

**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, 2002 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that:

1. We conducted our audit in accordance with the auditing standard generally accepted in India. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit included examining on a test basis, evidence supporting the amounts and disclose in the financial statments. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statment presentation. We believe that our audit provides a reasonable basis for our opinion.
2. 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.
3. 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 for retirement benefits in the financial statment of employers", respectively, both issued by the Council of The Institute of Chartered Accountants Of India.*
  - 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 non deduction/short deduction of tax at source and 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. 9240140/-. Consequently the losses for the year are understated by Rs. 1521780/-*



and the Profit & Loss Account in the Balance Sheet is understated by Rs. 9240140/- and Investments are overstated to the same extent.

- e 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. 15109224/- (as against the reported figure of Rs. 13587444/-), total investments would have been Rs. 4776700/- (as against the reported figure of Rs. 14016840/-) and accumulated losses would have been Rs. 83413910/- (as against the reported figure of Rs. 74173770/-).

- vi. On the basis of the written representations received from the directors as on March 31, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2002 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, 2002, 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, 2002.

[**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. The company was in arrears in depositing provident dues as on 31.03.2002 for Rs. 38073/- 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 31.03.2002 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. 142636/-, Income Tax Rs. 111483/- and Professional Tax Rs. 2860/- 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, as well as consumption of materials and therefore no records in this regard have been maintained by the Company.

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

Place : Baroda.  
Date : 30th June, 2002.

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

**AJWA FUN WORLD & RESORT LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2002.**

PARTICULARS	SCHEDULE	As at 31/3/02 [Rs.]	As at 31/3/01 [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	61,550,596	59,030,231
b. Unsecured Loans	4	4,696,358	4,800,659
		<u>66,246,954</u>	<u>63,830,890</u>
<b>TOTAL :</b>		<u>141,266,954</u>	<u>138,850,890</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
a. Gross Block	5	123,654,086	123,196,120
b. Less : Depreciation		59,736,866	53,084,913
		<u>63,917,220</u>	<u>70,111,207</u>
Pre-Operative Expenses [Pending Allocation]	6	41,134	41,134
INVESTMENTS	7	14,016,840	9,291,840
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Inventories[Stores, Beverages, Eatables]		152,140	60,928
b. Sundry Debtors	8	17,547	6,010
c. Cash & Bank Balances	9	430,247	549,686
d. Loans & Advances	10	4,696,650	9,610,507
		<u>5,296,584</u>	<u>10,227,131</u>
Less : Current Liabilities & Provisions	11	17,074,960	13,379,849
<b>NET CURRENT ASSETS</b>		<u>(11,778,376)</u>	<u>(3,152,718)</u>
<b>PROFIT &amp; LOSS ACCOUNT</b>		74,173,770	61,162,906
<b>MISCELLANEOUS EXPENDITURE</b>	12	896,366	1,396,521
<b>TOTAL :</b>		<u>141,266,954</u>	<u>138,850,890</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, 2002

RAJESH C. JAIN  
CHAIRMAN & MANAGING DIRECTOR

PLACE : AJWA, BARODA.

