

FIFTH

ANNUAL REPORT

OF THE

INTEGRATED AMUSEMENT LIMITED

1998-99

Certified True Copy
For Integrated Amusement Ltd.

Director.

INTEGRATED AMUSEMENT LIMITED

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Regd. Office : Nr. Bagga Petrol Pump, Ahmedabad Mehasana Highway,
Jamiyatpur, Dist. Gandhinagar - 382 423.

Corporate Office : C-5, Vishwakarma Society, Nr. Jodhpur Char Rasta,
Satellite Road, Ahmedabad - 380 015.

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NOTICE OF THE ANNUAL GENERAL MEETING


NOTICE is hereby given that the Fifth Annual General Meeting of the Members of Integrated Amusement Limited will be held on 16th August, 1999 2.30 p.m. at Reg. Office of the Company to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited accounts for the period ended 31st March, 1999 and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. Paresh Vaghastia, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint retiring Auditors M/S. J. P. Adeshra & Co. to hold office from the conclusion of the Fifth Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Corporate Office :
C/5, Vishwakarma Society,
Jodhpur Char Rasta,
Satellite Road.
Ahmedabad- 380 015.

By order of the Board


Managing Director

Date : 30/05/1999.

NOTES :

- A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- B) The Register of Members and Share Transfer Book of the Company will remain closed from 5th August, 1999 to 16th August, 1999 (both days inclusive).
- C) Change of address, if any, should be notified to the company immediately.

INTEGRATED AMUSEMENT LIMITED ~

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Regd. Office : Nr. Bagga Petrol Pump, Ahmedabad Mehasana Highway,
Jamiyatpur, Dist. Gandhinagar - 382 423.

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Satellite Road, Ahmedabad - 380 015.

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DIRECTOR'S REPORT TO THE MEMBERS

Dear Shareholder,

The Directors of your Company are pleased to present their FIFTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 1998-99 ended on 31st March, 1999.

PROJECT PROGRESS

Due to certain uncontrollable circumstances, the implementation of the project of the Company has been delayed and the Company is facing time and cost overruns. The Company is forced to reschedule and work out fresh plan of the entire project.

DIVIDEND

In absence of profit, your Directors are unable to recommend any Dividend for the year ended 31st March, 1999.

DIRECTORS

At the ensuing Annual General Meeting, Shri. Paresh Vaghasia, Director will retire by rotation in terms of Articles 126 of the Articles of Association of the Company. However, being eligible, he has offered himself for reappointment.

IN - HOUSE SHARE DEPARTMENT

The In - House and computerised share department at the Corporate office of the Company has been successfully providing all Investor Services within a time bound period.

AUDITORS

The present Auditors of the Company M/s. J. P. Adeshra & Co., Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate of their eligibility for re-appointment under Section 224 (1-B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration exceeding Rs. 3,00,000/- per annum or Rs. 25,000/- per month, the limits specified under the Companies (Particulars of Employees) Rules, 1975 pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

DEPOSITS

Your Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956, are applicable.

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

Your Company has not consumed energy of the significant level and accordingly no measures were taken for energy conservation and no additional investment was made for the reduction of energy conservation.

The particulars regarding technology absorption and Foreign exchange earnings and outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 are NIL.

GENERAL

The notes forming part of Accounts, being self explanatory are not being dealt with separately.


ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude for the assistance and co-operation extended by Promoters, Banks, Government Authorities, Shareholders and Suppliers.

Your Directors also wish to place on record their deep appreciation for the dedication and hard work put by the employees at all levels towards the growth of the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 1999.


Managing Director


Director.

J.P.ADESHRA & CO.
CHARTERED ACCOUNTANTS

301, Rajkamal Plaza-B, B/h Samrudhhi, Opp.Old High Court, Navrangpura,
Ahmedabad - 380 009.

To
The members of Integrated Amusement Ltd.

We have audited the attached Balance Sheet of M/S Integrated Amusement Limited as on 31st March, 1999 and also the Statement of Pre-operative Expenditure for the year ended on that date and report as follows :-

- a) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet, of the companys' state of affairs as at 31st March, 1999.
 - ii) In the case of Statement of Pre-operative Expenditure incurred upto that date.
- b) We have obtained all the information and the explanation which, to the best of our knowledge and belief were necessary for the purpose of our audit,
- c) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books.
- d) The Balance Sheet and the Statement of Pre-operative Expenditure dealt with by this report are in agreement with the books of accounts furnished to us.
- e) In our opinion and as per explanations given to us, the said Balance Sheet together with the Statement of Pre-operative Expenditure, has complied with the Accounting Standards as referred to in Sub-section (3C) of section 211.

