

**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, 2001 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 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.77,18,360/-. Consequently the losses for the year are understated by Rs.33,78,487/- and the Profit & Loss Account in the Balance Sheet is understated by Rs.77,18,360/- and Investments are overstated to the same extent.
    - e. The Company has changed its method for providing of Depreciation during the year from Straight Line Method to Written Down Method. This has resulted in overstatement of losses for the year by Rs.27,40,952/- than these would otherwise have been, had the same method been followed. The change in the method has also resulted in understatement of net block of Fixed Assets as on 31/03/2001 by Rs.2,86,09,081/- and overstatement of accumulated losses in the Balance Sheet to the same extent.



- f. The Company has sold during the year certain investments in share at a consideration of Rs. 20,438/- as against the cost of such investments of Rs.1,02,038/- and as a result had incurred loss of Rs.81,638/-
- g. The Company has not adhered to the provisions of Sec. 295 and 372A of the Companies Act, 1956 in respect of certain loans given and investments made by it.

We further report that, without considering item mentioned at a & c above, the effect of which could not be determined, had the observations made by us in paragraph d & e above been considered, the losses for the year would have been Rs.1,78,93,798/- (as against the reported figure of Rs.1,72,56,268/-), total investments would have been Rs.15,73,480/- (as against the reported figure of Rs. 92,91,840/-) total fixed assets would have been Rs.9,87,20,288/- (as against the reported figure of Rs.7,01,11,207/-) and accumulated losses would have been Rs.4,02,72,185/- (as against the reported figure of Rs.6,11,62,506/-).

- vi. On the basis of the written representations received from the directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vii. 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, 2001, 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

Place : Baroda.  
Date : 30th June, 2001.

[**R.C.Deopura**]  
Proprietor

**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 no material 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, eatables & beverages, 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) and also to 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 prejudicial to the interest of the Company since the loans have been given interest free.
9. In our opinion and as explained to us, no stipulations have been made with the parties to whom loans have been given regarding repayment of loans and therefore it is not possible to ascertain whether the repayment is as per stipulations or not. As the loans are given interest free, question of payment of interest does not arise.
10. In our opinion, there 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 thereunder in respect of such deposits.
14. As informed to us, the Company is engaged in the business of rendering services (entertainment) and therefore no scrap is generated and accordingly no records are maintained regarding sale and disposal of the same. Similarly the company does not have any by product.
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 31.03.2001 for a period of more than six months from the date they became payable, however had, in respect of Income Tax Deducted at Sources Rs. 60,304/-, Income Tax Rs. 7,33,407/- and Professional Tax Rs.1,340/- 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. As informed to us by the management, the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable to the Company.
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. Certain services provided by the Company requires consumption of materials however no records in this regard are maintained by the Company.

For M/S. R.C. DEOPURA & CO.  
Chartered Accountants

Place : Baroda.  
Date : 30th June, 2001.

[R.C.Deopura]  
Proprietor



**AJWA FUN WORLD & RESORT LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2001.**

PARTICULARS	SCHE- DULE	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>SOURCE OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS :</b>			
a. Share Capital	1	63,900,000	63,900,000
b. Reserve & Surplus	2	11,120,000	11,120,000
		<u>75,020,000</u>	<u>75,020,000</u>
<b>LOAN FUNDS :</b>			
a. Secured Loans	3	59,030,231	51,221,304
b. Unsecured Loans	4	4,800,659	4,414,885
		<u>63,830,890</u>	<u>55,636,189</u>
<b>TOTAL :</b>		<u>138,850,890</u>	<u>130,656,189</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
a. Gross Block	5	123,196,120	129,465,662
b. Less : Depreciation		53,084,913	27,552,784
		<u>70,111,207</u>	<u>101,912,878</u>
Pre-Operative Expenses [Pending Allocation]	6	41,134	41,134
INVESTMENTS	7	9,291,840	9,393,878
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Inventories [Stores, Beverages, Eatables]		60,928	28,003
b. Sundry Debtors	8	6,010	6,246,498
c. Cash & Bank Balances	9	549,686	549,101
d. Loans & Advances	10	9,610,507	9,475,177
		<u>10,227,131</u>	<u>16,298,779</u>
Less : Current Liabilities & Provisions	11	13,379,849	17,562,539
<b>NET CURRENT ASSETS</b>		(3,152,718)	(1,263,760)
<b>PROFIT &amp; LOSS ACCOUNT</b>		61,162,906	17,947,460
<b>MISCELLANEOUS EXPENDITURE</b>	12	1,396,521	2,624,599
<b>TOTAL :</b>		<u>138,850,890</u>	<u>130,656,189</u>
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 of Directors

[R. C. DEOPURA]  
PROPRIETOR

PLACE : BARODA.

