



# **AJWA FUN WORLD & RESORT LIMITED**

**15<sup>th</sup> ANNUAL REPORT  
2006-2007**





# **AJWA FUN WORLD & RESORT LIMITED**

## **15th**

### **ANNUAL REPORT**

#### **2006-2007**

#### **BOARD OF DIRECTORS**

RAJESH C. JAIN  
GOPAL PANDYA  
BABUBHAI D. MAKWANA  
PARESH K. PATEL  
SURBHI N. KOTHARI

CHAIRMAN & MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR

#### **AUDITORS**

M/s. Porwal & Porwal  
625, Laxmi Industrial Estate,  
Near SAB TV,  
New Link Road, Andheri (W)  
Mumbai.

#### **BANKERS**

Corporation Bank  
Dandia Bazar  
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 **Fifteenth Annual General Meeting** of the Members of **AJWA FUN WORLD & RESORT LIMITED** will be held on Saturday, 29th September, 2007 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, 2007 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. Babubhai D. Makwana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Rajesh C. Jain  
(Chairman & Managing Director)

Place : Ajwa  
Date : 30th August, 2007



**NOTE/S :**

01. 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.
02. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2007 to 29th September, 2007 ( both days inclusive).

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

**Rajesh C. Jain**  
(Chairman & Managing Director)

Place : Ajwa  
Date : 30th August, 2007

**DIRECTORS' REPORT**

**TO  
THE MEMBERS,**

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2007.

**FINANCIAL RESULTS**

(Rs. in lacs)

Particulars	2006-2007	2005-2006
Income Revenue	102.65	81.87
Other Income	7.78	156.92
Profit/ (Loss) before depreciation & tax	5.88	142.31
Less : Depreciation	34.14	39.68
Profit/ (Loss) before tax	(28.26)	102.63
Net Profit / (Loss) after tax	(29.93)	102.63

**OPERATIONS**

During the year under review the Board of Director of your Company has charted the plan and strategy to dynamically activate the operations in Entertainment and Tourism Sector on horizontal and Vertical directions.

Your Company has started taking of in performance by achieving the operational target of Rs. 102 lacs as compared to 81.87 lacs in the last year i.e. increase of 25 %. As reported in the last Directors Report the company has fully discharged the outstanding obligation to the tune of Rs. 87 lacs of Bank of Baroda and has make it self free to that extent.

During the year the company has also earned the operational surplus to the tune of Rs. 6 lacs from the construction division and the efforts have been geared up to expand the horizons of infrastucture relating to the tourism sector.

**FUTURE BUSINESS PROSPECTS :**

As reported herein above the Company has been walking on the part of progress by reviving the dismal performance in the past years. As integral part of the Tourism and Entertainment Sector the company has strategically planned out to meet with the ends of Vibrant Gujarat pioneered by Government of Gujarat in Tourism Sector. The year 2007 has been declared to celebrated as Tourism Year and in celebration thereof it is hoped to increase the flow of tourists in and around Vadodara in specific and Gujarat in general.

As a boost to the heritage treasure of Gujarat, the Honorable President of India has declared with



notification the site of Champaner Nr. World renowned religious place of Pawagadh at a distance of just 10 kms. from Fun World site as " World heritage spot" with historical treasures and the flow of tourists have increased manifold to encourage the entertainment sector, the result of which will be tested in the years to come.

**DIVIDEND**

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

**DIRECTORS**

Mr. Babubhai D. Makwana, 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 certificate 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 Paresh K. Patel, Shri Gopal Pandya and Mrs. Surbhi N. Kothari has been formed. Audit Committee meetings were held in accordance with statutory requirements.

**INDUSTRIAL RELATION**

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

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

As required by the provisions of Section 217 (1)(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 STATEMENT**

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, 2007 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 judgments 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, 2007 on a 'going concern' basis.

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

In pursuance to the resolution passed at the last General Meeting of members of the Company held on 30<sup>th</sup> September' 2004 the necessary submissions have been made to de-list the Equity Shares of your Company from the Stock Exchanges at Ahmedabad, Vadodara & Indore. The Shares of your Company are compulsorily traded in dematerialized form. The Equity Shares continue to be traded on The Bombay Stock Exchange Limited, Mumbai.

**ACKNOWLEDGMENT**

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

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

Rajesh C. Jain  
(Chairman & Managing Director)

Place : Ajwa  
Date : 30th August, 2007





**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, 2007.**

**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
Outgo	Nil	Nil

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

**Place : Ajwa  
Date : 30th August, 2007**

**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 Shareholders. 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****a) Composition**

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 five Board meetings were held and the gap between two meetings did not exceed 4 months. The Board meetings were held on June 30, 2006, July 4, 2006, October 28, 2006, January 31, 2007 & March 30, 2007. 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 is a Director	No. of Committees/ Positions held in other Companies
1.	Rajesh C. Jain *	Executive & Promoter	4	2
2.	Gopal Pandya	Non-Executive Independent	1	1
3.	Babubhai D. Makwana	Non-Executive Independent	1	0
4.	Paresh K. Patel	Non-executive Independent	0	0
5.	Surbhi N. Kothari	Non-Executive Independent	2	2

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



- a) Mr. Babubhai D. Makwana, is Businessman and repatriate director and has been contributing for a global exposure of the entertainment activities carried out by the company. He will be retiring by rotation at ensuring annual general meeting of members of the company and being eligible offers himself for reappointment.