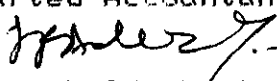
In terms of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of checks as we considered appropriate we further state that :

1. The company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets. Fixed Assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.

3. The company has not taken any loans, secured or unsecured from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from companies under the same Management as defined under Section 370 (1-B) of the Companies Act, 1956.
4. The company has not granted any loans, secured or unsecured to companies, firms and other parties listed in the register maintained under Section 301 and to the companies under the same Management as defined under sub-section 1B of Section 370 of the Companies Act, 1956.
5. According to information furnished to us, no loans or advances in the nature of loans have been given to any party.
6. In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the company and the nature of its business.
7. The company has not accepted Deposits from the public.
8. The company has an adequate internal audit system commensurate with the size and nature of its business.
9. We are informed that the provisions of the Provident Fund and Employees State Insurance Schemes are not applicable to the company.
10. According to information and explanations of given to us, no undisputed Income-tax, Sales-tax, Wealth-tax, Customs duty and Excise duty were outstanding as on 31st March 1999, which have remained unpaid for more than six months from the date on which they become payable.
11. On the basis of selective checks carried out by us, no personal expenses have been charged to revenue account other than those expenses which are payable under contractual obligations and in accordance with generally accepted business practices.
12. The company is not a Sick Industrial Company within the meaning of Clause (c) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

As the main project of the company is under implementation stage and revenue generation activity has yet not been started the sub clauses No. (iii) to (vi), (xi), (xii), (xiv), (xvi) of clause (A) are not applicable to the company.

For J. P. Adeshra & Co.
Chartered Accountants


(Jayesh Adeshra)
Proprietor.

PLACE : AHMEDABAD
DATE : 30/05/1999



INTEGRATED AMUSEMENT LIMITED

BALANCE SHEET AS AT 31ST MARCH 1999

PARTICULARS	SCHEDULE	As at 31/03/99 Rs.	As at 31/03/98 Rs.
I SOURCES OF FUNDS			
A SHARE HOLDERS' FUNDS			
Share Capital	A	83924000.00	83924000.00
Reserves and Surplus		-	-
		83924000.00	83924000.00
B LOAN FUNDS			
Secured Loan		0.00	-
Unsecured Loan	B	0.00	900000.00
		83924000.00	84824000.00
II APPLICATION OF FUNDS			
FIXED ASSETS	C		
Gross Block		4771453.40	3691233.40
Less : Depreciation		38438.50	34664.88
Net Block		4733014.90	3656568.52
Capital work in progress		70688731.99	70706331.99
		75421746.89	74362900.51
Pre-operative expenses pending allocation	D	2767873.46	2396765.84
C CURRENT ASSETS LOANS AND ADVANCES			
Debtors		-	-
Inventories		-	-
Cash & Bank balance	E	2029294.65	15248.65
		2029294.65	15248.65
LESS : CURRENT LIABILITIES AND PROVISIONS			
Creditors		-	301000.00
Others		4735000.00	-
NET CURRENT ASSETS		-2705705.35	-285751.35

INTEGRATED AMUSEMENT LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - A

	As at 31/3/99 Rs.	As at 31/3/98 Rs.
SHARE CAPITAL		
Authorised capital 85,00,000 Equites Shares Rs. 10/- each	85000000.00	85000000.00
Issued, Subscribed & Paid up capital (10,000 Previous year) 83,92,400 Equity Shares of Rs. 10/- each	83924000.00	83924000.00
Share Application Money	-	-
	83924000.00	83924000.00

SCHEDULE - B : UNSECURED LOAN

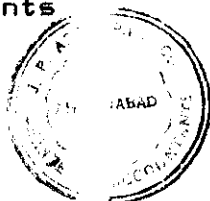
	As at 31/3/99 Rs.	As at 31/3/98 Rs.
Loan from Bodies corporate	0.00	900000.00
	0.00	900000.00

PARTICULARS	SCHEDULE	As at	As at
		31/03/99	31/03/98
		Rs.	Rs.
<hr/>			
MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED			
Public Issue Expenses		8050020.00	8050020.00
Preliminary Expenses		390065.00	390065.00
		<hr/>	<hr/>
		8440085.00	8440085.00
		<hr/>	<hr/>
		83924000.00	84824000.00
		=====	=====

NOTES FORMING PART OF THE F
BALANCE SHEET

Subject to our report of even date attache
For J. P. Adeshra & Co.
Chartered Accountants

J. P. Adeshra
(Jayesh Adeshra)
Proprietor



For and on behalf of
Board of Directors

R. Singh
Managing Director

P. Singh
Director.

PLACE : AHMEDABAD
DATE : 30/05/99

PLACE : AHMEDABAD
DATE : 30/05/1999

INTEGRATED AMUSEMENT LTD.

