

**AUDITORS' REPORT**

To,
THE MEMBERS,
AJWA FUN WORLD & RESORT LIMITED

We have Audited the attached Balance Sheet of **AJWA FUN WORLD & RESORT LIMITED**, as at 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that:

1. As required by the Manufacturing And Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - i. 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.
 - ii. 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.

iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account.

iv. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except Accounting Standard no. 13 and 15 regarding accounting of Investments and accounting of Gratuity and Employees' other Retirement benefits, respectively.

- v. a. The Company has not provided for accrued gratuity liability and other employees' retirement benefits (Amount not ascertained by the Company).
- b. Some of the investments in Shares by the Company are not held in the name of the company though required under the provisions of section 49 of the Companies Act, 1956.
- c. No provision has been made for penalty and interest that may be levied on the company for the delay/default in remitting money to various authorities / parties (Amount not ascertainable).



- d. The Company has not provided for diminution in the value of Investments amounting to Rs.53,17,028/- Consequently the losses for the year are understated by Rs. 53,17,028/- and the Profit & Loss Account in the Balance Sheet is understated by Rs.53,17,028/- and Investments are overstated to the same extent.
- e. The Company has not accounted for rental income for Assets given on lease amounting to Rs.16,65,566/-. This has resulted in overstatement of loss of current year by Rs.16,65,566/- and overstatement of profit & Loss Account in the Balance Sheet and understatement of Sundry Debtors/Accrued Income to the same extent.
- f. The Company has not adhered to the provisions of Sec.295 and 372A of the Companies Act, 1956 in respect of certain loans given by it.
- vi. Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and attached thereto and accounting policies of the Company, give the information

required by 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, 1999, and
- b. In the case of Profit & Loss Account, of the "Loss" for the year ended on that date.

**For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS**

[R.C.DEOPURA]

Place : Baroda.

Proprietor

Date : 31st May, 1999.

**ANNEXURE REFERRED TO IN PARAGRAPH
1 OF OUR REPORT OF EVEN DATE.**

1. The Company is maintaining proper records to show full particulars, including quantitative details and situation of Fixed Assets. As informed to us, the Fixed Assets have been physically verified by the management at reasonable intervals and that nomaterial discrepancies were noticed on such verification as compared with the aforesaid records.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. As informed to us Physical



verification has been conducted by the management at reasonable intervals during the year in respect of stocks of stores, Spare Parts etc.

4. In our opinion and as informed 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.
5. As informed to us, no material discrepancies have been noticed on physical verification of stocks as compared to book records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier year.
7. As informed to us, the Company has taken unsecured Loans from the companies under the same management as defined u/s 370 (1B) of the Companies Act, 1956. The Company has also taken unsecured loans from the parties as listed in the register maintained u/s 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions of such loans are prima facie, not prejudicial to the interest of the Company.
8. As informed to us, the Company has given Loans to Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions of such loans are, prima facie prejudicial to the interest of the Company since the loans have been given interest free.
9. In our opinion and as explained to us, the parties to whom loans have been given by the Company are repaying the principal amounts as stipulated, wherever such stipulations are being made and are also regular in payment of interest wherever it is being charged.
10. In our opinion, here is an adequate internal control procedure, commensurate with the size of the Company and the nature of its business, for the purchase of stores including Components, Plant & Machineries, Equipments and other assets and also for rendering services.
11. In our opinion and according to the information and explanations given to us, the transactions of purchases of goods or services and for sales of goods and rendering services made in pursuance of contracts or arrangements entered in the



register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each such party have been made at prices which are reasonable having regard to the prevailing market prices for such goods or services or the prices at which transactions for similar goods or services have been made with other parties.

12. As informed to us the Company has a regular procedure for determination of unserviceable or damaged stores. Necessary provisions have been made in the accounts for any loss arising on the items so determined.

13. As informed to us the Company has accepted deposits from public. As per explanations given to us, the Company has not complied with the provisions of section 58 A of the Companies Act, 1956 and rules framed there-under in respect of such deposits.

14. As informed to us, the Company is maintaining reasonable records for the sale and disposal of scrap. The Company being a service Company, has no by products.

15. In our opinion and as informed to us the Company is having internal

audit system commensurate with the size & nature of its business.

16. As informed to us, the Company is engaged in service activity and therefore the requirement of maintenance of cost records, as prescribed under section 209 (1)(d) of the Companies Act, 1956 is not applicable to it.

17. In our opinion and as informed to us, the Company is not regular in depositing the dues in respect of Provident Funds with appropriate authorities. As regards the Employees State Insurance, we were informed that the same is not yet applicable to the Company and therefore no amount has been deducted for the same and accordingly not required to be deposited.

18. In our opinion and according to the information and explanations provided to us, the company did not have undisputed amounts payable in respect of Wealth Tax, Custom Duty and Excise Duty as at 31.03.99 for a period of more than six months from the date they became payable, however had Rs.71,128/- in respect of Income Tax Deducted at Sources outstanding as such.

19. According to the information and explanations given to us and the records of the Company examined



by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practices.

20. The Company is not a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. As informed to us, the nature of services rendered by the Company during the year under review is such, which do not involve allocation of man-hours as well as consumption of material and therefore no records for the same have been maintained.