DATE : 30th June, 2002

SURBHI R. JAIN  
DIRECTOR


**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002.**

PARTICULARS	SCHE- DULE	FOR THE YEAR ENDED 31/3/02 [Rs.]	FOR THE YEAR ENDED 31/3/01 [Rs.]
<b>INCOME :</b>			
Sales / Income from Operations	13	15,051,920	14,138,937
Other Income	14	5,906,476	53,622
<b>TOTAL INCOME</b>		<b>20,958,396</b>	<b>14,192,559</b>
<b>EXPENDITURE :</b>			
a. Parks/Garden Operating Expenses	15	7,822,458	5,473,648
b. Administrative & Other Expenses	16	5,952,396	4,924,578
c. Interest & Financial Expenses	17	13,537,654	12,008,612
d. Miscellaneous Expenses Written off		500,155	1,329,677
<b>TOTAL EXPENDITURE</b>		<b>27,812,663</b>	<b>23,736,515</b>
<b>Profit/(Loss) for the year before Depreciation</b>		<b>(6,854,267)</b>	<b>(9,543,956)</b>
Less : Depreciation		6,733,177	7,712,312
<b>Profit/(Loss) for the year after Depreciation</b>		<b>(13,587,444)</b>	<b>(17,256,268)</b>
Less : Provision for Taxation		Nil	Nil
<b>Profit/(Loss) for the year after Taxation</b>		<b>(13,587,444)</b>	<b>(17,256,268)</b>
Less : Prior period Adjustments	18	(576,580)	(91,049)
Less : Depreciation for earlier years		Nil	27,269,451
Add : Profit on Sale of Fixed Assets for Earlier Years		Nil	1,401,322
Add : Profit /(Loss) Brought Forward		(61,162,906)	(17,947,460)
<b>Total Profit/(Loss) carried to Balance Sheet</b>		<b>(74,173,770)</b>	<b>(61,162,906)</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, 2002

**RAJESH C. JAIN**

CHAIRMAN & MANAGING DIRECTOR

PLACE : AJWA, BARODA.

DATE : 30th June, 2002

**SURBHI R. JAIN**

DIRECTOR


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/02 [Rs.]	As at 31/3/01 [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>		
a. Term Loan from Bank of Baroda	12,062,420	12,062,420
[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.12,062,420/-]		
b. Term Loan from United Bank of India	1,400,000	6,686,872
[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.14,00,000/-, Previous Year Rs.66,86,872/-]		
c. Loan from Citi Bank N.A.	225,037	622,419
[Secured against Hyp. of Vehicles]		
[Repayable within one year Rs. 198,830/-, Previous Year Rs.168,793/-]		


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/02 [Rs.]	As at 31/3/01 [Rs.]
<b>d. Loan from I.C.I.C.I. Bank Limited</b>	184,781	282,223
[Secured against Hyp. of Vehicles]		
[Repayable within one year Rs. 111,941 /-, Previous Year Rs. 97,440/-]		
<b>e. Loan from Punjab National Bank</b>	118,790	192,817
[Secured against Hyp. of Vehicles]		
[Repayable within one year Rs.97,200/-, Previous Year Rs. 97,200 /-]		
<b>f. Term Loan from Gujarat State Financial Corpn.</b>	47,559,518	39,183,480
[Secured against equitable mortgage of Land & Building and hypothecation of Plant & Machineries & pesonal guarantee of Directors]		
[Repayable within one year Rs.47,559,518/-, Previous Year Rs.39,183,480/-]		
<b>TOTAL</b>	<u>61,550,596</u>	<u>59,030,231</u>

**Note :** The amount of Secured Loans are inclusive of interest accrued and due and overdue amounts of Interest & Installments, but does not include interest not charged by Banks in the respective accounts due to the A/C. being NPA.

**SCHEDULE : [4] UNSECURED LOANS :**

From Directors	566,915	331,905
From Bodies Corporate	79,443	348,754
From Others	4,050,000	4,120,000
<b>TOTAL</b>	<u>4,696,358</u>	<u>4,800,659</u>





