED PURSUANT TO LISTING AGREEMENT]

PARTICULARS	FOR THE YEAR ENDED 31/3/04 [Rs.]	FOR THE YEAR ENDED 31/3/03 [Rs.]
C. NET CASH USED IN FINANCING ACTIVITIES :		
PROCEEDS FROM LONG TERM BORROWINGS	Nil	Nil
REPAYMENT OF LONG TERM BORROWINGS [INCLUSIVE OF INTEREST]	(50,000.00)	(1,400,000.00)
REPAYMENT OF SHORT TERM LOANS [NET]	(68,368.50)	(177,951.00)
NET CASH USED IN FINANCING ACTIVITIES : [C]	(118,368.50)	(1,577,951.00)
NET CASH & CASH EQUIVALANTS { (A) + (B) + (C) }	(165,602.10)	(175,089.45)
CASH AND CASH EQUIVALANTS AS AT THE BEGINNING OF THE YEAR	255,156.93	430,247.00
CASH AND CASH EQUIVALANTS AS AT THE END OF THE YEAR	89,554.83	255,156.55

For and on behalf of the Board of Directors

PLACE : AJWA, BARODA.

DATE : 30th June, 2004

RAJESH C. JAIN
 CHAIRMAN & MANAGING DIRECTOR

SURBHI R. JAIN
 DIRECTOR

AUDITORS' CERTIFICATE

To,
 The Board of Directors,
 AJWA FUN WORLD & RESORT LIMITED
 Kunj Resi-Cum-Plaza, Palace Road,
 Baroda - 390 001.

We have examined the attached Cash flow statement of the AJWA FUN WORLD & RESORT LIMITED for the year ended 31st March, 2004. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreements with the Stock Exchange and is in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company.

For M/s. PORWAL & PORWAL
 CHARTERED ACCOUNTANTS

 PLACE : MUMBAI
 DATED : 30.06.2004

NIKHIL PORWAL
 PARTNER



AJWA FUN WORLD & RESORT LIMITED

Registered Office : Ajwa-Nimeta Road,
P.O. Ajwa Compound - 391 510 Ta. Waghodia, Dist. Baroda

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall.

L. F. No. _____ No. of Share Held _____

Name and address of the Member / Proxy

I hereby record my presence at the TWELTH ANNUAL GENERAL MEETING of the above named Company held at Ajwa Nimeta Road, P.O. Ajwa Compound - 391 510. Ta. Waghodia, Dist. Baroda. at 10.00 a.m. on Thursday, 30th September, 2004.

Signature of Member/Proxy

----- TERE HERE -----



AJWA FUN WORLD & RESORT LIMITED

Registered Office : Ajwa-Nimeta Road,
P.O. Ajwa Compound - 391 510 Ta. Waghodia, Dist. Baroda

PROXY

L. F. No. _____ No. of Share Held _____

We _____ of _____ being a member/members

Ajwa Fun World & Resort Limited, hereby appoint _____ of
_____ or failing him/her _____ of
_____ and failing him/her _____ of

_____ as my/our proxy to vote for me/us and on my/our behalf at the
TWELTH ANNUAL GENERAL MEETING of the Company to be held on Thursday 30th September,
2004 at 10.00 am. & at any adjournment thereof.

Signed this _____ day of _____ 2004.

Affix
1/- Rs.
REVENUE
STAMP

Note : The proxy duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

BOOK-POST

If Undelivered please return to :
AJWA FUN WORLD & RESORT LIMITED
Ajwa Nimeta Road, P.O. Ajwa Compound-391 510.
Ta. Waghodia, Dist. rod.