**For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS**

**[R.C.DEOPURA]
Proprietor**

Place : Baroda.

Date : 31st May, 1999.

**BALANCE SHEET AS AT 31ST MARCH, 1999**

| PARTICULARS | SCHEDULE | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|---|----------|------------------------|------------------------|
| SOURCES OF FUNDS : | | | |
| SHARE HOLDERS' FUNDS | | | |
| a. Share Capital | 1 | 63,900,000 | 63,900,000 |
| b. Reserve & Surplus | 2 | 11,120,000 | 17,006,159 |
| | | ----- | ----- |
| | | 75,020,000 | 80,906,159 |
| LOAN FUNDS : | | | |
| a. Secured Loans | 3 | 44,894,722 | 41,317,191 |
| b. Unsecured Loans | 4 | 5,538,274 | 5,441,177 |
| | | ----- | ----- |
| | | 50,432,996 | 46,758,368 |
| TOTAL | | 125,452,996 | 127,664,527 |
| | | ----- | ----- |
| APPLICATION OF FUNDS : | | | |
| FIXED ASSETS | | | |
| a. Gross Block | 5 | 129,363,949 | 133,003,918 |
| b. Less : Depreciation | | 23,149,254 | 19,445,781 |
| | | ----- | ----- |
| | | 106,214,695 | 113,558,137 |
| Pre-Operative Expenses (Pending Allocation) | 6 | 41,134 | 565,927 |
| INVESTMENTS | 7 | 9,393,878 | 9,393,878 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| a. Inventories(Stores,Beverages,Eatables) | | 64,418 | 90,594 |
| b. Sundry Debtors | 8 | 6,316,431 | 6,274,625 |
| c. Cash & Bank Balance | 9 | 456,658 | 1,639,120 |
| d. Loans & Advances | 10 | 7,893,910 | 3,933,209 |
| | | ----- | ----- |
| | | 14,731,417 | 11,937,548 |
| Less : Current Liabilities & Provisions | 11 | 12,865,156 | 13,303,156 |
| | | ----- | ----- |
| NET CURRENT ASSETS | | 1,866,261 | (1,365,608) |
| | | ----- | ----- |
| PROFIT & LOSS ACCOUNT | | 4,138,326 | Nil |
| MISCELLANEOUS EXPENDITURE | 12 | 3,798,702 | 5,512,193 |
| | | ----- | ----- |
| TOTAL | | 125,452,996 | 127,664,527 |
| | | ----- | ----- |
| NOTES ON ACCOUNTS AND ACCOUNTING POICIES | 19 | | |

As per our Report of even date
For M/S. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

R.C. DEOPURA
PROPRIETOR
PLACE : BARODA
DATE : 31ST MAY, 1999

RAJESH C. JAIN
CHAIRMAN & MANAGING DIRECTOR
PLACE : AJWA, BARODA.
DATE : 31ST MAY, 1999

KAMLESH K. JAIN
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31TH MARCH, 1999**

| PARTICULARS | SCHE- DULE | For the Year Ended 31/3/99 [Rs] | For the Year Ended 31/3/98 [Rs.] |
|---|-----------------------|--|---|
| INCOME : | | | |
| a. Sales/Income from Operations | 13 | 17,837,850 | 823,223,783 |
| b. Other Income | 14 | 923,238 | 174,884 |
| TOTAL | | 18,761,088 | 23,398,667 |
| EXPENDITURE : | | | |
| a. Parks/Garden Operating Expenses | 15 | 6,702,963 | 6,476,710 |
| b. Administrative & Other Expenses | 16 | 6,197,495 | 6,026,072 |
| c. Interest & Financial Expenses | 17 | 9,185,595 | 8,607,119 |
| d. Miscellaneous Expenses Written Off | | 1,713,491 | 1,713,491 |
| TOTAL | | 23,799,544 | 22,823,392 |
| PROFIT/(LOSS) FOR THE YEAR BEFORE DEPRECIATION | | (5,038,456) | 575,275 |
| LESS : DEPRECIATION | | 4,899,060 | 4,963,705 |
| PROFIT/(LOSS) FOR THE YEAR AFTER DEPRECIATION | | (9,937,516) | (4,388,430) |
| PROVISION FOR TAXATION | | Nil | Nil |
| NET PROFIT/(LOSS) FOR THE YEAR AFTER TAX | | (9,937,516) | (4,388,430) |
| LESS : PRIOR PERIOD ADJUSTMENTS | 18 | 86,969 | 55,378 |
| ADD : PROFIT/(LOSS) BROUGHT FORWARD | | 5,886,159 | 10,329,965 |
| OTAL PROFITS/(LOSS) CARRIED TO BALANCE SHEET | | (4,138,326) | 5,886,159 |
| NOTES ON ACCOUNTS AND ACCOUNTING POLICIES | 19 | | |

As per our Report of even date
For **M/S. R.C.DEOPURA & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