DATE : 30th June, 2001

RAJESH C. JAIN  
CHAIRMAN & MANAGING DIRECTOR

PLACE : AJWA, BARODA.

DATE : 30th June, 2001

SURBHI R. JAIN  
DIRECTOR

**AJWA FUN WORLD & RESORT LIMITED****PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2001.**

PARTICULARS	SCHE- DULE	FOR THE YEAR ENDED 31/3/01 [Rs.]	FOR THE YEAR ENDED 31/3/00 [Rs.]
<b>INCOME :</b>			
Sales / Income from Operations	13	14,138,937	14,017,702
Other Income	14	53,622	80,260
<b>TOTAL INCOME</b>		<b>14,192,559</b>	<b>14,097,962</b>
<b>EXPENDITURE :</b>			
a. Parks/Garden Operating Expenses	15	5,261,651	4,769,708
b. Administrative & Other Expenses	16	5,136,575	5,407,060
c. Interest & Financial Expenses	17	12,008,612	10,245,909
d. Miscellaneous Expenses Written off		1,329,677	1,848,338
<b>TOTAL EXPENDITURE</b>		<b>23,736,515</b>	<b>22,271,015</b>
<b>Profit/(Loss) for the year before Depreciation</b>		<b>(9,543,956)</b>	<b>(8,173,053)</b>
<b>LESS : DEPRECIATION</b>		<b>7,712,312</b>	<b>4,900,241</b>
<b>Profit/(Loss) for the year after Depreciation</b>		<b>(17,256,268)</b>	<b>(13,073,294)</b>
Less : Provision for Taxation		Nil	Nil
<b>Profit/(Loss) for the year after Taxation</b>		<b>(17,256,268)</b>	<b>(13,073,294)</b>
Less : Prior year Adjustments	18	(91,049)	(146,962)
Less : Depreciation for earlier years (Refer Note No. 4)		27,269,451	Nil
Add : Profit on Sale of Fixed Assets for Earlier Years (Refer Note No. 4)		1,401,322	Nil
Less : Short Provision for Taxation for earlier year		Nil	882,802
Add : Profit /(Loss) Brought Forward		(17,947,460)	(4,138,326)
<b>Total Profit/(Loss) carried to Balance Sheet</b>		<b>(61,162,906)</b>	<b>(17,947,460)</b>
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 of Directors

**[R. C. DEOPURA]**  
PROPRIETOR  
PLACE : BARODA.  
DATE : 30th June, 2001

**RAJESH C. JAIN**  
CHAIRMAN & MANAGING DIRECTOR  
PLACE : AJWA, BARODA.  
DATE : 30th June, 2001

**SURBHI R. JAIN**  
DIRECTOR


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>SCHEDULE : [1] SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
2,50,00,000 Equity Shares of Rs.10/- each	250,000,000	250,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
63,90,000 Equity Shares of Rs.10/- each fully paid up.	63,900,000	63,900,000
<b>TOTAL</b>	<b>63,900,000</b>	<b>63,900,000</b>
<b>SCHEDULE : [2] RESERVES &amp; SURPLUS :</b>		
Securities Premium Account	11,120,000	11,120,000
<b>TOTAL</b>	<b>11,120,000</b>	<b>11,120,000</b>
<b>SCHEDULE : [3] SECURED LOANS :</b>		
<b>a. Term Loan from Bank of Baroda</b>	12,062,420	13,111,320
[Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & personal guarantee of Directors]		
[Repayable within one year Rs.12,062,420/-, Previous Year Rs.13,111,320/-]		
<b>b. Term Loan from United Bank of India</b>	6,686,872	4,748,616
[Secured against hypothecation of Plant & Machineries & personal guarantee of Directors & also guarantee given by a Company under the same management]		
[Repayable within one year Rs.6,686,872/-, Previous Year Rs.47,48,616/-]		
<b>c. Loan from Anagram Finance Limited.</b>	Nil	27,786
[Secured against Vehicles purchased through them under Hire Purchase Scheme]		
[Repayable within one year Rs. Nil, Previous Year Rs.27,786/-]		


