

GSLOT ENTERTAINMENT LTD.

CERTIFIED TRUE COPY

For GSLOT ENTERTAINMENT LTD.

E. J. J. J.
Director/Authorised Signatory

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23rd ANNUAL REPORT
2004-2005

NOTICE

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting of the Members of GSLOT ENTERTAINMENT LIMITED will be held on Saturday, 13th August 2005 at 4:00 P.M at the Registered office of the Company at 28, Bombay Samachar Marg, Fort, Mumbai - 400 023 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March, 2005 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deven Mehta 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. Agrawal & 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 fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Jitendra J. Mehta, who was appointed as an Additional Director of the Company with effect from 1st April, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the 23rd Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Jitendra J. Mehta for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Dinesh Nandwana, who was appointed as an Additional Director of the Company with effect from 1st April, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the 23rd Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Dinesh Nandwana for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pankaj Goel, who was appointed as an Additional Director of the Company with effect from 20th June, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the 23rd Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Pankaj Goel for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approval(s) of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), The Stock Exchange, Mumbai (BSE) and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot 7,25,000 (Seven Lacs Twenty Five Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each for cash at premium of Rs.2/- per share (the pricing of which is determined in accordance with the SEBI Guidelines as applicable on the relevant date viz. 13th July, 2005) aggregating to total face value of Rs.72,50,000/- (Rupees Seventy Two Lacs Fifty Thousand only) in one or more tranches, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s) and approval(s) by the aforesaid authorities and/or which the Board may at its absolute discretion consider proper, desirable and expedient by way of Preferential allotment(s) to persons/entities including the promoters of the Company, whether such allottees are shareholders of the Company or not, as mentioned herein below:

Sr. No.	Name of the Party	No. of Shares proposed to be allotted
(A)	Promoter Group	
1	-	-
2	-	-
	Total (A)	-
(B)	Public (Individuals and Bodies Corporate)	
	Group I (Individuals)	
1	Mahesh Kumar Gupta	25,000
	Group II (Bodies Corporate)	
1	Ritedeal Mercantile Co. Pvt. Ltd.	2,00,000
2	Highpoint Trading Co. Pvt. Ltd.	2,00,000
3	Bluepearl Trading Co. Pvt. Ltd.	1,00,000
4	Seahorse Mercantile Co. Pvt. Ltd.	1,00,000
5	Newtree Trading Co. Pvt. Ltd.	1,00,000
	Total (B) (i.e. Group I to Group II)	7,25,000
	Grand Total (A+B)	7,25,000

and also to seek listing of such securities on the stock exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by the Board."

"RESOLVED FURTHER THAT the new Equity Shares referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including entitlement for dividend with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolution."

By order of the Board

SURESH GAGGAR
DIRECTOR

Place: Mumbai
Dated: 18.07.2005

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 received as the Company's Registered Office not later than 48 hours (forty eight 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 on Saturday, 13th August, 2005.
4. Shareholders are requested to forward their queries on the Accounts for the financial year 31st March, 2005 to the Registered Office of the Company at least 10 days in advance to enable us to keep the information ready at the meeting.
5. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders are requested to bring the same along with them.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item Nos. 5, 6 and 7:

Mr. Jitendra J. Mehta, Mr. Dinesh Nandwana & Mr. Pankaj Goel were appointed as Additional Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company. Pursuant to the provisions of the said section, their respective term shall expire at the 23rd Annual General Meeting of the Company. In the meantime, the Company has received notices under Section 257 of the said act from shareholders proposing the respective candidature of Mr. Jitendra J. Mehta, Mr. Dinesh Nandwana & Mr. Pankaj Goel for the offices of Directors of the Company. The Board recommends the appointments of Mr. Jitendra J. Mehta, Mr. Dinesh Nandwana & Mr. Pankaj Goel as Directors of the Company.

The resolutions vide Item Nos. 5 to 7 are therefore proposed for the approval of the Members.

Mr. Jitendra J. Mehta, Mr. Dinesh Nandwana & Mr. Pankaj Goel shall be deemed to be concerned or interested in the resolution for their respective appointment. Mr. Deven Mehta being related to Shri Jitendra J. Mehta shall be deemed to be concerned or interested in the resolution for appointment of Shri Jitendra J. Mehta. Apart from the said Directors, no other Director shall be deemed to be concerned or interested in the said resolutions.

Item No. 8:

The Company plans to make Preferential Issue of 7,25,000 Equity Shares of Rs. 10/- each for cash at premium of Rs.2/- per share aggregating to face value of Rs.72,50,000/-. The details of the same are as under:

(a)	Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI guidelines for issue of shares on preferential basis is 13 th July, 2005. It is proposed to issue and allot the Equity Shares of Rs.10/- each for cash at premium of Rs.2/- per share, which is in accordance with SEBI preferential allotment guidelines, as applicable.
(b)	No. and % of shares proposed to be allotted on preferential allotment basis pursuant to Special Resolution passed under Section 81(1A) of the Companies Act, 1956.	7,25,000 Equity Shares of Rs.10/- each for cash at premium of Rs.2/- per share constituting 15.34% of the Post Preferential Allotment paid-up share capital of the Company.
(c)	Objects of the Issue	The proposed preferential issue is being made to augment funds for working capital requirements and/or for undertaking diversified business activities.