R.C. DEOPURA
PROPRIETOR

RAJESH C. JAIN
CHAIRMAN & MANAGING DIRECTOR

KAMLESH K. JAIN
DIRECTOR

PLACE : BARODA
DATE : 31ST MAY, 1999

PLACE : AJWA, BARODA.
DATE : 31ST MAY, 1999



SCHEDULES ANNEXED TO THE ACCOUNTS

| PARTICULARS | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|--|------------------------|------------------------|
| SCHEDULE : [1] : SHARE CAPITAL : | | |
| AUTHORISED | | |
| 2,50,00,000 Equity Shares of Rs.10/-each | 250,000,000 | 250,000,000 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 63,90,000 Equity Shares of Rs.10/- each fully paid up | 63,900,000 | 63,900,000 |
| TOTAL | 63,900,000 | 63,900,000 |
| SCHEDULE : [2] : RESERVES & SURPLUS : | | |
| Profit & Loss Account | Nil | 5,886,159 |
| Securities Premium Account | 11,120,000 | 11,120,000 |
| TOTAL | 11,120,000 | 17,006,159 |
| SCHEDULE : [3] : SECURED LOANS : | | |
| a. Term loan from Bank of Baroda | 12,801,718 | 10,933,170 |
| Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries and personal guarantee of Directors] | | |
| [Repayable within One year Rs.12,801,718/-, Previous year Rs.10,933,170/-] | | |
| b. Term Loan from United Bank of India | 4,748,616 | 3,963,307 |
| [Secured against hypothecation of Plant & Machineries and personal guarantee of Directors & also guarantee given by a company under the same management] | | |
| [Repayable within One year Rs.47,48,616/-, Previous year Rs.39,63,307/-] | | |
| c. Loan from Anagram Finance Limited | 174,339 | 277,433 |
| [Secured against Vehicles Purchased through them under Hire Purchase Scheme] | | |
| [Repayable within One year Rs.157,147/-, Previous year Rs.168,252/-] | | |

**SCHEDULES ANNEXED TO THE ACCOUNTS**

| PARTICULARS | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|---|--------------------------------|--------------------------------|
| d. Loan from Citi Bank N.A. [Secured against Vehicles Purchased through them under Hire Purchase Scheme] [Repayable within One year Rs.141,726/-, Previous year Rs.163,152/-] | 201,239 | 324,379 |
| e. Loan from Gujarat Lease Finance Limited [Secured against Vehicles Purchased through them under Hire Purchase Scheme] [Repayable within One year Rs.202,094/-, Previous year Rs.162,856/-] | 202,094 | 348,754 |
| f. Loan from Gujarat State Financial Corpn [Secured against equitable mortgage of Land & Building and Hypothecation of Plant & Machineries and personal guarantee of Directors] [Repayable within One year Rs.18,766,717/-, Previous year Rs.12,233,861/-] Note : The amount of Secured Loans are inclusive of interest accrued and due and over due amounts of interest & Installments. | 26,766,716 | 25,470,148 |
| TOTAL | <u>44,894,722</u> | <u>41,317,191</u> |
| SCHEDULE : [4] : UNSECURED LOANS : | | |
| From Directors & Relatives | 4,640,400 | 1,293,443 |
| From Bodies Corporate | 438,174 | 3,688,034 |
| Membership Deposits | 459,700 | 459,700 |
| TOTAL | <u>5,538,274</u> | <u>5,441,177</u> |



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

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | NET BLOCK | |
|--|-----------------|---------------------------------|---------------------|------------------|--------------------|-----------------|---------------------|------------------|------------------|------------------|
| | AS ON 1/4/98 | ADDITIONS DURING THE YEAR | DEDCTN. ADJSMNT. | AS ON 31/3/99 | UP TO 31/3/98 | FOR THE YEAR | DEDCTN. ADJSMNT. | UP TO 31/3/99 | AS ON 31/3/99 | AS ON 31/3/98 |
| 1. Land | 16055162 | 37850 | Nil | 16093012 | Nil | Nil | Nil | Nil | 16093012 | 16055162 |
| 2. Building & Site Development | 24470017 | 8038656 | 603620 | 29905053 | 1953068 | 974300 | 89786 | 2837582 | 27067471 | 22516949 |
| 3. Plant & Machineries | 67393445 | 1348025 | Nil | 68741470 | 8292517 | 3207747 | Nil | 11500264 | 57241206 | 59100928 |
| 4. Office Equipments | 803314 | 54250 | 44790 | 812774 | 131245 | 68328 | 15650 | 183923 | 628851 | 672069 |
| 5. Furnitures & Fixtures | 1706453 | 87185 | 1179250 | 614388 | 231941 | 68155 | 159988 | 140108 | 474280 | 1474512 |
| 6. Misc. Assets | 383367 | 219857 | 78792 | 524432 | 133930 | 230417 | 78792 | 285555 | 238877 | 249437 |
| 7. Vehicles | 4060482 | 151900 | 1487092 | 2725290 | 1203080 | 358531 | 859789 | 701822 | 2023468 | 2857402 |
| 8. Asset on Lease Plant & Machinery | 10767966 | Nil | 1665484 | 9102482 | 7500000 | Nil | Nil | 7500000 | 1602482 | 3267966 |
| TOTAL [A] | 125640206 | 9937723 | 7059028 | 128518901 | 19445781 | 4907479 | 1204005 | 23149254 | 105369647 | 106194425 |
| CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| 1. Building & Civil Construction | 7363712 | 2396210 | 8914874 | 845048 | Nil | Nil | Nil | Nil | 845048 | 7363712 |
| TOTAL [B] | 7363712 | 2396210 | 8914874 | 845048 | Nil | Nil | Nil | Nil | 845048 | 7363712 |
| TOTAL [A] + [B] | 133003918 | 12333933 | 15973902 | 129363949 | 19445781 | 4907479 | 1204005 | 23149254 | 106214695 | 113558137 |
| PREVIOUS YEAR : | 134937534 | 2660852 | 4594468 | 133003918 | 17391351 | 4963705 | 2909275 | 19445781 | 113558137 | 117543183 |