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>d. Loan from Citi Bank N.A.</b>	622,419	537,174
[Secured against Vehicles purchased through them under Hire Purchase Scheme]		
[Repayable within one year Rs. 262,008/-, Previous Year Rs.184,470/-]		
<b>e. Loan from I.C.I.C.I. Bank Limited</b>	282,223	Nil
[Secured against Vehicles purchased through them under Hire Purchase Scheme]		
[Repayable within one year Rs. 89,830 /-, Previous Year Rs. Nil]		
<b>f. Loan from Punjab National Bank</b>	192,817	257,115
[Secured against Vehicles purchased through them under Hire Purchase Scheme]		
[Repayable within one year Rs.97,200/-, Previous Year Rs. 56,700 /-]		
<b>g. Term Loan from Gujarat State Financial Corpn.</b>	39,183,480	32,539,293
[Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & pesonal guarantee of Directors]		
[Repayable within one year Rs.39,183,480/-, Previous Year Rs.22,764,542/-]		
<b>Note :</b> The amount of Secured Loans are inclusive of interest accrued and due and overdue amounts of Interest & Installments.		
<b>TOTAL</b>	<u>59,030,231</u>	<u>51,221,304</u>
<b>SCHEDULE : [4] UNSECURED LOANS :</b>		
From Directors	331,905	54,642
From Bodies Corporate	348,754	310,243
From Others	4,120,000	4,050,000
<b>TOTAL</b>	<u>4,800,659</u>	<u>4,414,885</u>



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

Particulars	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As On 01/04/00	Additions During the year	Deduction/ Adjustment	As On 31/03/01	Up to 31/03/00	Additions During the year	Additions Due To Change of Method	Deduction/ Adjustment	Up to 31/03/01	As On 31/03/01	As On 31/03/00
1. Land	16093012	19968	NII	16112980	NII	NII	NII	NII	NII	16112980	16093012
2. Building & Site Development	30110090	343546	NII	30453636	3832579	2016576	6180130	NII	12029285	18424351	26277511
3. Plant & Machineries	68840541	69526	NII	68910067	14772597	4925594	18677127	NII	38375318	30534749	54067944
4. Office Equipments	840324	17570	NII	857894	231970	89956	203771	NII	525697	332197	608354
5. Furnitures & Fixtures	776482	31190	NII	807672	193013	78786	185499	NII	457298	350374	583469
6. Miscellaneous Assets	424966	121199	299481	246684	307449	101793	2052	278324	132970	113714	117517
7. Vehicles	2706135	977131	424949	3258317	715176	499607	619550	269988	1564345	1693972	1990959
8. Assets on Lease Plant & Machineries [Refer Note No.15]	7500000	NII	7500000	NII	7500000	NII	NII	7500000	NII	NII	NII
<b>TOTAL (A)</b>	<b>127291550</b>	<b>1580130</b>	<b>8224430</b>	<b>120647250</b>	<b>27552784</b>	<b>7712312</b>	<b>25868129</b>	<b>8048312</b>	<b>53084913</b>	<b>67562337</b>	<b>99738766</b>
<b>CAPITAL WORK IN PROGRESS :-</b>											
1. Building & Civil Construction	499904	70989	NII	570893	NII	NII	NII	NII	NII	570893	499904
2. Plant & Machinery	1674208	303769	NII	1977977	NII	NII	NII	NII	NII	1977977	1674208
<b>TOTAL (B)</b>	<b>2174112</b>	<b>374758</b>	<b>NII</b>	<b>2548870</b>	<b>NII</b>	<b>NII</b>	<b>NII</b>	<b>NII</b>	<b>NII</b>	<b>2548870</b>	<b>2174112</b>
<b>TOTAL (A) + (B)</b>	<b>129465662</b>	<b>1954888</b>	<b>8224430</b>	<b>123196120</b>	<b>27552784</b>	<b>7712312</b>	<b>25868129</b>	<b>8048312</b>	<b>53084913</b>	<b>70111207</b>	<b>101912878</b>
<b>PREVIOUS YEAR</b>	<b>129363950</b>	<b>3456487</b>	<b>3354775</b>	<b>129465662</b>	<b>23149255</b>	<b>4900241</b>	<b>NII</b>	<b>496712</b>	<b>27552784</b>	<b>101912878</b>	<b>106214895</b>