SCHEDULE - D

Statement of
Pre-operative expenses pending allocation

Amount
Rs.

Balance as per last Balance Sheet 2306765.84
ADD :

Advertisement Expenses	104775.00
Bank charges	960.00
Computer Expenses	26295.00
Directors Salary	188000.00
Depreciation (Net of Written Back on Building)	3773.62
Office Expenses	19345.00
Printing and Stationery Expenses	14305.00
Salary Expenses	26000.00
Stock Exchange Fees	40794.00
Post and Telegram Expenses	32105.00
Telephone Expenses	13225.00
Auditors Remunerations - Audit fees	5000.00

2781343.46

Less : Profit on Sale of Land

13470.00

2767873.46

SCHEDULE - E

As at
31/03/99

As at
31/03/98

CASH AND BANK BALANCE

In Current Account with Schedule Banks

Punjab National Bank	0.00	960.00
State Bank of Saurashtra	17215.00	596.00
In Other Banks		

Sarangpur Co-operative Bank Ltd.

Cash on hand	2012079.65	13692.65
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2029294.65

15248.65

INTEGRATED AMUSEMENT LTD.

SCHEDULE - C : FIXED ASSETS

(Amount Rs.)

Descriptions	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	Valuation or cost at 31/03/98	Addition during the year	Deduction during the year	Valuation or cost at 31/03/99	Cumu.up to 31/03/98	For the Yr. 31/03/99	Total up to 31/03/99	As at 31/03/98	As at 31/03/99
Land	2249800.00	2208000.00	0.00	4457800.00	0.00	0.00	0.00	2249800.00	4457800.00
Office Building	293019.00	0.00	293019.00	0.00	5760.62	-5760.62	0.00	287258.38	0.00
Tube Well	185000.00	48750.00	0.00	233750.00	3530.58	3810.13	7340.71	181469.42	226409.29
Furniture	6903.40	0.00	0.00	6903.40	1497.18	567.50	2064.68	5405.22	4838.72
Computer Purchase	73000.00	0.00	0.00	73000.00	23876.50	5156.61	29033.11	49123.50	43966.89
TOTAL	2807722.40	2256750.00	0.00	4771453.40	34664.88	3773.62	38438.50	2773057.52	4733014.90
Previous Year	3664703.40	150000.00	123470.00	3691233.40	43955.89	13507.29	34664.88	-	3656568.52

Capital work in progress (including capital advances)									70688731.99
									75421746.89
									=====
Previous Year - Capital Work-in-progress									70706331.99

NOTE :

Profit on part of the Land sold during the year

	Rs.	Rs.
Sales Realisations		1865000.00
Gross Block of the part of the land sold - Cost of acquisition	883511.00	
Add : Cost of Buildings	293019.00	
Add : Cost of improvements - Allocations	675000.00	

		1851530.00

Profit		13470.00

PART IV

Balance Sheet abstract and companies general business profile

I. REGISTRATION DETAILS :-

Registration No.04-22845
Balance sheet date 31/03/99

State Code : 04

II. CAPITAL RAISED DURING THE YEAR (AMT. IN RS. THOUSAND)

Public Issue NIL
Bonus Issue NIL

Right Issue NIL
Private Placement NIL

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

Total Liabilities 83924.00

Total Assets 83924.00

Sources of Funds

Public Issue NIL

Right Issue NIL

Paidup Capital 83924.00

Reserves & Surplus NIL

Secured Loans NIL

Unsecured Loans NIL

Applications of Funds

Net Fixed Assets

(incl. work in progress) 75421.75

Investments NIL

Net Current Assets -2705.70

Misc. Expenditure 8440.04

Pre-operative expenditure pending allocation 2767.87

IV. PERFORMANCE OF COMPANY (AMT. IN RS. THOUSANDS)

Turnover NIL

Total Expenditure NIL

Profit before tax NIL

Profit after tax NIL

Earnings per share NIL

Dividend Rate NIL

V. ITEM CODE : Not Applicable.

SCHEDULE - F

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1999 :

1. ACCOUNTING POLICIES :

- a) The financial statements are prepared under historical cost convention on accrual basis and are in accordance with the requirements of the Companies Act, 1956.
 - b) The company is providing depreciation on fixed assets on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.
 - c) Expenses which are not specifically identifiable with reference to individual assets are treated as Pre-operative expenses (Expenses during construction period) to be allocated to the group of assets on commencement of commercial operations.
 - d) Liabilities towards employee retirement benefits would be accounted as and when liabilities accrue or arise.
2. No profit and loss account has been prepared since the company has not commenced commercial operations. However, necessary details as per Part II of Schedule VI of the Companies Act, 1956 with regard to disclosure of "Expenditure during construction period and trial expenses (Pre-operative Expenses)" pending allocation have been complied with. It is the Company's intention to capitalise these expenses on commencement of commercial operations.