His association with the Company shall go a long way to provide the guidance in respect of various issues relating to technical administration of the project and restructuring and hence the re-appointment is recommended 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 of Executive & non-executive Directors and has been set up with scope of activities as set out in clause 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. 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, 2006, July 20, 2006, October, 22, 2006, January 20, 2007 & March 30, 2007. The attendance of the Members at the meetings is stated here in below:

Name of the Director	Category	No. of meetings attended during the year 2006-2007
Gopal Pandya	Non-Executive Independent	4
Rajesh C. Jain	Executive & Promoter	4
Surbhi N. Kothari	Non-Executive Independent	4

**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 Human-resources developments.

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



Name of the Director	Category	No. of meetings attended during the year 2006-2007*
Gopal Pandya	Non-Executive Independent	0
Babubhai D. Makwana	Non-Executive Independent	0
Paresh K. Patel	Non-Executive Independent	0
Surbhi N. Kothari	Non-Executive Independent	0

\* No meeting of the Remuneration Committee was held during the year under review.

The Company has no pecuniary relationship or transaction with his non executive directors including sitting fees for attending board meetings.

**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 and Investor Grievance Committee:**

The investors/shareholders grievance committee comprises of Executive / 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.	Rajesh C. Jain	Executive	12	100%
2.	Surbhi N. Kothari	Non-Executive Independent	12	100%
3.	Gopal Pandya	Non-Executive Independent	12	100%

The Share transfer and investor grievance committee were held during the year 2006-2007 on 30/04/06, 31/05/06, 30/06/06, 31/07/06, 31/08/06, 30/09/06, 31/10/06, 30/11/06, 31/12/06, 31/01/07, 28/02/07 & 31/03/07.



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

**7. General Body Meetings:**

Date of AGM	Locations
30/09/2004	At the Registered office of the Company
30/09/2005	At the Registered office of the Company
30/09/2006	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. 15 of Schedule No. 17, 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, 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                        | The results of the Company are published in the news papers.  |
| 2. News papers in which Quarterly results were published.                                   | ---   |
| 3. Any website were displayed   | <a href="http://www.ajwa funworld.com">www.ajwa funworld.com</a><br>The Company is planing to furnish share holding patterns, financial results on SEBI Website<br><a href="http://www.sebiedifar.nic.in">www.sebiedifar.nic.in</a> |
| 4. Whether the Company displays 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, 29, 2007
2.	Dates of Book-closure	25.09.2007 to 29.09.2007 (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

\* The Requisite submissions have been made for de-listing of Equity Shares.

**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/ 0265-6545891

Fax No. 0265-2415579

Email ID: ajwafun@yahoo.com

**RTA :**

MCS Limited  
Neelam Apartment,  
88, Sampat Rao Colony,  
Above ChappanBhog,  
Alkapuri,  
Baroda - 390 007.

Telephone No/s. : 0265-2339397

Fax No.: 0265-2341639

E-MAIL: mcsbaroda@iqra.net

**Share Transfer System :**

All transfer requests received are processed and approved by an 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 ensures to attend to the Complaints 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, 2007.**

No. Of Shares	Share Holders		Share Amount	
	Number	% Total	Amount	% Total
UP TO 5000	4764	87.17	8709000	13.63
5001 10000	339	6.20	2699000	4.22
10001 20000	132	2.42	1959000	3.07
20001 30000	58	1.06	1444000	2.26
30001 40000	18	0.33	632000	0.99
40001 50000	45	0.82	2189000	3.43
50001 100000	46	0.84	3474000	5.44
100001 ABOVE	63	1.15	42794000	66.97
<b>TOTAL</b>	<b>5465</b>	<b>100</b>	<b>63900000</b>	<b>100.00</b>

**12) Shareholding pattern as on March 31, 2007.**

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	1180200	18.47
Mutual Funds & UTI	Nil	Nil
FIs	Nil	Nil
Banks & Financial Institution	Nil	Nil
Corporate Bodies	1435700	22.47
Indian Public	3774100	59.06
NRIs/OCBs	Nil	Nil
Non Resident Company	Nil	Nil
Clearing Members	Nil	Nil
<b>Total</b>	<b>6390000</b>	<b>100 %</b>

**13) Market Price data High and Low during each Month for financial year 2006 - 2007.**

Month	High	Low
June, 06	3.88	3.88

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, but now in the process of de-listing. The Shares of the Company are not listed at the National Stock Exchange Limited.

**Dematerialisation of shares as on 31st March, 2007 and Liquidity.**

The Company's Shares are Compulsorily traded in Dematerialised form and are available for trading on Central Depository Services (I) Limited ( CDSL). 995700 equity shares of the Company representing 15.36% of the Company shares Capital are dematerialised as on 31st March, 2007 .