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

Particulars	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK	
	As On 01/04/01	Additions During the year	Deduction/ Adjustment	As On 31/03/02	Up to 31/03/01	Additions During the year	Deduction/ Adjustment	Up to 31/03/02	As On 31/03/02	As On 31/03/01
1. Land	16112980	Nii	Nii	16112980	Nii	Nii	Nii	Nii	16112980	16112980
2. Building & Site Development	30453636	385725	Nii	30839361	12029285	1855391	Nii	11884676	16933803	18424351
3. Plant & Machineries	68910067	332039	Nii	69242106	38375318	4257633	Nii	42632952	26609154	30534749
4. Office Equipments	857894	28133	Nii	886027	525697	70303	Nii	596000	290027	332197
5. Furnitures & Fixtures	807672	650	Nii	808322	457298	63744	Nii	521042	287280	350374
6. Miscellaneous Assets	246684	128117	0	374801	132970	106050	Nii	239020	135781	113714
7. Vehicles	3258317	6150	364194	2900273	1564345	380056	81225	1863176	1037097	1693972
8. Assets on Lease Plant & Machineries [Refer Note No.15]	Nii	Nii	Nii	Nii	Nii	Nii	Nii	Nii	Nii	Nii
<b>TOTAL [A]</b>	<b>120647250</b>	<b>880814</b>	<b>364194</b>	<b>121163870</b>	<b>53084913</b>	<b>6733177</b>	<b>81225</b>	<b>69736866</b>	<b>61486122</b>	<b>67562337</b>
<b>CAPITAL WORK IN PROGRESS :-</b>										
1. Building & Civil Construction	570893	Nii	70989	499904	Nii	Nii	Nii	Nii	499904	570893
2. Plant & Machinery	1977977	12335	Nii	1990312	Nii	Nii	Nii	Nii	1990312	1977977
<b>TOTAL [B]</b>	<b>2648870</b>	<b>12336</b>	<b>70989</b>	<b>2490216</b>	<b>Nii</b>	<b>Nii</b>	<b>Nii</b>	<b>Nii</b>	<b>249216</b>	<b>2548870</b>
<b>TOTAL [A] + [B]</b>	<b>123196120</b>	<b>893149</b>	<b>435183</b>	<b>123654086</b>	<b>63084913</b>	<b>6733177</b>	<b>81226</b>	<b>59736866</b>	<b>63896338</b>	<b>70111207</b>
<b>PREVIOUS YEAR</b>	<b>129465662</b>	<b>1954888</b>	<b>8224430</b>	<b>123196120</b>	<b>27552784</b>	<b>3580441</b>	<b>8048312</b>	<b>63084913</b>	<b>70111207</b>	<b>101912878</b>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/02 [Rs.]	As at 31/3/01 [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
	41,134	41,134
Less : Capitalised to Fixed Assets	Nil	Nil
<b>TOTAL</b>	<b>41,134</b>	<b>41,134</b>
<b>SCHEDULE : [7] INVESTMENTS :</b>		
<b>[Trade] [Long Term Investments]</b>		
<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.14,98,230/-]	7,849,144	7,849,144
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.7,000/-, Previous Year Rs. 12,250/-]	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.44,700/-, Previous Year Rs.63,000/-]	85,000	85,000
e. 5,28,500 Equity Shares of Rs.10/- each fully paid of Apple Amusement Ind. Ltd.* [Previous year Nil Equity Shares] [Market Value Rs. 77,95,375/- Previous year Rs. Nil] Un Quoted [Equity Shareds of Companies]	4,725,000	Nil