3. REMUNERATION TO DIRECTORS

Managing Director and
Whole Time Director

Rs. 1,88,000

4. Estimated amount of contracts remaining to be executed on capital account (Net of Advance) as at 31st March, 1999 Rs. NIL.
5. Previous year figures have been regrouped, rearranged where even necessary.
6. Confirmation of balances from parties Accounts are awaited.
7. clause 4A, 4C and 4D of part II to schedule VI of the Companies Act, 1956 are not applicable to the company.

Subject to our report of even date attached
for J. P. Adeshra & Co.
Chartered Accountant

(Jayesh Adeshra)
Proprietor



PLACE : AHMEDABAD
DATE : 30/05/1998

For and on behalf of
Board of Directors

[Signature]
Director

[Signature]
Director

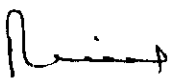
PLACE : AHMEDABAD
DATE : 30/05/1998.

C CASH FLOW FROM FINANCIAL ACTIVITIES

Proceeds from Long Term Borrowings	-900.00	NIL
Proceeds from Issue of Shares (Net of Public Issue Expenses)	NIL	NIL
Refund Shares Application Money	NIL	NIL
Repayment of Term Loan	NIL	NIL
Increase in Bank Borrowings (NET)	NIL	NIL
Dividend paid	NIL	NIL
Other Borrowings	NIL	NIL
Net Cash From/ (in) Financial Activities	-900.00	NIL
D NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALANENTS (A+B+C)	2014.04	7.45
E OPENING CASH AND CASH EQUIPMENTS (Cash and Bank Balances)	15.25	7.80
F CLOSING CASH AND CASH EQUIVALENTS (D+E) (Cash and Bank Balances)	2029.29	15.25

By Order of The Board of Directors

PLACE: AHMEDABAD
DATE :30/05/99


Managing Director


Director

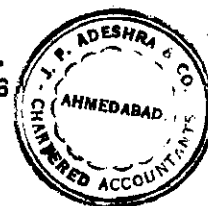
AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Integrated Amusement Limited for the year ended 31st March, 1999. The Statement have been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on & is in agreement with the Statement of Preoperative expenditure and the Balance Sheet of the Company covered by our Report of 30th May, 1999 to the members of the Company.

PLACE : AHMEDABAD
DATE : 30-5-99

for J.P.ADESHRA & CO.
CHARTERED ACCOUNTANTS


(JAYESH ADESHRA)
PROPRIETOR



INTEGRATED AMUSEMENT LTD.

FLOW STATEMENT

RS. IN THOUSANDS

For the Year ended 31/03/99	For the Year ended 31/03/98
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CASH FLOW FROM OPERATING ACTIVITIES

Net Profit Before Tax
Adjustment for :

Depreciation
Interest & Financial charges
Miscellaneous expenditure written off
Interest, Guarantee Commission & Dividend Income
Provision for taxation earlier years
Written back
Provision for Doubtful debts
Operating Profit before Working Capital changes
Adjustment For Inventories
 Trade and Other
 Receivables
 Trade and Other
 Payables

NOT APPLICABLE

Cash generated from operations
Interest and financial charges paid
Net cash from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Sale of Long term investment	NIL	NIL
Purchase of Fixed assets (including capital work in progress)	-2914.15	-150.00
Loans and Advances made to other parties	NIL	51.50
Pre operative expenses	-470.81	-270.05
Misc. Exp. to the extent not W/O.	NIL	NIL
Adjustments for other trade payable	4434.00	291.00
Sale of fixed assets	1865.00	85.00
Interest and Dividend income received	NIL	NIL
Tax deducted at sources on interest & dividend income	NIL	NIL
Advance to subsidiary company	NIL	NIL
Purchase of short term investments (NET)	NIL	NIL
Short term deposits with companies (NET)	NIL	NIL
Bills of exchange placed with companies (NET)	NIL	NIL
Net cash used in investing activities	2914.04	7.45