**SCHEDULES ANNEXED TO THE ACCOUNTS**

| PARTICULARS | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|---|--------------------------------|--------------------------------|
| SCHEDULE : [6] : PRE-OPERATIVE EXPENSES PENDING ALLOCATION : | | |
| As per Last Balance Sheet | 565,927 | 565,927 |
| Add: Transferred from Profit & Loss A/c | 73,479 | Nil |
| | ----- | ----- |
| | 639,406 | 565,927 |
| Less : Capitalised during the year to Fixed Assets | 598,272 | Nil |
| | ----- | ----- |
| TOTAL | 41,134 | 565,927 |
| | ----- | ----- |
| SCHEUDLE : [7] : INVESTMENTS : | | |
| [Trade] [Long Term Investments] | | |
| Quoted (Equity Shares of Companies) | | |
| a. 1,120,000 Equity Shares of Rs.10/- each fully paid of Vatsa Industries Limited [Previous year 1,120,000 Equity Shares] [Market Value Rs.308,000/-, Previous year Rs.784,000/-] | 7,951,182 | 7,951,182 |
| b. 1,500 Equity Shares of Rs.10/- each fully paid of Rencal Chemicals (I) Limited [Previous year 1,500 Equity Shares] [Market Value Rs. Nil , Previous year Rs.4,350/-] | 64,821 | 64,821 |
| c. 17,500 Equity Shares of Rs. 10/- each fully paid of Trans Techno Foods Limited [Previous year 17,500 Equity Shares] [Market Value Rs. Nil , Previous year Rs.17,500/-] | 342,875 | 342,875 |
| 1000 Equity Shares of Rs.10/- each fully paid up of Bank of Baroda [Previous year 1000 Equity Shares - Partly Paid Up] [Market Value Rs.46,850/-, Previous year Rs.105,000/-] | 85,000 | 85,000 |
| Unquoted (Equity Shares of Companies) | | |
| e. 95,000 Equity Shares of Rs.10/- each fully paid of Ajwa Finance Limited [A company under the same management] [Previous year 95,000 Equity Shares] | 950,000 | 950,000 |
| | ----- | ----- |
| TOTAL | 9,393,878 | 9,393,878 |
| | ----- | ----- |

**SCHEDULES ANNEXED TO THE ACCOUNTS**

| PARTICULARS | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|---|--------------------------------|--------------------------------|
| SCHEDULE : [8] : SUNDRY DEBTORS : | | |
| [Unsecured, considered good] | | |
| Debts outstanding for a period Exceeding: | | |
| a. Six months | 6,273,231 | 5,321,000 |
| b. Others | 43,200 | 6,316,431 |
| TOTAL | 6,316,431 | 6,274,625 |
| SCHEDULE : [9] : CASH & BANK BALANCES : | | |
| a. Cash on hand | 418,602 | 1,507,776 |
| b. Balance with Scheduled Banks : | | |
| - In Current Accounts | 37,298 | 130,581 |
| - In Issue Control Accounts | 758 | 751 |
| TOTAL | 456,658 | 1,639,120 |
| SCHEDULE : [10] : LOANS & ADVANCES : | | |
| a. Loans (Unsecured, considered good) | 3,978,395 | 251,340 |
| b. Advances : | | |
| [Recoverable in cash or in kind or for value to be received] | | |
| - Deposits with various agencies | 889,598 | 865,548 |
| - Advance to Suppliers & Others | 826,553 | 769,244 |
| - Other Advances | 1,546,444 | 1,334,902 |
| - Staff Advances | 95,897 | 107,189 |
| - Prepaid Expenses | 112,898 | 169,279 |
| - Share Application Money | 350,000 | 350,000 |
| - T.D.S. Receivables | 94,125 | 85,707 |
| TOTAL | 7,893,910 | 3,933,209 |
| SCHEDULE : [11] : CURRENT LIABILITIES & PROVISIONS : | | |
| CURRENT LIABILITIES : | | |
| a. Sundry Creditors | 9,381,811 | 8,817,571 |
| b. Bank Account Overdrawn | 26,210 | 10,841 |
| (Current A/c with Scheduled Bank) | | |
| c. Unearned Income | 717,673 | 772,159 |
| d. Other Liabilities | 538,143 | 725,435 |
| e. Share Application Money Refundable | 124,604 | 124,604 |
| SUB-TOTAL | 10,788,441 | 10,450,608 |
| PROVISIONS : | | |
| For Expenses | 1,739,258 | 1,670,704 |
| For Taxation | 337,457 | 1,181,844 |
| SUB-TOTAL | 2,076,715 | 2,852,548 |
| TOTAL | 12,865,156 | 13,303,156 |