f. 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>	<b>14,016,840</b>	<b>9,291,840</b>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/02 [Rs.]	As at 31/3/01 [Rs.]
<b>SCHEDULE : [8] SUNDRY DEBTORS :</b>		
[Unsecured, considered good]		
Debts outstanding for a period Exceeding :		
a. Six Months	Nil	6,010
b. Others	17,547	Nil
<b>TOTAL</b>	<u>17,547</u>	<u>6,010</u>
<b>SCHEDULE : [9] CASH &amp; BANK BALANCE :</b>		
a. Cash on hand	383,414	526,010
b. Balance with Scheduled Banks :		
- In Current Accounts	46,833	23,676
<b>TOTAL</b>	<u>430,247</u>	<u>549,686</u>
<b>SCHEDULE : [10] LOAN AND ADVANCES :</b>		
a. LOANS [Unsecured, considered good]		
- To Directors	176,673	176,673
- To Others	533,320	5,029,722
b. ADVANCES		
[Recoverable in cash or in kind or for value to be received]		
- Deposits with various agencies	888,735	888,735
- Advances to Suppliers & Others	185,529	817,405
- Other Advance	1,542,841	2,111,807
- Staff Advances	122,774	156,053
- Prepaid Expenses	72,371	61,958
- Share Application Money (Pending Allotment)	350,000	350,000
- Accrued Income	2,500	Nil
- Deposit with Bank of Baroda No Lien A/c	700,000	Nil
- Income Tax Refundable	21,907	18,154
<b>TOTAL</b>	<u>4,696,650</u>	<u>9,610,507</u>
<b>SCHEDULE : [11] CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES :</b>		
a. Sundry Creditors	2,364,695	2,271,675
b. Bank Account Overdrawn	527,867	Nil
[Current A/c with Schedule Bank]		
c. Unearned Income	2,424,943	2,438,166
d. Share Application Money Refundable	105,604	105,604
e. Income Tax Payable	111,483	733,407
f. T.D.S. Payable	142,636	119,737
g. Other Current Liabilities	385,796	591,150
h. Deposits for Restaurant	0	70,000
<b>SUB-TOTAL</b>	<u>6,063,024</u>	<u>6,329,739</u>
<b>PROVISIONS</b>		
For Expenses	11,011,936	7,050,110
For Taxation	Nil	Nil
<b>SUB-TOTAL</b>	<u>11,011,936</u>	<u>7,050,110</u>
<b>TOTAL</b>	<u>17,074,960</u>	<u>13,379,849</u>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	As at 31/3/02 [Rs.]	As at 31/3/01 [Rs.]
<b>SCHEDULE : [12] MISCELLANEOUS ASSETS :</b>		
(to the amount not written off/adjusted)		
a. Preliminary Expenses		
Balance as per last Balance Sheet	1,252,615	1,669,820
Less : 1/10th written off for the year	417,208	417,205
<b>TOTAL [A]</b>	<b>835,407</b>	<b>1,252,615</b>
b. Deferred Revenue Expenses		
Balance as per last Balance Sheet	143,906	954,779
Add : Addition during the year	Nil	101,599
	143,906	1,056,378
Less : 1/5th written off for the year	82,947	912,472
<b>TOTAL [B]</b>	<b>60,959</b>	<b>143,906</b>
<b>TOTAL [A + B]</b>	<b>896,366</b>	<b>1,396,521</b>

