

GSLOT ENTERTAINMENT LIMITED



**22nd Annual Report
2003-2004**

BOARD OF DIRECTORS

MR. DIPAK TANNA
 MR. SURESH GAGGAR
 MR. DEVEN MEHTA
 MS. SEHER BEDI
 MR. SALIM GOVANI

BANKERS

HDFC BANK LIMITED

AUDITORS

M/S. R. S. AGRAWAL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 MUMBAI – 400 002

REGISTERED OFFICE

28, BOMBAY SAMACHAR MARG,
 3RD FLOOR,
 FORT, MUMBAI – 400 023.

CONTENTS	PAGE NO.
Notice to the Members	2
Directors' Report	4
Management Discussion and Analysis	7
Corporate Governance	8
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement	22
Schedule 1 to 18	23

NOTICE

NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of the Members of **G SLOT ENTERTAINMENT LIMITED** will be held on Thursday, 30th day of September 2004 at 4.30 P.M at the Registered office of the Company at 28, Bombay Samachar Marg, 3rd Floor, Fort, Mumbai – 400 023 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Accounts for the year ended 31st March 2004 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Salim Govani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. R. S. Agarwal & Associates, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to authorise the Board to fix their remuneration.

By order of the Board



Suresh Gaggar
Director

Place : Mumbai

Dated : 30th June 2004

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOIE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be deposited at the Company's Registered Office not later than 48 hours (fortyeight hours) before the time fixed for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 24th September 2004 to Thursday, 30th September 2004 (both days inclusive)

Additional Information

BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT

1. **Salim Govani**

Mr. Salim Govani is a Chartered Financial Analyst from ICFAI, Hyderabad. He has been associated as Managing Director of Foresight Holdings Private Limited for more than a decade and has sound exposure to Corporate Structuring & Finance, Investments & Fund Management and Investment & Management Consulting. In addition, He possesses rich and varied experience in the related fields of infotech and media. He has been associated as a partner for about a decade with renowned firm like Zarine Enterprises, which is actively involved in activities such as Motion Picture Distribution & Exhibition, Motion Picture Finance, Motion Picture Imports & Exports and Tele-serial Production.

Mr. Govani is a director on the board of Foresight Holdings Pvt. Ltd. and Mount Everest Minerals Ltd. He does not hold any Chairmanship / Membership in the committees of other companies.

2. **Suresh Gaggar**

Mr. Suresh Gaggar is a M. Com. He has been actively associated with financial activities and has sound knowledge and experience on Mergers, Amalgamations, Restructuring, Funds Mobilisation, Project Advisory & Financing, Working Capital Arrangements etc. Besides, he has deep understanding on Investment and Portfolio Management, Derivatives, Capital Market Operations.

Mr. Gaggar is a director on the board of Casanova Builcons Pvt. Ltd. and Tia Constructions Company Pvt. Ltd. He does not hold any Chairmanship/Membership in the committees of other companies.

By order of the Board

Suresh Gaggar
Director

Place : Mumbai

Dated : 30th June 2004

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the **Twenty Second** Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March 2004.

Financial Results:

(Rs. in lacs)

Particulars	Year Ended 31 st March 2004	Year Ended 31 st March 2003
Total Income	13.24	161.83
Profit/(Loss) before Interest, Depreciation & Taxation	(289.56)	(73.05)
Less : Interest	3.75	21.45
Profit/(Loss) before Depreciation	(293.31)	(94.50)
Less: Depreciation	15.94	28.33
Profit/(Loss) before Tax	(309.25)	(122.83)
Net Profit/(Loss) after Tax	(309.25)	(122.83)

Year under review

During the year under review, your company did not undertake any commercial operations. The total income earned during the year was mainly by way of other Income. The Company registered a total income of Rs.13.24 lacs as against Rs.161.83 lacs in the previous year. Loss before Interest, Depreciation and Taxation stood significantly higher at Rs. 289.56 lacs as against Rs.73.05 lacs in the previous year. After providing for Depreciation and Interest aggregating Rs. 19.69 lacs, your Company has reported a net loss of Rs. 309.25 lacs.

Your company is in the process of identifying new business opportunities with better prospects and strong future outlook. Various new business proposals were examined by the company during the year under review. However, after taking into consideration the relative earning potential and inherent risk elements of each such proposal, your Directors have felt that the company should adopt a cautious approach with respect to undertaking any particular business proposal and avoid taking any undue risks.

Your company continues to be cautiously optimistic about its growth prospects for the current financial year.

Dividend

In view of carried forward losses and losses for the year, your directors regret their inability to recommend any dividend for the year ended 31st March 2004.

Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the loss of the company for that period.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2004 on a going concern basis.

Directors:

Mr. Salim Govani and Mr. Suresh Gaggar, Directors of Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Corporate Governance and Management Discussion and Analysis

A report on the Corporate Governance and Management Discussion and Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

Auditors

M/s. R. S. Agrawal & Associates, Chartered Accountants, the Auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The members are requested to appoint the Auditors and authorise the Board to fix their remuneration.

Auditors' Report

Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Fixed Deposits

The Company has not accepted or renewed any deposit from public during the year under review.