**Secretarial Audit**

A Practicing 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 confirms that the total issued and paid up shares capital is in agreement with the total number of Shares in physical form & the total No. of dematerialised shares held 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  
E-MAIL : ajwafun@yahoo.com

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**CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by, Ajwa Fun World & Resort Limited, for the year ended on 31<sup>st</sup> March, 2007 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 31<sup>st</sup> March, 2007, 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 : 30.08.2007

**NIKHIL PORWAL  
PARTNER**

**AUDITORS' REPORT****TO  
MEMBERS OF  
AJWA FUN WORLD & RESORT LIMITED**

We have audited the attached Balance Sheet of AJWA FUN WORLD & RESORT LIMITED as at 31<sup>st</sup> March 2007, 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. 82,56,840. Consequently the losses for the year are understated by Rs. 82,56,840 and the Profit & Loss Account in the Balance Sheet is understated by Rs. 82,56,840 correspondingly Investments are overstated to the same extent of Rs. 82,56,840**



- v) **The Company has not adhered to the provisions of section 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, total Investment would have been Rs. 9,50,000 (as against the reported figure of total Investment Rs. 92,06,840) and accumulated losses would have been Rs. 14,40,41,554 (as against the reported figure of Rs.13,57,84,714).**

- 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 31<sup>st</sup> March, 2007 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 31<sup>st</sup> March 2007; and
- (b) In the case of the Profit & Loss Account of the Profit 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 three parties covered in the register maintained u/s.301 of the Companies Act, 1956 and the year end balance was Rs. 20,13,053.61. 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. 39,320.
- (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 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 31<sup>st</sup> March 2007 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
PROFESSIONAL TAX	620.00	31.08.2006 TO 31.03.2007	31-03-2007	19-09-07

(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 31<sup>st</sup> March 2007 on account of any dispute are given below:

PARTICULARS	NATURE OF DUES	PERIOD TO WHICH THE AMOUNT RELATES	AMOUNT (Rs.)	FORUM WHERE DISPUTE PENDING
GUJURAT ELECTRICITY BOARD	INSTALLATION CHARGES & INTEREST	01.04.1997 TO 31.03.1998	195,070	GUJURAT ELECTRICITY BOARD
THE COMMISSIONER OF ENTERTAINMENT TAX	ENTERTAINMENT TAX	01.04.2002 TO 31.03.2003	1,131,461	COLLECTOR OFFICE VADODARA

(x) The accumulated losses at the end of the financial year are more than fifty percent of its net worth.

(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 as given below:

NAME OF THE BANK/ FINANCIAL INSTITUTION	AMOUNT (RS.)	PERIOD
GUJARAT STATE FINANCIAL CORPORATION	86,419,698.00	01.02.2004

(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 **PORWAL & PORWAL**  
CHARTERED ACCOUNTANTS

**N.N. PORWAL**  
PARTNER

PLACE : MUMBAI  
DATED : 30.08.2007



# AJWA FUN WORLD & RESORT LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	As at 31/3/07 [Rs.]	As at 31/3/06 [Rs.]
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS :</b>			
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>
<b>LOAN FUNDS :</b>			
a. Secured Loans	3	86,419,698.00	92,719,698.00
b. Unsecured Loans	4	12,897,828.61	7,588,053.61
		<u>99,317,526.61</u>	<u>100,307,751.61</u>
<b>TOTAL ::&gt;&gt;</b>		<u>174,337,526.61</u>	<u>175,327,751.61</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
a. Gross Block	5	120,222,521.00	120,153,658.51
b. Less : Depreciation		<u>79,749,572.10</u>	<u>76,484,397.00</u>
		40,472,947.90	43,669,261.51
<b>INVESTMENTS</b>	6	9,206,840.20	9,206,840.20
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
a. Inventories [Stores, Beverages, Eatables]		58,939.00	13,988.00
b. Sundry Debtors	7	7,740,111.00	7,070,358.00
c. Cash & Bank Balance	8	2,097,118.64	723,295.54
d. Loans & Advances	9	19,358,247.70	6,056,461.50
		<u>29,254,416.34</u>	<u>13,864,103.04</u>
Less : Current Liabilities & Provisions	10	<u>40,799,590.98</u>	<u>(24,622,270.00)</u>
<b>NET CURRENT ASSETS</b>		(11,545,174.64)	(10,758,166.96)
<b>PROFIT &amp; LOSS ACCOUNT</b>		135,784,714.15	132,791,617.86
<b>MISCELLANEOUS EXPENDITURE</b>	11	<u>418,199.00</u>	<u>418,199.00</u>
<b>TOTAL ::&gt;&gt;</b>		<u>174,337,526.61</u>	<u>175,327,751.61</u>
Notes on Accounts and Accounting Policies	17		

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

**For and on behalf of the Board of Directors  
For Ajwa Fun World & Resort Ltd.**

**[NIKHIL PORWAL]  
PARTNER  
PLACE : MUMBAI  
DATE : 30th August, 2007**

**RAJESH C. JAIN                      SURBHI N. KOTHARI  
CHAIRMAN & [M. D.]              DIRECTOR  
PLACE : AJWA COMPOUND, AJWA.  
DATE : 30th August, 2007**