**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>SCHEDULE : [6] PRE-OPERATIVE EXPENSES</b>		
<b>[PENDING ALLOCATION]</b>		
As per Last Balance Sheet	41,134	41,134
Add : Transferred from Profit & Loss Account	Nil	Nil
	<u>41,134</u>	<u>41,134</u>
Less : Capitalised to Fixed Assets	Nil	Nil
<b>TOTAL</b>	<u>41,134</u>	<u>41,134</u>
<b>SCHEDULE : [7] INVESTMENTS :</b>		
<b>[Trade] [Long Term Investments]</b>		
<b>Quoted [Equity Shares of Companies]</b>		
a. 11,09,800 Equity Shares of Rs.10/- each fully paid of Vatsa Finance Limited. [Previous year 11,20,000 Equity Shares] [Market value Rs.1,498,230/-, Previous year Rs.3,920,000/-]	7,849,144	7,951,182
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	64,821
c. 17,500 Equity Shares of Rs.10/- each fully paid of Trans Techno Foods Limited. [Previous year 17500 Equity Shares] [Market value Rs.12,250/-, Previous Year Rs. 140,500/-]	342,875	342,875
d. 1000 Equity Shares of Rs.10/-each partly paid up of Bank fo Baroda [Previous year 1000 Equity Shares partly paid] [Market value Rs.63,000/-, Previous Year Rs.44,000/-]	85,000	85,000
<b>Un Quoted [Equity Shares of Companies]</b>		
e. 95,000 Equity Shares of Rs.10/- each fully paid of Ajwa Finance Limited. [Previous year 95,000 Equity Shares] [A Company under the same management]	950,000	950,000
<b>TOTAL</b>	<u>9,291,840</u>	<u>9,393,878</u>
<b>SCHEDULE : [8] SUNDRY DEBTORS :</b>		
<b>[Unsecured, considered good]</b>		
<b>Debts outstanding for a period Exceeding :</b>		
a. Six Months	Nil	6,224,875
b. Others	6,010	21,623
<b>TOTAL</b>	<u>6,010</u>	<u>6,246,498</u>




**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>SCHEDULE : [9] CASH &amp; BANK BALANCE :</b>		
a. Cash on hand	526,010	517,879
b. Balance with Scheduled Banks :		
- In Current Accounts	23,676	30,464
- In Issue Control Accounts	Nil	758
<b>TOTAL</b>	<b>549,686</b>	<b>549,101</b>
<b>SCHEDULE : [10] LOAN AND ADVANCES :</b>		
a. LOANS [Unsecured, considered good]		
- To Directors	176,673	354,033
- To Others	5,029,722	5,474,150
b. ADVANCES		
[Recoverable in cash or in kind or for value to be received]		
- Deposits with various agencies	888,735	923,241
- Advances to Suppliers & Others	817,405	502,830
- Other Advance	2,111,807	1,670,567
- Staff Advances	156,053	135,701
- Prepaid Expenses	61,958	38,859
- Share Application Money	350,000	350,000
- Income Tax Refundable	18,154	25,796
<b>TOTAL</b>	<b>9,610,507</b>	<b>9,475,177</b>
<b>SCHEDULE : [11] CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES :</b>		
a. Sundry Creditors	2,271,675	8,613,454
b. Bank Account Overdrawn	Nil	87,213
[Current A/c with Schedule Bank]		
c. Unearned Income	2,438,166	2,868,568
d. Share Application Money Refundable	105,604	105,604
e. Income Tax Payable	733,407	921,924
f. T.D.S. Payable	119,737	99,975
g. Other Current Liabilities	591,150	334,517
h. Deposits for Restaurant	70,000	Nil
<b>SUB-TOTAL</b>	<b>6,329,739</b>	<b>13,031,255</b>
<b>PROVISIONS</b>		
For Expenses	7,050,110	4,531,284
For Taxation	Nil	Nil
<b>SUB-TOTAL</b>	<b>7,050,110</b>	<b>4,531,284</b>
<b>TOTAL</b>	<b>13,379,849</b>	<b>17,562,539</b>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/01 [Rs.]	As at 31/3/00 [Rs.]
<b>SCHEDULE : [12] MISCELLANEOUS ASSETS :</b> (to the amount not written off/adjusted)		
a. Preliminary Expenses		
Balance as per last Balance Sheet	1,669,820	2,087,025
Less : 1/10th written off for the year	417,205	417,205
<b>TOTAL [A]</b>	<b>1,252,615</b>	<b>1,669,820</b>
b. Deferred Revenue Expenses		
Balance as per last Balance Sheet	954,779	1,711,677
Add : Addition during the year	101,599	674,235
	1,056,378	2,385,912
Less : 1/5th written off for the year	912,472	1,431,133
<b>TOTAL [B]</b>	<b>143,906</b>	<b>954,779</b>
<b>TOTAL [A + B]</b>	<b>1,396,521</b>	<b>2,624,599</b>