PARTICULARS	For the Year Ended 31/3/02 [Rs.]	For the year Ended 31/3/01 [Rs.]
<b>SCHEDULE : [13] SALES/INCOME FROM OPERATIONS :</b>		
a. Parks / Garden Income	11,683,251	11,253,380
b. Restaurant Income [Sale of eatables / commission]	2,420,753	2,086,144
c. Bus Income	71,149	19,290
d. Membership Income	382,758	437,402
e. Supper Store Income	90,169	137,074
f. Misc. Other Income	403,840	205,647
<b>TOTAL</b>	<b>15,051,920</b>	<b>14,138,937</b>
<b>SCHEDULE : [14] OTHER INCOME :</b>		
a. Discount & Kasar	57,464	19,228
b. Interest Income [TDS Rs. Nil, Previous Year Rs.776/-]	0	8,355
c. Electricity Duty Exemption	1,562,140	Nil
d. Prov. for Interest W/back under OTS with UBI	3,686,862	Nil
e. Principal Amt. of UBI W/off under OTS with UBI	600,210	Nil
f. Profit on Sale of Assets	Nil	26039
<b>TOTAL</b>	<b>5,906,476</b>	<b>53,622</b>


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	For the Year Ended 31/3/02 [Rs.]	For the year Ended 31/3/01 [Rs.]
<b>SCHEDULE : [15] PARKS / GARDEN</b>		
<b>OPERATING EXPENSES :</b>		
a. Electricity and Power & Fuel	1,952,503	2,047,125
b. Repairs & Maintenance [P & M]	862,076	425,045
c. Repairs & Maintenance [Building]	1,326,513	299,070
d. Repairs & Maintenance [Others]	74,129	71,398
e. Rajwadi Program Exp.	588,658	211,997
f. Stores & Spares Consumed	161,356	181,487
g. Security Expenses	257,529	278,571
h. Lodging & Boarding Expenses	0	10,600
i. Generator Rent Expenses	193,867	181,883
j. Commission & Discount Expenses	258,215	198,767
k. Restaurant Expenses [Cost of Sale of eatables etc.]	1,968,998	1,312,751
l. Buses Operating Expenses	73,007	57,052
m. Super Store Material Expenses	84,178	147,902
n. Plantation Expenses	21,429	Nil
o. Franchisee Fees	0	50,000
<b>TOTAL</b>	<b>7,822,458</b>	<b>5,473,648</b>
<b>SCHEDULE : [16] ADMINISTRATIVE &amp; OTHER EXPENSES :</b>		
<b>a. PAYMENT TO &amp; PROVISIONS FOR EMPLOYEES :</b>		
Directors' Remuneration	300,000	300,000
Salary & Wages to staff	1,264,625	1,231,947
Staff Welfare Expenses	103,619	85,530
Contribution to Provident & Other Funds	96,477	120,569
<b>SUB-TOTAL</b>	<b>1,764,721</b>	<b>1,738,046</b>
<b>b. ADMINISTRATIVE &amp; GENERAL EXPENSES :</b>		
Advertisement Expenses	1,626,654	725,670
Legal & Professional Fees & Expenses	167,577	252,777
Travelling Expenses [Including Directors' Domestic Travelling Rs.49,467/-, Previous Year: Domestic Travelling Rs.88,632/-]	310,215	214,834
Office & General Expenses	276,245	232,700
Printing & Stationery Expenses	99,597	84,290
Postage, Telegram, & Telephone Expenses	221,826	235,093
Conveyance & Vehicle Expenses	590,564	713,657
Donation	34,256	49,310
Insurance Expenses	240,886	83,837


**SCHEDULE ANNEXED TO THE ACCOUNTS**

PARTICULARS	For the Year Ended 31/3/02 [Rs.]	For the year Ended 31/3/01 [Rs.]
Income Tax	0	121,665
Auditors' Remuneration	26,000	26,000
Expenses on Medical treatment of Customers	25,099	7,406
Bad Debts/Sundry Balance written off	163,302	2,425
Listing Fees	15,000	15,000
Rent, Rates & Taxes	310,800	192,154
Repairs & Maintenance Expenses	74,585	90,957
Loss on Sale of Investments	0	81,600
Loss on Discard of Misc. Assets	0	21,157
Loss on Sale of Fixed Assets	5,069	Nil
<b>SUB-TOTAL</b>	<b>4,187,675</b>	<b>3,150,532</b>
<b>TOTAL</b>	<b>5,952,396</b>	<b>4,888,576</b>
<b>SCHEDULE : [17] INTEREST &amp; FINANCIAL EXPENSES :</b>		
a. Bank Charges	7,295	13,665
b. Interest Expenses :		
- For Bank Loans	3,624,921	3,850,528
- For G. S. F. C. Loans	9,905,438	8,144,072
- For Other Loans	0	347
<b>TOTAL</b>	<b>13,537,654</b>	<b>12,008,612</b>
<b>SCHEDULE : [18] PRIOR YEAR ADJUSTMENTS :</b>		
- Interest	45,044	410,270
Legal & Professional Fees & Expenses	(5,000)	12,500
Income Tax Prov. W/back	(616,624)	Nil
Lease Income	0	(526,125)
Telephone Deposit	0	(24,000)
Miscellaneous Expenses	Nil	218,404
<b>TOTAL</b>	<b>(576,580)</b>	<b>91,049</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, 2002)

**A. "STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES":****1. ACCOUNTING CONVENTIONS :**

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

**2. RECOGNITION OF INCOME / EXPENDITURE :**

Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred except 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 (Including assets purchased under hire purchase agreements) are stated at cost of acquisition less accumulated depreciation. Cost includes pre-operation expenses net of revenue. The Fixed Assets which are not yet completed are treated as Capital Work-In-Progress and no depreciation is provided for the same.