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>FOR THE YEAR ENDED 31/3/07 [Rs.]</b>	<b>FOR THE YEAR ENDED 31/3/06 [Rs.]</b>
<b>INCOME :</b>			
Sales / Income from Operations	12	10,264,919.00	8,114,674.00
Other Income	13	778,331.33	15,692,061.00
<b>TOTAL INCOME</b>		<u>11,043,250.33</u>	<u>23,806,735.00</u>
<b>EXPENDITURE :</b>			
a. Parks/Garden Operating Expenses	14	6,009,698.00	5,978,937.00
b. Administrative & Other Expenses	15	3,996,704.09	3,517,427.00
c. Interest & Financial Expenses	16	448,293.53	78,963.54
<b>TOTAL EXPENDITURE</b>		<u>10,454,695.62</u>	<u>9,575,327.54</u>
<b>Profit/(Loss) for the year before Depreciation</b>		588,554.71	14,231,407.46
Less : Depreciation		3,414,106.00	3,967,989.00
<b>Profit/(Loss) for the year after Depreciation</b>		<u>(2,825,551.29)</u>	<u>10,263,418.46</u>
Less : Provision for Taxation		-	-
Less : Short Provision for IT		125,000.00	-
Short Provision for FBT		42,545.00	-
<b>Profit/(Loss) for the year after Taxation</b>		<u>(2,993,096.29)</u>	<u>10,263,418.46</u>
Add : Profit/(Loss) Brought Forward		<u>(132,791,617.86)</u>	<u>(143,055,036.32)</u>
<b>Total Profit/(Loss) carried to Balance Sheet</b>		<u>(135,784,714.15)</u>	<u>(132,791,617.86)</u>
Notes on Accounts and Accounting Policies	17		

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

**For and on behalf of the Board of Directors  
For Ajwa Fun World & Resort Ltd.**

**[NIKHIL PORWAL]  
PARTNER  
PLACE : MUMBAI  
DATE : 30th August, 2007**

**RAJESH C. JAIN                      SURBHI N. KOTHARI  
CHAIRMAN & [M. D.]              DIRECTOR  
PLACE : AJWA COMPOUND, AJWA.  
DATE : 30th AUGUST, 2007**



**SCHEDULES ANNEXED TO THE ACCOUNTS**

<b>PARTICULARS</b>	<b>As at 31/3/07 [Rs.]</b>	<b>As at 31/3/06 [Rs.]</b>
<b>SCHEDULE : [1] : SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
2,50,00,000 Equity Shares of Rs.10/- each	250,000,000.00	250,000,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
63,90,000 Equity Shares of Rs.10/- each fully paid up.	63,900,000.00	63,900,000.00
<b>TOTAL</b>	<b>63,900,000.00</b>	<b>63,900,000.00</b>
<b>SCHEDULE : [2] : RESERVES &amp; SURPLUS :</b>		
Securities Premium Account As per last Balance Sheet	11,120,000.00	11,120,000.00
<b>TOTAL</b>	<b>11,120,000.00</b>	<b>11,120,000.00</b>
<b>SCHEDULE : [3] : SECURED LOANS :</b>		
<b>a. Term Loan from Bank of Baroda</b> [Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & personal guarantee of Directors] [Repayable within one year Rs.NIL, Previous Year Rs.63,000,000/-]	-	6,300,000.00
<b>b. Term Loan from Gujarat State Financial Corpn.</b> [Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & personal guarantee of Directors] [Repayable within one year Rs.8,64,19,698/-, Previous Year 8,64,19,698/-]	86,419,698.00	86,419,698.00
<b>TOTAL</b>	<b>86,419,698.00</b>	<b>92,719,698.00</b>
<b>SCHEDULE : [4] : UNSECURED LOANS :</b>		
From Directors	1,307,328.61	547,328.61
From Bodies Corporate	7,058,500.00	1,690,725.00
From Shareholders	482,000.00	1,300,000.00
From Others	4,050,000.00	4,050,000.00
<b>TOTAL</b>	<b>12,897,828.61</b>	<b>7,588,053.61</b>