PARTICULARS	For the Year Ended 31/3/01 [Rs.]	For the year Ended 31/3/00 [Rs.]
<b>SCHEDULE : [13] SALES/INCOME FROM OPERATIONS :</b>		
a. Parks / Garden Income	11,253,380	13,003,648
b. Restaurant Income [Sale of eatables / commission]	2,086,144	1,610,601
c. Lease Income		
- Lease Rentals	Nil	Nil
- Lease Equalisation	Nil	(1,602,482)
d. Bus Income	19,290	41,558
e. Membership Income	437,402	597,855
f. Supper Store Income	137,074	68,440
g. Misc. Other Income	205,647	298,082
<b>TOTAL</b>	<b>14,138,937</b>	<b>14,017,702</b>

**SCHEDULE : [14] OTHER INCOME :**

a. Discount & Kasar	19,228	26,943
b. Interest Income [TDS Rs.776/-, Previous Year Rs.6,857/-]	8,355	43,522
c. Profit on Sale of Assets	26,039	Nil
d. Sundry Balances Written off	Nil	9,795
<b>TOTAL</b>	<b>53,622</b>	<b>80,260</b>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	For the Year Ended 31/3/01 [Rs.]	For the year Ended 31/3/90 [Rs.]
<b>SCHEDULE : [15] PARKS / GARDEN</b>		
<b>OPERATING EXPENSES :</b>		
a. Electricity and Power & Fuel	2,047,125	1,837,862
b. Repairs & Maintenance [P & M]	425,045	679,305
c. Repairs & Maintenance [Building]	299,070	137,225
d. Repairs & Maintenance [Others]	71,398	86,376
e. Stores & Spares Consumed	181,487	185,470
f. Security Expenses	278,571	267,222
g. Lodging & Boarding Expenses	10,600	87,598
h. Generator Rent Expenses	181,883	173,453
i. Commission & Discount Expenses	198,767	310,898
j. Restaurant Expenses [Cost of Sale of eatables etc.]	1,312,751	934,322
k. Buses Operating Expenses	57,052	23,608
l. Super Store Material Expenses	147,902	46,369
m. Franchisee Fees	50,000	Nil
<b>TOTAL</b>	<b>5,261,651</b>	<b>4,769,708</b>
<b>SCHEDULE : [16] ADMINISTRATIVE &amp; OTHER EXPENSES :</b>		
<b>a. PAYMENT TO &amp; PROVISIONS FOR EMPLOYEES :</b>		
Directors' Remuneration	300,000	420,000
Salary & Wages to staff	1,231,947	1,179,775
Staff Welfare Expenses	85,530	96,200
Contribution to Provident & Other Funds	120,569	155,235
<b>SUB-TOTAL</b>	<b>1,738,046</b>	<b>1,851,210</b>
<b>b. ADMINISTRATIVE &amp; GENERAL EXPENSES :</b>		
Advertisement Expenses	937,667	685,942
Legal & Professional Fees & Expenses	252,777	441,389
Travelling Expenses [Including Directors' Domestic Travelling Rs.88,632/-, Previous Year: Domestic Travelling Rs.43,580/-]	214,834	263,050
Office & General Expenses	232,700	294,220
Printing & Stationery Expenses	84,290	72,615
Postage, Telegram, & Telephone Expenses	235,093	280,340
Conveyance & Vehicle Expenses	713,657	503,996
Donation	49,310	9,772
Insurance Expenses	83,837	72,300


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	For the Year Ended 31/3/01 [Rs.]	For the year Ended 31/3/90 [Rs.]
Income Tax	121,665	Nil
Auditors' Remuneration	26,000	26,000
Expenses on Medical treatment of Customers	7,406	18,243
Bad Debts	Nil	90,164
Sundry Balance written off	2,425	Nil
Listing Fees	15,000	10,250
Rent, Rates & Taxes	192,154	Nil
Repairs & Maitanance Expenses	90,957	129,233
Loss on Sale of Investments	81,600	Nil
Loss on Discard of Misc. Assets	21,157	Nil
Loss on Sale of Fixed Assets	Nil	658,336
<b>SUB-TOTAL</b>	<b>3,398,529</b>	<b>3,555,850</b>
<b>TOTAL</b>	<b>5,136,575</b>	<b>5,407,060</b>