2. Depreciation on Fixed Assets is provided on the Written Down Value Method (W.D.V.) at the rates specified in Schedule XIV to the Companies Act, 1956, as amended upto the date of Balance Sheet.
3. Depreciation on Fixed Assets, for which no rates have been specified in Schedule XIV to the Companies Act, 1956, is provided on the Written Down Value Method at the rates at which the assets are depreciated over its estimated useful life.
4. Depreciation is provided on pro-rata basis from the month in which assets have been put to use and upto the date on which assets have been disposed, discarded or sold.
5. The assets having average life of about two years such as Costumes, Restaurant 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 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	2001-02 [Rs.]	2000-01 [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>

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 Bank of Baroda Term Loan A/c., Samta Sahkari Bank-Bombay Branch and Bank of Baroda-Bombay Branch.

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

- i Rs. Nil given as loan to M/s.Ajwa Finance Limited. Maximum outstanding during the year Rs. 22,39,993/-. (Previous year - Rs. 21,06,993/- and Rs. 28,26,993/- 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.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/-)
- iv Rs.11,800/- 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.24,01,209/-)

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



- v Rs.1,76,673/- given as loan to Shri Kamlesh K. Jain. Ex. director of the company Maximum amount outstanding during the year Rs.1,76,673/- (Previous year both the amounts are Rs. 1,76,673/-)

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 has been raised by the Income Tax Department for A.Y. 1996-97 which is contested by the Company by way of filing a rectification application before the appropriate authority. also demand raised for Rs. 102044/- for asst. year 1996-97 by charging interest U/S 201 (IA) and 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 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).
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 be made by the concerned 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 31.3.2002 is Rs. 92,40,140/-.



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 2001-02		Previous Year 2000-01	
	Qty.	Amount [Rs.]	Qty.	Amount [Rs.]
i LICENSE AND INSTALLED CAPACITY	Not Applicable		Not Applicable	
ii RAW MATERIAL CONSUMED	Nil	Nil	Nil	Nil
iii OPENING & CLOSING STOCK OF FINISHED GOODS :	Nil	Nil	Nil	Nil
iv C.I.F. VALUE OF IMPORTS	-	Nil	-	Nil
v EXPENDITURE IN FOREIGN CURRENCY	-	Nil	-	Nil
vi EARNINGS IN FOREIGN CURRENCY	-	Nil	-	Nil
vii DIVIDEND TO NRI(S)	-	Nil	-	Nil



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

i Registration No. 

0	4			1	8	2	9	4	
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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				
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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	4	1	3	2	7	
--	--	--	---	---	---	---	---	---	--

Total Assets

			1	4	1	3	2	7	
--	--	--	---	---	---	---	---	---	--

**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

				6	1	5	5	1	
--	--	--	--	---	---	---	---	---	--

Unsecured Loans

						4	7	5	6
--	--	--	--	--	--	---	---	---	---

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

Net Fixed Assets

				6	3	9	1	7	
--	--	--	--	---	---	---	---	---	--

Investment

				1	4	0	1	7	
--	--	--	--	---	---	---	---	---	--

Net Current Assets

				(-)	1	1	7	1	8
--	--	--	--	-----	---	---	---	---	---

Miscellaneous Expenditure

						8	9	6	
--	--	--	--	--	--	---	---	---	--

Pre-operative Expenses

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

Accumulated Losses

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



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

Turnover	Total Expenditure																		
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				2	0	9	5	8											
				3	4	5	4	5											
Profit/(Loss) Before Tax	Profit/(Loss) after Tax																		
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			(-)	1	3	5	8	7											
			(-)	1	3	5	8	7											
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, 2002

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

PLACE : AJWA, BARODA.  
DATE : 30th June, 2002

**SURBHI R. JAIN**  
DIRECTOR


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2002**  
**[PREPARED PERSUANT TO LISTING AGREEMENT]**