**SCHEDULE ANNEXED TO THE ACCOUNTS  
SCHEDULE : [5] : DEPRICATION :**

Particulars	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	As on 01/04/06	Addion during the year	Deduction / Adjustment	As on 31/03/07	Up to 31/03/06	Addion during the year	Deduction / Adjustment	Up to 31/03/07	As on 31/03/07	As on 31/03/06
1. Land	16,112,980.00	0.00	0.00	16,112,980.00	0.00	0.00	0.00	0.00	16,112,980.00	16,112,980.00
2. Building & Site Development	30,694,149.00	0.00	0.00	30,694,149.00	19,627,701.00	1,106,644.00	0.00	20,734,345.00	9,959,804.00	11,066,448.00
3. Plant & Machineries	70,000,124.00	213,408.00	0.00	70,213,532.00	54,515,853.00	2,174,199.00	0.00	56,690,052.00	13,523,479.00	15,484,270.00
4. Office Equipments	1,133,057.00	34,900.00	0.00	1,167,957.00	834,832.00	57,416.00	0.00	892,248.00	275,709.00	298,225.00
5. Furnitures & Fixtures	873,028.00	22,750.00	0.00	895,778.00	715,662.00	30,116.00	0.00	745,780.00	149,998.00	157,366.00
6. Miscellaneous Assets	670,837.00	0.00	0.00	670,837.00	593,436.00	33,467.00	0.00	626,903.00	43,934.00	77,401.00
7. Vehicles	324,232.00	0.00	242,855.00	81,377.00	196,913.00	12,262.00	148,930.90	60,244.10	21,132.90	127,319.00
<b>TOTAL [A]</b>	<b>119,808,407.00</b>	<b>271,058.00</b>	<b>242,855.00</b>	<b>119,836,610.00</b>	<b>76,484,397.00</b>	<b>3,414,106.00</b>	<b>148,930.90</b>	<b>79,749,572.10</b>	<b>40,087,036.90</b>	<b>43,324,009.00</b>
<b>CAPITAL WORK IN PROGRESS:-</b>										
1. Building & Civil Construction	205,761.00	40,660.00	0.00	246,421.00	0.00	0.00	0.00	0.00	246,421.00	205,761.00
2. Plant & Machinery	139,490.00	0.00	0.00	139,490.00	0.00	0.00	0.00	0.00	139,490.00	139,490.00
<b>TOTAL [B]</b>	<b>345,251.00</b>	<b>40,660.00</b>	<b>0.00</b>	<b>385,911.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>385,911.00</b>	<b>345,251.00</b>
<b>TOTAL [A] + [B]</b>	<b>120,153,658.00</b>	<b>311,718.00</b>	<b>242,855.00</b>	<b>120,222,521.00</b>	<b>76,484,397.00</b>	<b>3,414,106.00</b>	<b>148,930.90</b>	<b>79,749,572.10</b>	<b>40,472,947.90</b>	<b>43,669,260.00</b>
<b>PREVIOUS YEAR: &gt;</b>	<b>120,756,804.00</b>	<b>156,981.00</b>	<b>760,127.00</b>	<b>120,153,658.00</b>	<b>73,083,483.00</b>	<b>3,967,989.00</b>	<b>605,189.00</b>	<b>76,484,397.00</b>	<b>43,669,260.00</b>	<b>57,263,015.00</b>

**SCHEDULES ANNEXED TO THE ACCOUNTS**

<b>PARTICULARS</b>	<b>As at 31/3/07 [Rs.]</b>	<b>As at 31/3/06 [Rs.]</b>
<b>SCHEDULE : [6] : INVESTMENTS :</b>		
[Trade] [Long Term Investments]		
<b>Quoted [Equity Shares of Companies]</b>		
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 /-]	64,821.20	64,821.20
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. NIL]	342,875.00	342,875.00
Un Quoted [ Equity Shares of Companies]		
d. 95,000 Equity Shares of Rs.10/- each fully paid of Ajwa Finance Limited.* [Previous year 95,000 Equity Shares]	950,000.00	950,000.00
* [A Company under the same management]		
<b>TOTAL</b>	<b>9,206,840.20</b>	<b>9,206,840.20</b>
<b>SCHEDULE : 7 : SUNDRY DEBTORS :</b>		
[Unsecured, considered good]		
Debts outstanding for a period Exceeding :		
a. Six Months	7,740,111.00	7,070,358.00
b. Others		
<b>TOTAL</b>	<b>7,740,111.00</b>	<b>7,070,358.00</b>

**SCHEDULES ANNEXED TO THE ACCOUNTS**

<b>PARTICULARS</b>	<b>As at 31/3/07 [Rs.]</b>	<b>As at 31/3/06 [Rs.]</b>
<b>SCHEDULE : 8 : CASH &amp; BANK BALANCE :</b>		
a. Cash on hand	1,171,340.15	164,996.15
b. Balance with Scheduled Banks : In CurrentAccounts*	925,778.49	558,299.39
<b>TOTAL</b>	<b>2,097,118.64</b>	<b>723,295.54</b>
<b>SCHEDULE : 9 : LOANS AND ADVANCES :</b>		
<b>a. LOANS [Unsecured, considered good]</b>		
- To Others	7,665,725.00	1,990,120.00
<b>b. ADVANCES</b> [Recoverable in cash or in kind or for value to be received]		
- Deposits with various agencies	4,735,067.20	866,231.00
- Advances to Trade Creditors	0.00	67,752.00
- Other Advances	6,073,903.00	2,397,303.00
- Staff Advances	4,67,904.50	327,117.50
- Prepaid Expenses	50,400.00	50,945.00
- Share Application Money (pending Allotment)	250,000.00	250,000.00
- TDS (A.Y. 2004-2005)	6,993.00	6,993.00
- TDS (A.Y. 2007-2008)	8,255.00	0.00
- Entertainment Tax	100,000.00	100,000.00
<b>TOTAL</b>	<b>19,358,247.70</b>	<b>6,056,461.50</b>
<b>SCHEDULE : 10 : CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES :</b>		
a. Sundry Creditors	29,430,258.98	15,391,486.00
b. Unearned Income	10,789,815.00	8,765,060.00
c. Income Tax Payable (A.Y. 1997-98)	1,710.00	1,710.00
d. T.D.S. Payable	2,080.00	1,889.00
e. Other Current Liabilities	13,893.00	16,046.00
<b>SUB-TOTAL</b>	<b>40,237,756.98</b>	<b>24,176,191.00</b>
<b>PROVISIONS :</b>		
For Expenses	561,834.00	446,079.00
For Taxation	0.00	0.00
<b>SUB-TOTAL</b>	<b>561,834.00</b>	<b>446,079.00</b>
<b>TOTAL</b>	<b>40,799,590.98</b>	<b>24,622,270.00</b>