**SCHEDULE : [17] INTEREST & FINANCIAL EXPENSES :**

a. Bank Charges	13,665	9,515
b. Interest Paid :		
- To Bank Loans	3,677,998	3,586,443
- To G. S. F. C.	8,144,072	6,464,634
- To Others	347	14,785
c. Finance & Hire Charges	172,530	170,532
<b>TOTAL</b>	<b>12,008,612</b>	<b>10,245,909</b>

**SCHEDULE : [18] PRIOR YEAR ADJUSTMENTS :**

Interest	410,270	Nil
Bank Charges	1,607	Nil
Employer's Contribution to P.F.	15,640	Nil
Advertisement Expenses	66,282	Nil
Secretarial Expenses	1,295	Nil
Listing Fees	10,250	Nil
Generator Rent	8,000	Nil
Lease Income	(526,125)	Nil
Telephone Deposit	(24,000)	Nil
Rates & Taxes	87,867	Nil
Repairs & Maintanance Expenses	Nil	(214,180)
Legal & Professional Fees & Expenses	12,500	4,000
Miscellaneous Expenses	Nil	4,918
Telephone Expenses	26,838	40,000
Labour Charges	Nil	11,347
Vehicle Expenses	625	6,953
<b>TOTAL</b>	<b>91,049</b>	<b>(146,962)</b>

**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, 2001)

**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. RECOGNITION 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 :**

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

**4. INVESTMENTS :**

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

**5. FIXED ASSETS AND DEPRECIATION :**

1. Fixed Assets 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 depreciations provided for the same.
2. Depreciation on Fixed Assets is provided on the Written Down Value Method (W.D.V.) as the Company has changed its method of providing the same from Straight Line Method (S.L.M.),



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 Crockerries 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. During the year the Company has changed its method of providing depreciation from Straight Line Method to Written Down Value Method with retrospective effect. Additional depreciation on account of change in method of Rs.2,58,68,129/- (Net of Rs.14,01,322/- being the profit on sale of Fixed Assets in earlier years on account of change of method of providing depreciation) for the F.Y. 92-93 to 99-2000 has been provided in the Profit & Loss A/c. below the line. Due to the abovesaid change in the method of providing depreciation the current year's depreciation is also higher by Rs.27,40,952/- than it would otherwise have been had the same method been followed.

**5. AUDITORS' REMUNERATION INCLUDES :**

Sr. No.	Particulars	2000-01 [Rs.]	1999-00 [Rs.]
[1]	Statutory Audit Fees	15,750	15,750
[2]	Tax Audit Fees	5,250	5,250
[3]	Fees for Taxation Matters	5,000	5,000
<b>TOTAL</b>		<b>26,000</b>	<b>26,000</b>

6. 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 Term Loan A/c., G.S.F.C. Term Loan A/c., Samta Sahkari Bank-Bombay Branch and Bank of Baroda-Bombay Branch.

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

- i Rs.21,06,993/- given as loan to M/s.Ajwa Finance Limited. Maximum outstanding during the year Rs. 28,26,993/-. (Previous year - Rs. 23,55,555/- and Rs. 24,55,555/- respectively.)
- ii Rs.1,00,000/- & Rs. 35,000/-given to Ajwa Wonder World & Resort (Rajasthan) Ltd. for Share Application Money and as Loan respectively. Maximum amount outstanding during



the year Rs.1,00,000/- and Rs.35,000/- respectively. (Previous year- Rs.1,00,000/- and Rs.35,000/- respectively. Maximum outstanding Rs.1,00,000/- and Rs. 35,000/- respectively.)

- iii Rs. Nil given as loan to M/s.Unique Construction Pvt. Ltd. Maximum outstanding during the year Rs.82,059/-.(Previous year Rs.82,059/- and Rs. 12,32,059/- respectively).
- iv Rs.31,020/- given as loan to M/s.Mahavir Estate Pvt. Ltd. Maximum outstanding during the year Rs.31,020/-. (Previous year both the amounts are Rs.16,020/-)
- v Rs.24,01,209/- given as loan to M/s. S.R.J. Builders Pvt. Ltd. Maximum outstanding during the year Rs.24,01,209/-. (Previous year both the amounts are Rs.20,36,209/-)

[All these companies are under the same management as defined U/s 370 1(B) of the Companies Act, 1956.]