Particulars of Employees

During the year under review, none of the employees of the company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217 (2A) of the Companies Act, 1956 and the rules made thereunder.

Gslot Entertainment Limited

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo**(A) Conservation of Energy, Research & Development and Technology Absorption**

Considering the Company's existing business activities, your Directors have nothing to state in connection with Conservation of Energy, Research & Development and Technology Absorption.

(B) Foreign Exchange Earnings & Outgo

During the year under review, no foreign exchange has been earned and/or expended by the company.

Acknowledgements

The Directors wish to express their gratitude to the bankers, clients and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on behalf of the Board

Suresh Gaggar
Director

Deven Mehta
Director

Place : Mumbai

Dated : 30th June 2004

Report  junction.com

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

It is felt that conducting business operations in any stream of entertainment industry is no longer a viable proposition for small players. Intense competition from the major players and frequent change in technology requires infusion of large amounts of funds and manpower.

Your company has over a period of time felt that it shall be in the interest of the company to undertake diversified business activities.

Opportunities and Threats

In view of the continuing losses with no major viable orders, your company did not undertake any operational activities related to entertainment sector during the year under review. Viability of resuming the business operations in change of economic scenario vis-à-vis undertaking new business activities with better prospects are examined on regular basis.

Outlook

Your Company is evaluating new business proposals related to diversified business activities with sound future outlook and immense potentials.

Internal control systems and their adequacy

Gslot's internal control systems as well as procedures adequately commensurate with the magnitude of its current business. The operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The internal control system is being further strengthened by constantly updating the documented guidelines, approval and authorisation procedures.

Human Resources

During the year under review, the company has enjoyed cordial professional relations with employees at all levels

CORPORATE GOVERNANCE

Gslot Entertainment Limited (Gslot) is committed to good corporate governance. The Company provides in its annual report detailed information on various issues concerning the Company's business and financial performance. The Company respects the inalienable rights of its shareholders to information on the performance of the company and considers itself a trustee of its shareholders.

A. Board of Directors

1. Size and composition of the board

Presently, majority of the Board of Gslot consists of Non-executive/independent directors, having rich and varied experience.

The constitution of the Board as on 31st March 2004 is as given below:

Director	Executive/Non-Executive/Independent*	No. of other Directorships**	Membership/Chairmanship in other public companies	
			Chairman	Member
Mr. Dipak Tarina	Non-Executive, Independent	1	Nil	Nil
Mr. Suresh Gaggar	Non-Executive, Independent	Nil	Nil	Nil
Mr. Seher Bedi	Executive	Nil	Nil	Nil
Mr. Deven Mehta	Non-Executive, Independent	1	Nil	Nil
Mr. Salim Govani	Non-Executive, Independent	1	Nil	Nil

* Independent Directors means a director who apart from receiving directors remuneration, does not have any material pecuniary relationship or transactions with the company, its promoters or its management or its subsidiaries, which is in the judgement of the Board may affect their independence of judgement.

** Other Directorships exclude directorships held in private limited companies.

2. Cash Compensation to the Directors for the financial year ended 31st March 2004

During the year ended 31st March 2004, the company has not paid any remuneration by way of sitting fees or otherwise to any director of the company.

B. Board Meetings

1. Scheduling and selection of agenda items for board meetings

The Board meetings are generally held at the registered office of the company. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. When necessary, additional meetings are held.

There were seven board meetings held during the year ended March 31, 2004. These were on 30th April 2003, 11th July 2003, 31st July 2003, 21st August 2003, 31st October 2003, 9th January 2004 and 31st January 2004. Table hereunder gives the attendance record of the directors.

Name of the directors	Number of Board Meetings attended	Whether attended last AGM
Mr. Dipak Tanna	7	No
Mr. Suresh Gagar	7	Yes
Mr. Seher Bedi	3	No
Mr. Deven Mehta	3	Yes
Mr. Salim Govani	5	No

2. Availability of information to the members of the board

The Board has unfettered and complete access to any information within the company, and to any employee of the Company. At meetings of the board, it welcomes the presence of manager and finance heads who can provide additional insights into the items being discussed.

The information as may be applicable which is regularly supplied to the board includes:

- Operating Plans, budgets.
- Quarterly results of the company.
- Information on recruitment and remuneration of senior officers just below the board level.
- Minutes of the meetings of the audit committee as well as abstracts of the circular resolutions passed.
- Fatal or serious accidents or dangerous occurrences.
- General notices of interest.
- Significant development on the human resources front.
- Details of dangerous occurrences and effective steps taken thereof.
- Details of deployment of surplus funds available with the Company.
- New projects.
- Business contracts entered.

3. Materially significant related party transactions

Details of the Related Party transactions for the year ended 31st March 2004 have been disclosed in Note No. '12' of Schedule '18' to the accounts. However, there have been no materially relevant related party transactions for the year ended March 31, 2004, which have potential conflict with the interests of the company at large.

C. Board Committees

Currently, the Board has three committees – the Audit Committee, the Shareholders/ Investors Grievance Committee and the Remuneration Committee. Each Committee comprises of 3 members all of whom are non-executive, independent directors.