**SCHEDULES ANNEXED TO THE ACCOUNTS**

<b>PARTICULARS</b>	<b>As at 31/3/07 [Rs.]</b>	<b>As at 31/3/06 [Rs.]</b>
<b>SCHEDULE : 11 : MISCELLANEOUS EXPENDITURE</b>		
a. Preliminary Expenses		
Balance as per last Balance Sheet	418,199.00	418,199.00
Less : 1/10th written off during the year	-	-
<b>TOTAL</b>	<b>418,199.00</b>	<b>418,199.00</b>

	<b>FOR THE YEAR ENDED 31/3/07 [Rs.]</b>	<b>FOR THE YEAR ENDED 31/3/06 [Rs.]</b>
<b>SCHEDULE : [12] : SALES/INCOME FROM OPERATIONS :</b>		
a. Parks / Garden Income	4,670,467.00	2,582,272.00
b. Restaurant Income [Sale of eatables]	3,883,041.00	4,155,385.00
c. Bus Income	45,335.00	11,475.00
d. Membership Income	1,652,020.00	1,284,520.00
e. Super Store Income	526.00	81,022.00
f. Misc. Other Income	13,530.00	0.00
<b>TOTAL</b>	<b>10,264,919.00</b>	<b>8,114,674.00</b>

**SCHEDULE : 13 : OTHER INCOME :**

a. Discount & Kasar	53,427.13	47,334.00
b. Interest Income (TDS Rs.5,305, previous year Nil)	23,641.20	0.00
c. Sundry Balance W/off	31,510.00	15,619,665.00
d. Profit on Sale of Asset	0.00	25,062.00
e. Profit on Booking Shops	669,753.00	0.00
<b>TOTAL</b>	<b>778,331.33</b>	<b>15,692,061.00</b>



**SCHEDULES ANNEXED TO THE ACCOUNTS**

PARTICULARS	FOR THE YEAR ENDED 31/3/07 [Rs.]	FOR THE YEAR ENDED 31/3/06 [Rs.]
<b>SCHEDULE : 14 : PARKS / GARDEN OPERATING EXPENSES :</b>		
a. Electricity and Power & Fuel	1,240,272.00	1,396,364.00
b. Repairs & Maintenance [P & M]	1,424,941.00	1,216,937.00
c. Repairs & Maintenance [Building]	174,615.00	101,182.00
d. Repairs & Maintenance [Others]	188,333.00	60,291.00
e. Rajwadi Program Exp.	439,987.00	868,079.00
f. Security Expenses	206,216.00	201,026.00
g. Commission & Discount	119,467.00	99,276.00
h. Restaurant Expenses (Cost of Sale of eatables etc.)	2,150,238.00	1,994,330.00
i. Buses Operating Expenses	57,567.00	24,424.00
J. Plantation Exps	8,062.00	17,028.00
<b>TOTAL</b>	<b>6,009,698.00</b>	<b>5,978,937.00</b>

**SCHEDULE : [15] : ADMINISTRATIVE & OTHER EXPENSES :**

<b>a. PAYMENT TO &amp; PROVISIONS FOR EMPLOYEES :</b>		
Directors' Remuneration	300,000.00	300,000.00
Salary & Wages to staff	599,987.00	462,408.00
Staff Welfare Expenses	40,591.00	51,446.00
Contribution to Provident & Other Funds	30,811.00	76,395.00
<b>SUB-TOTAL</b>	<b>971,389.00</b>	<b>890,249.00</b>
<b>b. ADMINISTRATIVE &amp; GENERAL EXPENSES :</b>		
Advertisement & Business Promotion Expenses	586,074.48	672,291.00
Legal & Professional Fees	286,389.00	388,049.00
Traveling Expenses [Including Directors' Domestic Travelling Rs.47,930/-] Previous Year: Domestic Travelling Rs.65,797/-]	322,874.00	98,690.00
Office & General Expenses	333,070.61	256,456.00
Printing & Stationery Expenses	84,577.00	45,480.00
Postage, Telegram, & Telephone Expenses	118,799.00	217,053.00
Conveyance & Vehicle Expenses	405,607.00	263,405.00
Insurance Expenses	104,306.00	80,606.00
Auditors' Remuneration	37,079.00	33,672.00
Expenses on Medical treatment of Customers	2,049.00	9,254.00
Rent, Rates & Taxes	422,500.00	369,702.00
Repairs & Maintenance Expenses	167,198.00	22,165.00
Sales Tax	154,792.00	170,355.00
<b>SUB-TOTAL</b>	<b>3,025,315.09</b>	<b>2,627,178.00</b>
<b>TOTAL</b>	<b>3,996,704.09</b>	<b>3,517,427.00</b>

**SCHEDULES ANNEXED TO THE ACCOUNTS**

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31/3/07 [Rs.]</b>	<b>FOR THE YEAR ENDED 31/3/06 [Rs.]</b>
<b>SCHEDULE : 16 : INTEREST &amp; FINANCIAL EXPENSES :</b>		
a. Bank Charges	19,433.53	10,284.54
b. Interest Expenses :		
- For Bank Loans	428,860.00	0.00
- For G.S.F.C. Loans	0.00	66,279.00
- For other Loans	0.00	2,400.00
<b>TOTAL</b>	<b>448,293.53</b>	<b>78,963.54</b>



**SCHEDULE ANNEXED TO THE ACCOUNTS**

(Annexed to and forming part of the Accounts for the year ended 31st March, 2007)

**SCHEDULE : [17] : "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 Employers', 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 Income is accounted on accrual basis i.e. date of visit to park 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. Investments 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 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, Crockery etc. are being clubbed under Miscellaneous Assets and have been written off after a period of two years.
6. No provision for Fringe Benefit Tax has been made in the books of accounts amounting to Rs.48,023/-.