**SCHEDULES ANNEXED TO THE ACCOUNTS**

| PARTICULARS | AS AT 31/3/99 [Rs.] | AS AT 31/3/98 [Rs.] |
|--|---|---|
| SCHEDULE : [12] : MISCELLANEOUS EXPENDITURE : | | |
| [to the extent not written off/adjusted] | | |
| a. Preliminary Expenses | | |
| Balance as per last Balance Sheet | 2,504,230 | 2,919,685 |
| Add : | | |
| - Additions During the year | Nil | 2,500 |
| | 2,504,230 | 2,922,185 |
| Less : 1/10th written off for the year | 417,205 | 417,955 |
| SUB TOTAL | 2,087,025 | 2,504,230 |
| b. Deferred Revenue Expenses | | |
| Balance as per last Balance Sheet | 3,007,963 | 3,069,681 |
| Add : Additions during the year | Nil | 1,234,568 |
| | 3,007,963 | 4,304,249 |
| Less : 1/5th written off for the year | 1,296,286 | 1,296,286 |
| SUB-TOTAL | 1,711,677 | 3,007,963 |
| TOTAL | 3,798,702 | 5,512,193 |
| PARTICULARS | For the Year Ended 31/3/99 [Rs.] | For the Year Ended 31/3/98 [Rs.] |

SCHEDULE : [13] : SALES/INCOME FROM OPERATIONS :

| | | |
|-------------------------------|-------------------|-------------------|
| a. Parks / Garden Income | 16,392,932 | 19,752,920 |
| b. Restaurant Income | 2,102,239 | 2,197,403 |
| (Sale of eatables/commission) | | |
| c. Lease Income | | |
| - Lease Rentals | 237,938 | 1,903,500 |
| - Lease Equalisation | (1,665,484) | (1,503,763) |
| d. Bus Income | 251,575 | 417,033 |
| e. Membership Income | 305,248 | 231,810 |
| f. Misc. Other Income | 213,402 | 224,880 |
| TOTAL | 17,837,850 | 23,223,783 |



SCHEDULE ANNEXED TO THE ACCOUNTS

| PARTICULARS | For the Year | For the Year |
|---|------------------------|------------------------|
| | Ended 31/3/99 [Rs.] | Ended 31/3/98 [Rs.] |
| SCHEDULE : [14] : OTHER INCOME : | | |
| a. Discount & Kasar | 768 | 59,115 |
| b. Interest Income (TDS Rs.8418/-, Previous year Rs.75186/-) | 27,843 | 106,350 |
| c. Profit on Sale of Assets | 892,893 | N |
| d. Sundry Balances Written off | 1,734 | 9,411 |
| TOTAL | 923,238 | 174,884 |

SCHEDULE : [15] : PARKS/GARDEN OPERATING EXPENSES :

| | | |
|---|------------------|-----------------|
| a. Electricity and Power & Fuel | 2,056,677 | 2,317,482 |
| b. Repairs & Maintenance [P & M] | 1,419,280 | 1,076,221 |
| c. Repairs & Maintenance [Building] | 87,238 | 92,744 |
| d. Repairs & Maintenance [Others] | 145,141 | 184,102 |
| e. Stores & Spares Consumed | 219,929 | 251,010 |
| f. Security Expenses | 433,277 | 499,638 |
| g. Lodging & Boarding Expenses | 22,375 | 105,960 |
| h. Generator Rent Expenses | 160,216 | 13,633 |
| i. Commission & Discount Expenses | 509,274 | 269,838 |
| j. Restaurant Expenses (Cost of Sale of eatables etc.) | 1,402,562 | 1,216,595 |
| k. Buses Operating Expenses | 246,994 | 449,487 |
| TOTAL | 6,702,963 | 6,476,71 |

SCHEDULE : [16] : ADMINISTRATION & OTHER EXPENSES :

a. PAYMENT TO AND PROVISIONS FOR EMPLOYEES :

| | | |
|---|-----------|-----------|
| Directors' Remuneration and Perks | 420,000 | 480,000 |
| Salary & Wages to Staff | 1,617,448 | 1,780,847 |
| Staff Welfare Expenses | 220,555 | 194,202 |
| Contribution to Provident & Other Funds | 164,534 | 177,522 |

SUB-TOTAL

| | |
|-----------|-----------|
| 2,422,537 | 2,632,571 |
|-----------|-----------|