- vi Rs. Nil given as loan to Shri Rajesh C. Jain. Maximum amount outstanding during the year Rs. 2,06,213/-.(Previous year both the amounts are Rs.1,77,360/-)
- vii Rs.1,76,673/- given as loan to Shri Kamlesh K. Jain. Maximum amount outstanding during the year Rs.1,76,673/-. (Previous year both the amounts are Rs. 1,76,673/-)

[Note : Persons referred in vi and vii are directors of the company]

Also Rs.2,55,500/- has been given to a firm in which some of the directors are partners. (Previous Year Rs. 2,55,500/-)

- 8. Directors' Remuneration (Current year as well as previous year) represents Directors salary only.
- 9. 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.

#### **10. CONTINGENT LIABILITIES :**

- i. Disputes not acknowledged as debt by the company for Rs.19,46,655/-.
  - ii. Demands of Rs.1,46,865/- and Rs. 1,11,483/- has been raised by the Income Tax Department for A.Y. 1996-97 and 1997-98 which is contested by the Company.
  - iii. Demand raised by the Gujarat Electricity Board for Rs.1,95,070/- towards installation charges and interest but contested by the company.
11. The company has been advised by experts that due to business 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.

12. The Income Tax and Sales Tax assessments for the Asst. Year 1998-99 and onwards and financial year 1994-95, 1995-96 & 1996-97 respectively are yet to made by the concern authorities.
13. 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.
14. 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 31.3.2001 is Rs. 77,18,360/-.
15. Figures are rounded off to the nearest rupee.
16. Additional information pursuant to the provisions of paragraphs 3 & 4 in part II of the Schedule VI of the Companies Act, 1956.

	Current Year 2000-01		Previous Year 1999-00	
	Qty.	Amount [Rs.]	Qty.	Amount [Rs.]
i LICENSE AND INSTALLED CAPACITY	Not Applicable		Not Applicable	
ii RAW MATERIAL CONSUMED	Nil	Nil	Nil	Nil
iii OPENING & CLOSING STOCK OF FINISHED GOODS :	Nil	Nil	Nil	Nil
iv C.I.F. VALUE OF IMPORTS	--	Nil	--	Nil
v EXPENDITURE IN FOREIGN CURRENCY	--	Nil	--	Nil
vi EARNINGS IN FOREIGN CURRENCY	--	Nil	--	Nil
vii DIVIDEND TO NRI(S)	--	Nil	--	Nil



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

i Registration No. 

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 State Code

Balance Sheet Date 

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0	4
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**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	3	8	8	5	1
--	--	--	---	---	---	---	---	---

Total Assets

			1	3	8	8	5	1
--	--	--	---	---	---	---	---	---

**Sources of Funds [Amount in Rs. Thousands]**

Paid-up Capital

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

Reserve and Surplus

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

Secured Loans

			5	9	0	3	0
--	--	--	---	---	---	---	---

Unsecured Loans

			4	8	0	1
--	--	--	---	---	---	---

**Application of Funds [Amount in Rs. Thousands]**

Net Fixed Assets

			7	0	1	1	1
--	--	--	---	---	---	---	---

Investment

			9	2	9	2
--	--	--	---	---	---	---

Net Current Assets

			(-)	3	1	5	3
--	--	--	-----	---	---	---	---

Miscellaneous Expenditure

			1	3	9	7
--	--	--	---	---	---	---

Pre-operative Expenses

						4	1
--	--	--	--	--	--	---	---

Accumulated Losses

			6	1	1	6	3
--	--	--	---	---	---	---	---



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

Turnover	Total Expenditure																				
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				1	4	1	9	3													
				3	1	4	4	9													
Profit/(Loss) Before Tax	Profit/(Loss) after Tax																				
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				(-)	1	7	2	5	6												
				(-)	1	7	2	5	6												
Earning Per Share in Rs.	Dividend Rate %																				
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V. Generic Names of Three Principal Product/Services of the Company

(As per Monetary Terms)

Item Code No. (Itc Code)                      Not Applicable

Production Description

Item Code No. (Itc Code)                      Not Applicable

Production Description

Item Code No. (Itc Code)                      Not Applicable

Production Description

Signatures to Schedules 1 to 19

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

For and on behalf of the Board of Directors

**[R. C. DEOPURA]**  
 PROPRIETOR  
 PLACE : BARODA.  
 DATE : 30th June, 2001

**RAJESH C. JAIN**  
 CHAIRMAN & MANAGING DIRECTOR  
 PLACE : AJWA, BARODA.  
 DATE : 30th June, 2001

**SURBHI R. JAIN**  
 DIRECTOR


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2001**  
**[PREPARED PERSUANT TO LISTING AGREEMENT]**