**6. VALUATION OF INVENTORIES :**

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

**7. 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	2006-07 [Rs.]	2005-06 [Rs.]
1.	Statutory Audit Fees	20,000	17,000
2.	Tax Audit Fees	5,000	5,000
3.	Fees for Taxation Matters	7,000	7,000
4.	Company Law Matters	1,000	1,000
5.	Service Tax	4,079	3,672
	<b>TOTAL</b>	<b>37,079</b>	<b>33,672</b>

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

**6. LOANS & ADVANCES INCLUDE THE FOLLOWING :**

1. Rs.39,320/- given as loan to M/s.Mahavir Estate Pvt. Ltd. Maximum outstanding during the year Rs.39,320/- . (Previous year both the amounts are Rs.32,520/-)
2. Rs. Nil given as loan to M/s.Unique Construction Pvt.Ltd. Maximum outstanding during the year Rs.6,500/- . (Previous year both the amounts are Rs.6500)  
(All this companies are under the same management as defined U/s 370 1(B) of the

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 Income Tax and Sales Tax assessments for the Asst. Year 2005-06 and onwards and financial year 2004-05, respectively are yet to made by the concern authorities.



12. 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.
13. 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 31.3.2007 is Rs. 92,06,840.20
14. 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. The Company has entered into the business of dealing in Real Estate in Indore and earned the operational surplus to the tune of Rs. 6 lacs from the construction division.

**15. RELATED PARTY TRANSACTIONS :**

Related Parties with whom the Company had transactions.

**1. ASSOCIATES :**

1. Ajwa Finance Ltd.
2. S R J Projects Pvt. Ltd.
3. Mahavir Estate Pvt. Ltd.
4. Unique Construction Pvt. Ltd.

**2. Key Personal :**

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

**3. Relatives of Key Managerial Personal :**

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

16. Disclosure of Transactions between the Company & Related parties & the status of outstanding Balance as on 31<sup>st</sup> March, 2007.

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)	5,33,500	----	13,07,328	----
2.	Remuneration Sitting fees to Key Managerial Personal	----	----	3,00,000	2,40,000
3.	Loan given/Rent paid to key Managerial Personal	39,320	----	----	3,00,000



17. Figures are rounded off to the nearest rupee.
18. Additional information pursuant to the provisions of paragraphs 3 & 4 in part II of the Schedule VI of the Companies Act, 1956.

	Current Year 2006-07		Previous Year 2005-06	
i	LICENSE AND INSTALLED CAPACITY		Not Applicable	
	Qty.	Amount [Rs.]	Qty.	Amount [Rs.]
ii	RAW MATERIAL CONSUMED	Nil	Nil	Nil
iii	OPENING & CLOSING STOCK OF FINISHED GOODS :	Nil	Nil	Nil
iv	C.I.F. VALUE OF IMPORTS	--	--	Nil
v	EXPENDITURE IN FOREIGN CURRENCY	--	--	Nil
vi	EARNINGS IN FOREIGN CURRENCY	--	--	Nil
vii	DIVIDEND TO NRI(S)	--	--	Nil



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

I. Registration No. 

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

Balance Sheet Date 

3	1			0	3			2	0	0	7
---	---	--	--	---	---	--	--	---	---	---	---

 State Code 

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	7	4	3	3	7
--	--	--	--	---	---	---	---	---	---

Total Assets

				1	7	4	3	3	7
--	--	--	--	---	---	---	---	---	---

Sources of Funds [Amount in Rs. Thousands]

Paid-up Capital

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

Reserved and Surplus

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

Secured Loans

				8	6	4	1	9
--	--	--	--	---	---	---	---	---

Unsecured Loans

				1	2	8	9	8
--	--	--	--	---	---	---	---	---

Application of Funds [Amount in Rs. Thousands]

Net Fixed Assets

				4	0	4	7	3
--	--	--	--	---	---	---	---	---

Investment

						9	2	0	7
--	--	--	--	--	--	---	---	---	---

Net Current Assets

			(-)	1	1	5	4	5
--	--	--	-----	---	---	---	---	---

Miscellaneous Expenditure

						4	1	8
--	--	--	--	--	--	---	---	---

Pre-operative Expenses

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

Accumulated Losses

			1	3	5	7	8	4
--	--	--	---	---	---	---	---	---



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

Turnover					
				1	1
				0	4
				3	

Total Expenditure					
				1	3
				8	6
				8	

Profit/(Loss) Before Tax					
				(-)	2
				8	2
				5	

Profit/(Loss) After Tax					
				(-)	2
				8	2
				5	

Earning Per Share in Rs.					
				0	0
				0	

Dividend Rate %					
				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 17**