SCHEDULE ANNEXED TO THE ACCOUNTS

| PARTICULARS | For the Year Ended 31/3/99 [Rs.] | For the Year Ended 31/3/98 [Rs.] |
|--|--|--|
| b. ADMINISTRATIVE & GENERAL EXPENSES : | | |
| Advertisement & Business Promotion Exps. | 713,329 | 876,488 |
| Legal & Professional Fee & Expenses | 594,587 | 344,400 |
| Travelling Expenses (Includes Directors' Domestic Travelling Rs.149,837/-, Previous Year Rs.206,037/-) | 541,670 | 272,307 |
| Office & General Expenses | 263,768 | 384,393 |
| Printing & Stationery Expenses | 208,890 | 223,403 |
| Postage, Telegram & Telephone Expense | 226,571 | 304,610 |
| Conveyance & Vehicle Expenses | 649,017 | 462,055 |
| Donation | 2,000 | 5,000 |
| Insurance Expenses | 179,634 | 203,789 |
| Auditor's Remuneration | 31,250 | 30,000 |
| Expenses on Medical treatment of Customers | 35,390 | 120,457 |
| Repairs & Maintenance Expenses | 233,687 | 87,685 |
| Loss on Sale of Assets | 95,165 | 78,914 |
| SUB-TOTAL | 3,774,958 | 3,393,501 |
| TOTAL | 6,197,495 | 6,026,072 |
| SCHEDULE : [17] : INTEREST & FINANCIAL EXPENSES : | | |
| a. Bank Charges | 9,057 | 24,365 |
| b. Interest Paid : | | |
| - To Banks | 3,022,647 | 2,837,876 |
| - To G.S.F.C. | 5,967,540 | 5,456,216 |
| - To Others | 29,006 | 37,585 |
| c. Finance (Hire) Charges | 157,345 | 251,077 |
| TOTAL | 9,185,595 | 8,607,119 |
| SCHEDULE : [18] : PRIOR YEARS' ADJUSTMENTS : | | |
| Depreciation | 8,418 | Nil |
| Legal & Professional Fee & Expenses | 10,000 | 5,000 |
| Miscellaneous Expenses Written Back | Nil | (3,307) |
| Miscellaneous Expenses | 7,701 | 11,166 |
| Employer's Contribution to P. F. | 34,632 | 34,519 |
| Excess Rent Income Written Back | Nil | 8,000 |
| Telephone Expenses | 8,528 | Nil |
| Commission Expenses | 7,002 | Nil |
| Rates & Taxes | 10,688 | Nil |
| TOTAL | 86,969 | 55,378 |

**SCHEDULE ANNEXED TO THE ACCOUNTS****SCHEDULE : [19] : "ACCOUNTING POLICIES & NOTES ON ACCOUNTS" :**

(Annexed to and forming part of the Accounts for the year ended 31st March, 1999)

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 Gratuity & employees' other retirement benefits, 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. RECOGNISATION OF INCOME / EXPENDITURE :

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

3. SALES/INCOME FROM OPERATIONS :

- i. 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 membership.

ii. Lease Rentals :

The Company follows the recommendations of the Institute of Chartered Accountants of India contained in the Guidance note on Accounting for leases as revised till date. Accordingly Lease rentals on plant given on lease are accounted by using the internal rate of return method. Consequently, a constant rate of return on the total outstanding amount is accrued over the period of contract. The Company has, however not accounted for part of the Lease Rentals accrued for the year.

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 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 Straight Line Method (S.L.M.) at the rates specified in Schedule XIV to the Companies Act, 1956, as amended upto the date.
3. Depreciation on Fixed Assets, for which no rates have been specified in Schedule XIV to the Companies Act, 1956, is provided on the Straight Line 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 or sold.



5. The assets having average life of about two years such as Costumes, Restaurant Crockeries 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 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 :

| | 1998-99 [Rs.] | 1997-98 [Rs.] |
|---|------------------|------------------|
| [1] Statutory Audit Fees | 18,375 | 15,000 |
| [2] Tax Audit Fees | 7,875 | 7,500 |
| [3] Fees for Taxation and Other Matters | 5,000 | 7,500 |
| TOTAL | 31,250 | 30,000 |