PARTICULARS	FOR THE YEAR ENDED 31/3/02 [Rs.]	FOR THE YEAR ENDED 31/3/01 [Rs.]
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES :</b>		
NET PROFIT/(LOSS) AFTER TAX AND EXTRAORDINARY ITEMS <b>ADJUSTED FOR</b>	(13,010,864)	(43,215,446)
DEPRECIATION	6,733,177	7,712,312
PRIOR PERIOD ADJUSTMENT (DEP.)	Nil	25,868,129
MISC. EXP. WRITTEN OFF	500,155	1,329,677
BAD DEBTS WRITTEN OFF	158,807	Nil
INTEREST INCOME	Nil	(8,355)
LOSS/(PROFIT) ON SALE OF ASSETS [NET]	5,068	(26,039)
LOSS ON SALE OF INVESTMENT	Nil	81,600
PRINCIPAL AMT. AND INT. PROVISION FOR UBI BANK W/OFF/BACK	(4,286,872)	Nil
ASSETS DISCARDED/WRITTEN OFF	Nil	21,157
PRIOR YEAR ADJUSTMENTS	(576,560)	91,049
SUNDRY BALANCES WRITTEN OFF	4,495	Nil
INTEREST EXPENSES	13,530,359	5,062,219
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES :</b>	<b>3,057,746</b>	<b>(3,083,697)</b>
<b>ADJUSTED FOR</b>		
TRADE AND OTHER RECEIVABLES	242,616	(757,118)
INVENTORIES	(91,212)	(32,925)
TRADE PAYABLES AND OTHER LIABILITIES	(376,623)	2,057,798
<b>CASH GENERATED FROM OPERATIONS :</b>	<b>2,830,527</b>	<b>(1,815,942)</b>
INTEREST PAID	1,480,631	(5,062,219)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS :</b>	<b>1,349,896</b>	<b>(6,878,161)</b>
ADD/(LESS) : EXTRA ORDINARY ITEMS :		
SHORT PROVISION FOR TAXATION	Nil	Nil
PRIOR YEAR ADJUSTMENTS	621,624	91,049
<b>NET CASH FLOW FROM OPERATING ACTIVITIES : [A]</b>	<b>1,971,520</b>	<b>(6,969,210)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(822,158)	(1,954,888)
SALE OF FIXED ASSETS	277,900	181,000
MISC. & DEFERRED REVENUE EXPENDITURE	Nil	(101,599)
SALE OF INVESTMENTS	(4,725,000)	20,438
INTEREST INCOME	0	8,355
REPAYMENT RECEIVED FOR LOANS GIVEN	4,496,402	621,788
<b>NET CASH FLOW FROM INVESTING ACTIVITIES : [B]</b>	<b>(772,857)</b>	<b>(1,224,906)</b>

**AJWA FUN WORLD & RESORT LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/3/2002**  
**[PREPARED PERSUANT TO LISTING AGREEMENT]**

PARTICULARS	FOR THE YEAR ENDED 31/3/02 [Rs.]	FOR THE YEAR ENDED 31/3/01 [Rs.]
<b>C. NET CASH USED IN FINANCING ACTIVITIES :</b>		
PROCEEDS FROM LONG TERM BORROWINGS	355,000	7,808,927
REPAYMENT OF LONG TERM BORROWINGS [INCLUSIVE OF INTEREST]	(1,568,801)	Nil
REPAYMENT OF SHORT TERM LOANS [NET]	(104,301)	385,774
<b>NET CASH USED IN FINANCING ACTIVITIES : [C]</b>	<b>(1,318,102)</b>	<b>8,194,701</b>
<b>NET CASH &amp; CASH EQUIVALANTS { (A) + (B) + (C) }</b>	<b>(119,439)</b>	<b>585</b>
CASH AND CASH EQUIVALANTS AS AT THE BEGINNING OF THE YEAR	549,686	549,101
<b>CASH AND CASH EQUIVALANTS AS AT THE END OF THE YEAR</b>	<b>430,247</b>	<b>549,686</b>

For and on behalf of the Board of Directors

PLACE : AJWA, BARODA.  
DATE : 30th June, 2002

**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, 2002. 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, 2002 to the members of the Company.

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

Place : Baroda.  
Date : 30th June, 2002

[R.C. Deopura]  
Proprietor