**As per our report of even date  
M/s.PORWAL & PORWAL  
Chartered Accountants**

**For and on behalf of the Board of Directors  
For Ajwa Fun World & Resort Ltd.**

**NIKHIL PORWAL  
PARTNER  
PLACE : MUMBAI  
DATE : 30<sup>th</sup> August, 2007**

**RAJESH C. JAIN                      SURBHI N.KOTHARI  
CHAIRMAN & [M. D.]              DIRECTOR  
PLACE : AJWA COMPOUND, AJWA.  
DATE : 30<sup>th</sup> August, 2007**

**AJWA FUN WORLD & RESORT LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2007  
[PREPARED PERSUANT TO LISTING AGREEMENT]**

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31/3/07 [Rs.]</b>	<b>FOR THE YEAR ENDED 31/3/06 [Rs.]</b>
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES :</b>		
NET PROFIT/(LOSS) AFTER TAX AND EXTRAORDINARY ITEMS ADJUSTED FOR	(28,25,551.29)	10,263,418.46
DEPRECIATION	3,414,106.00	3,967,989.00
INTEREST INCOME	(23,641.20)	-----
LOSS/(PROFIT) ON SALE OF ASSETS [NET]	(669,753.00)	(25,062.00)
DISCOUNT & KASAR	(53,427.13)	(47,334.00)
SUNDRY BALANCES WRITTEN OFF	(31,510.00)	-----
INTEREST EXPENSES	(428,860.00)	(15,619,665.00)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES :</b>	<b>(618,636.62)</b>	<b>(1,460,653.54)</b>
<b>ADJUSTED FOR</b>		
TRADE AND OTHER RECEIVABLES	(12,525,077.26)	(3,573,182.00)
INVENTORIES	(44,951.00)	-----
TRADE PAYABLES AND OTHER LIABILITIES	16,177,320.98	141,452.54
<b>CASH GENERATED FROM OPERATIONS :</b>	<b>2,988,656.10</b>	<b>(4,892,383.00)</b>
INTEREST PAID	428,860.00	78,963.54
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS :</b>	<b>2,559,796.10</b>	<b>(4,971,346.54)</b>
ADD/(LESS) : EXTRA ORDINARY ITEMS :	-----	-----
PRIOR YEAR ADJUSTMENTS	(167,545.00)	-----
<b>NET CASH FLOW FROM OPERATING ACTIVITIES : [A]</b>	<b>2,392,251.10</b>	<b>(4,971,346.54)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(271,058.00)	51,981.00
SALE OF SALE OF FIXED ASSETS	242,855.00	-----
<b>NET CASH FLOW FROM INVESTING ACTIVITIES : [B]</b>	<b>(28,203.00)</b>	<b>51,981.00</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2007.  
[PREPARED PERSUANT TO LISTING AGREEMENT]**

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31/3/07 [Rs.]</b>	<b>FOR THE YEAR ENDED 31/3/06 [Rs.]</b>
<b>C. NET CASH USED IN FINANCING ACTIVITIES :</b>		
PROCEEDS FROM LONG TERM BORROWINGS	5,309,775.00	-----
REPAYMENT OF LONG TERM BORROWINGS [INCLUSIVE OF INTEREST]	(6,300,000.00)	3,017,875.00
REPAYMENT OF SHORT TERM LOANS [NET]	-----	2,164,272.00
<b>NET CASH USED IN FINANCING ACTIVITIES : [C]</b>	<b><u>(990,225.00)</u></b>	<b><u>5,182,147.00</u></b>
<b>NET CASH &amp; CASH EQUIVALANTS {(A)+(B)+(C)}</b>	<b><u>1,373,823.10</u></b>	<b><u>262,781.46</u></b>
CASH AND CASH EQUIVALANTS AS AT THE BEGINING OF THE YEAR	723,295.54	460,514.08
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	<b><u>2,097,118.64</u></b>	<b><u>723,295.54</u></b>

**For and on behalf of the Board of Directors  
For Ajwa Fun World & Resort Ltd.**

**RAJESH C. JAIN                      SURBHI N.KOTHARI**  
**CHAIRMAN & [M. D.]              DIRECTOR**  
**PLACE : AJWA COMPOUND, AJWA.**  
**DATE : 30<sup>th</sup> August, 2007**

**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 Ajwa Fun World & Resort Limited for the year ended 31st March, 2007. 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 based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of 30th August, 2007 to the members of the Company.

**For M/s. PORWAL & PORWAL**  
**Chartered Accountants**

**PLACE : MUMBAI**  
**DATE : 30<sup>th</sup> August, 2007**

**N.N.PORWAL**  
**PARTNER**





# AJWA FUN WORLD & RESORT LIMITED

REGISTERED OFFICE: Ajwa Nimeta Road,  
P.O. Ajwa Compound- 391 510 Ta, Waghodia. Disat. 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 FOURTEENTH 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 Saturday 29th September 2007.

Signature of Member / Proxy

## PROXY



# AJWA FUN WORLD & RESORT LIMITED

REGISTERED OFFICE: Ajwa Nimeta Road,  
P.O. Ajwa Compound- 391 510 Ta, Waghodia. Disat. Baroda.

L.F.No. \_\_\_\_\_ No. of Share Held \_\_\_\_\_

we \_\_\_\_\_ of \_\_\_\_\_ being a member / members of Ajwa Fun World & Resort Limited, here by 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 FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday 29th September, 2007 at 10:00 a.m. & at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

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-390 510

Ta. Waghodia, Dist. Vadodara