5. Balance due to or due from parties/ banks from whom confirmations are not received are subject to adjustment on receipt of confirmations including balance with Bank of Baroda, Padmavati Chaugan, Baroda branch, Bank of Baroda, Raopura Baroda branch, Corporation Bank, Ahmedabad branch, State Bank of India, Mumbai branch, United Bank of India, Baroda and Mumbai branches, Samata Sahakari Bank Ltd. Mumbai and issue control account with the Bankers' to the issue.
6. **LOANS & ADVANCES INCLUDES THE FOLLOWING :**
- i Rs.Nil given as loan to Apple Amusement Industries Limited. Maximum outstanding during the year Rs.Nil. (Previous year:- Rs.Nil/- and Rs.554,810/- respectively.)
 - ii Rs.Nil given as loan to M/s. Ajwa Fashions Limited. Maximum outstanding during the year Rs.Nil (Previous year - Rs.Nil and Rs.47,018/- respectively.)
 - iii Rs.22,00,555 given as loan to M/s.Ajwa Finance Limited. Maximum outstanding during the year Rs.22,00,555. (Previous year -Rs. Nil and Rs. 44,816/- respectively.)
 - iv Rs.100,000/- & Rs. 35,000/-given to Ajwa Wonder World & Resort (Rajasthan) Limited for Share Application Money and as Loan respectively. Maximum amount outstanding during the year Rs.100,000/-and Rs.35000/- respectively. (Previous year - Rs.100,000/- and Rs.Nil respectively.)
 - v Rs.Nil given as loan to M/s.Unique Construction Pvt. Ltd. Maximum outstanding during the year Rs.21,50,614/-.(Previous year Rs. Nil and Rs. 378,654/- respectively).
 - vi Rs.16,020 given as loan to M/s.Mahavir Estate Pvt. Ltd. Maximum outstanding during the year Rs.16,020/-.(Previous year both the amounts are Rs.10,020)
 - vii Rs.12,65,000 given as loan to M/s.S.R.J. Builders Pvt. Ltd. Maximum outstanding during the year Rs.12,65,000/-.(Previous year both the amounts are Rs.Nil)
[All these companies are under the same management as defined U/s 370 1(B) of the Companies Act, 1956.] Also Rs. 2,55,500 has been given to a firm in which some of the directors are partners. (Previous Year Rs. 5,500/-)
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. A demand has been raised on the Company by Income Tax. department amounting to Rs. 65,58,829/- for A.Y. 1995-96 consequent to the assessment order passed u/s. 143 (3) of the Income Tax Act, 1961 for which the company has made a provision of Rs. 3,37,457 only and the company has preferred an appeal against the said order before the appropriate authority. Also a demand of Rs.1,46,865 has been raised by the said department for A.Y. 1996-97 which is also contested by the Company.
 - iii. Tax payable by the Company to Vadodara Municipal Corporation for the year 1995-96 amounting to Rs. 95,869 in respect of Company's office premises, contested by the company.
 - iv. 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 buisness loss and claim of depreciation and other benefits available 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.
11. The Income Tax and Sales Tax assessments for the Asst. Year 1997-98 and financial year 1994-95, 1995-96 & 1996-97 respectively are yet to made by the concern authorities.



12. Some of 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, Since these have some technical defects which are being removed for taking the investment in our name of the Company.
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 31.3.99 is Rs. 53,17,028/-.
14. There are disputes with the Party to whom assets have been given on Lease by the Company. Looking to the disputes and non-recovery of old outstandings in respect of Lease rentals, the Management has decided for not to account for part of the lease rentals for the year 1998-99 amounting to Rs.16,65,566/-. The management is however of the opinion that the amount outstanding in respect of old lease rentals is fully recoverable and therefore can be considered at full value in the Balance Sheet.
15. In exigencies certain interest free amounts of very small magnitude have been taken from Relatives and Associates of directors on temporary basis only.
16. Travelling includes directors foreign travelling Rs. 23,205/- (Previous Year : Rs.73,569).
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.

| | 1998-99 | 1997-98 |
|--|--------------------------|---------------------------|
| i LICENSED AND INSTALLED CAPACITY : | Not Applicable | Not Applicable |
| ii RAW MATERIALS CONSUMED : | NIL | NIL |
| iii OPENING & CLOSING STOCK OF FINISHED GOODS: | NIL | NIL |
| iv C.I.F. VALUE OF IMPORTS : | NIL | NIL |
| v EXPENDITURE IN FOREIGN CURRENCY : | Rs.,23,205 (US\$ 500) | Rs. 29,822 (FRANC 500) |
| vi * EARNINGS IN FOREIGN CURRENCY : | NIL | NIL |
| vii DIVIDEND : | NIL | NIL |

19 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i. Registration Details

Registration No.

0 4 1 8 2 9 4

State Code

Balance Sheet Date

3 1 0 3 9 9

0 4

II. Capital Raised during the year, [Amount in 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 Development of Funds [Amount in Thousands]

Total Liabilities

1 2 5 4 5 3

Total Assets

1 2 5 4 5 3

**Sources of Funds, [Amount in Thousands]****Paid up Capital**

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

Reserve and Surplus

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

Secured Loans

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 4 | 4 | 8 | 9 | 5 |
|--|--|--|--|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | |
|--|--|--|--|---|---|---|---|--|
| | | | | 5 | 5 | 3 | 8 | |
|--|--|--|--|---|---|---|---|--|

Application of Funds [Amount in Thousands]**Net Fixed Assets**

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 1 | 0 | 6 | 2 | 1 | 5 |
|--|--|--|---|---|---|---|---|---|

Investment

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

Net Current Assets

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 1 | 8 | 6 | 6 |
|--|--|--|--|--|---|---|---|---|

Miscellaneous Expenditure

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 3 | 7 | 9 | 9 |
|--|--|--|--|--|---|---|---|---|

Pre-Operative Expenses

| | | | | | | | | |
|--|--|--|--|--|--|--|---|---|
| | | | | | | | 4 | 1 |
|--|--|--|--|--|--|--|---|---|

Accumulated Losses

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 4 | 1 | 3 | 8 |
|--|--|--|--|--|---|---|---|---|

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

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 1 | 8 | 7 | 6 | 1 |
|--|--|--|--|---|---|---|---|---|

Total Expenditure

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 2 | 8 | 6 | 9 | 9 |
|--|--|--|--|---|---|---|---|---|

Profit/(Loss) Before Tax

| | | | | | | | | |
|--|--|--|--|-----|---|---|---|---|
| | | | | (-) | 9 | 9 | 3 | 8 |
|--|--|--|--|-----|---|---|---|---|

Profit/(Loss) After Tax

| | | | | | | | | |
|--|--|--|--|-----|---|---|---|---|
| | | | | (-) | 9 | 9 | 3 | 8 |
|--|--|--|--|-----|---|---|---|---|

Earning Per Share in Rs.