PARTICULARS	FOR THE YEAR ENDED 31/3/01 [Rs.]	FOR THE YEAR ENDED 31/3/00 [Rs.]
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES :</b>		
NET PROFIT/(LOSS) AFTER TAX AND EXTRAORDINARY ITEMS ADJUSTED FOR	(43,215,446)	(13,809,135)
DEPRECIATION	7,712,312	4,900,242
PRIOR PERIOD ADJUSTMENT (DEP.)	25,868,129	Nil
MISC. EXP. WRITTEN OFF	1,329,677	1,848,338
LEASE EQUALISATION RESERVE	Nil	1,602,482
BAD DEBTS WRITTEN OFF	Nil	90,164
INTEREST INCOME	(8,355)	(43,522)
LOSS/(PROFIT) ON SALE OF ASSETS [NET]	(26,039)	658,336
LOSS ON SALE OF INVESTMENT	81,600	Nil
SHORT PROVISION FOR TAXATION	Nil	882,802
ASSETS DISCARDED/WRITTEN OFF	21,157	Nil
PRIOR YEAR ADJUSTMENTS	91,049	(146,962)
SUNDRY BALANCES WRITTEN OFF	Nil	(9,795)
INTEREST EXPENSES	5,062,219	1,147,185
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES :</b>	<b>(3,083,697)</b>	<b>(2,879,865)</b>
ADJUSTED FOR		
TRADE AND OTHER RECEIVABLES	(757,118)	248,290
INVENTORIES	(32,925)	36,415
TRADE PAYABLES AND OTHER LIABILITIES	2,057,798	2,241,449
<b>CASH GENERATED FROM OPERATIONS :</b>	<b>(1,815,942)</b>	<b>(353,711)</b>
INTEREST PAID	(5,062,219)	(1,147,185)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS :</b>	<b>(6,878,161)</b>	<b>(1,500,896)</b>
ADD/(LESS) : EXTRA ORDINARY ITEMS :		
SHORT PROVISION FOR TAXATION	Nil	882,802
PRIOR YEAR ADJUSTMENTS	91,049	(146,962)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES : [A]</b>	<b>(6,969,210)</b>	<b>(2,236,736)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(1,954,888)	(3,202,243)
SALE OF FIXED ASSETS	181,000	343,000
MISC. & DEFERRED REVENUE EXPENDITURE	(101,599)	(674,235)
SALE OF INVESTMENTS	20,438	Nil
INTEREST INCOME	8,355	43,522
REPAYMENT RECEIVED FOR LOANS GIVEN	621,788	(1,849,788)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES : [B]</b>	<b>(1,224,906)</b>	<b>(5,339,744)</b>




**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2001**  
**[PREPARED PERSUANT TO LISTING AGREEMENT]**

PARTICULARS	FOR THE YEAR ENDED 31/3/01 [Rs.]	FOR THE YEAR ENDED 31/3/00 [Rs.]
<b>C. NET CASH USED IN FINANCING ACTIVITIES :</b>		
PROCEEDS FROM LONG TERM BORROWINGS	7,808,927	Nil
REPAYMENT OF LONG TERM BORROWINGS [INCLUSIVE OF INTEREST]	Nil	6,326,582
REPAYMENT OF SHORT TERM LOANS [NET]	385,774	1,342,341
<b>NET CASH USED IN FINANCING ACTIVITIES : [C]</b>	<b>8,194,701</b>	<b>7,668,923</b>
<b>NET CASH &amp; CASH EQUIVALANTS { (A) + (B) + (C) }</b>	<b>585</b>	<b>92,443</b>
CASH AND CASH EQUIVALANTS AS AT THE BEGINNING OF THE YEAR	549,101	456,658
<b>CASH AND CASH EQUIVALANTS AS AT THE END OF THE YEAR</b>	<b>549,686</b>	<b>549,101</b>

For and on behalf of the Board of Directors

PLACE : AJWA, BARODA.  
DATE : 30th June, 2001

**RAJESH C. JAIN**  
CHAIRMAN & MANAGING DIRECTOR

**SURBHI R. JAIN**  
DIRECTOR

**AUDITORS' CERTIFICATE**

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

We have examined the attached Cash flow statement of the AJWA FUN WORLD & RESORT LIMITED for the year ended 31st March, 2001. 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 June, 2001 to the members of the Company.

For **M/S. R.C. DEOPURA & CO.**  
Chartered Accountants

Place : Baroda.  
Date : 30th June, 2001

[R.C.Deopura]  
Proprietor