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

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)

N A

Product/Service Description

Development & running of Amusement Park, Water Park & Resort.

Signatures to Schedules 1 to 19

As per our Report of even Date
For M/s. R.C.DEOPURA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(R.C.DEOPURA)
Proprietor

RAJESH C. JAIN
Chairman & Managing Director

KAMLESH K. JAIN
Director

PLACE : BARODA.
DATE : 31ST MAY, 1999.

PLACE : AJWA
DATE : 31ST MAY, 1999



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.99
(PREPARED PURSUANT TO LISTING AGREEMENT)

| | FOR THE YEAR ENDED 31/3/1999 [Rs.] | FOR THE YEAR ENDED 31/3/1998 [Rs.] |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT / (LOSS) AFTER TAX AND EXTRAORDINARY ITEMS AS PER PROFIT AND LOSS ACCOUNT ADJUSTED FOR | (10,024,485) | (4,443,808) |
| DEPRECIATION (INCLUDING AMOUNT IN PRIOR PERIOD ADJUSTMENT) | 4,907,478 | 4,963,705 |
| MISC. EXP. WRITTEN OFF | 1,713,491 | 1,714,242 |
| LEASE EQUALISATION RESERVE | 1,665,484 | 1,503,763 |
| INTEREST INCOME | (27,843) | (106,350) |
| LOSS/(PROFIT) ON SALE OF ASSETS(NET) | (797,728) | 78,914 |
| PRIOR YEAR ADJUSTMENTS | 86,969 | 55,378 |
| SUNDRY BALANCES WRITTEN OFF | (1,734) | Nil |
| INTEREST EXPENSES | 1,505,251 | 8,582,754 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES:- | (973,117) | 12,348,598 |
| ADJUSTED FOR | | |
| TRADE AND OTHER RECEIVABLES | (275,452) | (1,534,432) |
| INVENTORIES | 26,176 | (10,847) |
| TRADE PAYABLES | (436,266) | (362,057) |
| CASH GENERATED FROM OPERATIONS : | (1,658,659) | 11,165,376 |
| INTEREST PAID | (1,505,251) | (1,446,221) |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS : | (3,163,910) | 9,719,155 |
| LESS : EXTRA ORDINARY ITEMS: | | |
| PRIOR PERIOD ADJUSTMENTS | 86,969 | 55,378 |
| NET CASH FROM OPERATING ACTIVITIES: (A) | (3,250,879) | 9,663,777 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| PURCHASE OF FIXED ASSETS | (2,894,266) | (2,660,852) |
| SALE OF FIXED ASSETS | 4,987,267 | 102,516 |
| MISC. & DEFERRED REVENUE EXPENDITURE | Nil | (1,237,068) |
| PURCHASE OF INVESTMENTS | Nil | (35,000) |
| INTEREST INCOME | 27,843 | 106,350 |
| SHORT TERM LOANS GIVEN | (3,727,055) | (251,340) |
| NET CASH FROM INVESTING ACTIVITIES: (B) | (1,606,211) | (3,975,394) |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.99
(PREPARED PURSUANT TO LISTING AGREEMENT)

| | FOR THE YEAR ENDED 31/3/1999 [Rs.] | FOR THE YEAR ENDED 31/3/1998 [Rs.] |
|--|--|--|
|--|--|--|

C. CASH FLOW FROM FINANCING ACTIVITIES:

| | | |
|---|--------------------|--------------------|
| PROCEEDS FROM LONG TERM BORROWINGS | Nil | 752,000 |
| REPAYMENT OF LONG TERM BORROWINGS [INCLUSIVE OF INTEREST] | 3,577,531 | (5,873,748) |
| REPAYMENT OF SHORT TERM LOANS (NET) | 97,097 | (178,521) |
| NET CASH FROM FINANCING ACTIVITIES: (C) | 3,674,628 | (5,300,269) |
| NET CASH AND CASH EQUIVALANTS {(A) + (B) + (C)} | (1,182,462) | 388,114 |
| CASH AND CASH EQUIVALANTS AS AT THE BEGINING OF THE YEAR | 1,639,120 | 1,251,006 |
| CASH AND CASH EQUIVALANTS AS AT THE END OF THE YEAR | 456,658 | 1,639,120 |

For and on behalf of the Board of Director

Place : BARODA
DATE : 31ST MAY 1999

RAJESH C. JAIN
Chairman & Managing Director

KAMLESH K.JAIN
Director

AUDITORS' CERTIFICATE

To,
The Board of Directors,
AJWA FUN WORLD & RESORT LIMITED
AJWA, Baroda.

We have examined the attached Cash flow statement of the **AJWA FUN WORLD & RESORT LIMITED** for the year ended 31st March 1999. 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 & Loss account and Balance Sheet of the company covered by our report of 31st May, 1999 to the members of the company.

For M/s. **R.C.DEOPURA & CO.**
CHARTERED ACCOUNTANTS

Place : BARODA.
Date : 31st May, 1999.

[**R.C.DEOPURA**]
Proprietor