(d)	Intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer	The Promoter group parties comprising of bodies corporate intend to subscribe to the tune of -NIL Equity Shares of Rs.10/- each fully paid up in cash in the preferential issue. None of the Directors and /or Key Management Personnel intends to subscribe to the offer.
(e)	Proposed time within which the allotment shall be complete	The said preferential issue shall be subject to the relevant guidelines issued by the Securities and Exchange Board of India. The Company proposes to make allotment of the shares within a period of 15 days from the date of the Annual General Meeting.
(f)	Lock in period	The shares proposed to be allotted on preferential issue basis shall be locked in as per the SEBI Guidelines for Preferential Issues.



(g) Identity, No. of Shares presently held by each allottee, number & percentage of shares proposed to be allotted, total number of shares to be held post-preferential allotment, Percentage of Post Preferential equity capital held by each of the allottees:

Sr. No.	Name of the Applicant/Category	No. of Shares held pre-preferential allotment	No. of Shares proposed to be allotted	Total number of shares held post preferential	% of Post Preferential Issue Share Capital
		(A)	(B)	(A+B)	
A.	Promoter Group				
1.	Indian Promoters	23,59,874	-	23,59,874	49.94
	Total (A)	23,59,874	-	23,59,874	49.94
B.	Public (Individuals & Bodies Corporate)				
	Group I (Individuals)				
1.	Mahesh Kumar Gupta	-	25,000	25,000	0.53
2.	Others	8,38,373	-	8,38,373	17.74
	Sub-Total (I)	8,38,373	25,000	8,63,373	18.27
	Group II (Bodies Corporate)				
1.	Ritedeal Mercantile Co. Pvt. Ltd.	-	2,00,000	2,00,000	4.23
2.	Highpoint Trading Co. Pvt. Ltd.	-	2,00,000	2,00,000	4.23
3.	Bluepearl Trading Co. Pvt. Ltd.	-	1,00,000	1,00,000	2.12
4.	Seahorse Mercantile Co. Pvt. Ltd.	-	1,00,000	1,00,000	2.12
5.	Newtree Trading Co. Pvt. Ltd.	-	1,00,000	1,00,000	2.12
6.	Others	4,12,153	-	4,12,153	8.72
7.	FIIIs	3,89,600	-	3,89,600	8.25
	Sub-Total (II)	8,01,753	7,00,000	15,01,753	31.79
	Total (B) i.e. (I to II)	16,40,126	7,25,000	23,65,126	50.06
	GRAND TOTAL (A+B)	40,00,000	7,25,000	47,25,000	100.00

(i) Consequential changes in the shareholding pattern/voting rights

Sr. No.	Category	Pre-allotment in terms of shares		Post allotment in terms of shares	
		No.	%	No.	%
A.	Promoters				
	(a) Allottees under preferential issue	-	-	-	-
	(b) Other promoters	23,59,874	59.00	23,59,874	49.94
	Total (A)	23,59,874	59.00	23,59,874	49.94
B.	Mutual Funds/ Foreign Institutional Investors	3,89,600	9.74	3,89,600	8.25
	Total (B)	3,89,600	9.74	3,89,600	8.25
C.	Public				
	(a) Allottees under preferential issue	-	-	7,25,000	15.34
	(b) Others	12,50,526	31.26	12,50,526	26.47
	Total (C)	12,50,526	31.26	19,75,526	41.81
	Total	40,00,000	100.00	47,25,000	100.00

The proposed preferential allotment shall not result in change in Management control. Voting rights shall change in accordance with the shareholding pattern as above mentioned. A copy of the certificate received from the auditors of the Company in connection with the pricing of the proposed preferential issue shall be available for inspection during business hours on all working days at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

The Board recommends the above resolution for your approval.

The Directors of the Company may be deemed to be concerned/ interested in the resolution to the extent of the Shares offered, applied for and allotted to them or the Bodies Corporate in which they are Directors/Shareholders.

By order of the Board

SURESH GAGGAR
DIRECTOR

Place: Mumbai
Dated: 18.07.2005

Additional Information

Brief Profile of Directors seeking re-appointment

Mr. Deven Mehta

Mr. Deven Mehta has in-depth knowledge of Capital Market. He has sound exposure in Investment and Fund Management and Management Consultancy, Derivatives, Funds Mobilization, Working Capital arrangement etc.

Mr. Deven Mehta is also Director in Jyoti Bright Bar Limited, Sigma Credit & Capital Services Pvt. Ltd., Amgis Holdings Pvt. Ltd., Pals Overseas Pvt. Ltd., Banzai Steel Pvt. Ltd., Senorita Impex Pvt. Ltd. and Jayavant Products Limited

Mr. Mehta does not hold any Chairmanship/Membership in the committees of other companies.

Mr. Suresh Gaggur

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

Mr. Gaggur is a director on the Board of Suryavanshi Textiles Mills Ltd., Jyoti Bright Bar Ltd., Casanova Builcons Pvt. Ltd. and Tia Constructions Company Pvt. Ltd.

Mr. Gaggur does not hold any Chairmanship/Membership in the committees of other companies.

Mr. Jitendra Mehta

Mr. Jitendra Mehta has in-depth knowledge of more than 40 years in Export & Import Licenses. He has sound exposure in DEPB Licenses, DFRC Licenses and Export and Import policies.

Mr. Jitendra Mehta is also Director in Jyoti Bright Bar Limited, Sigma Credit & Capital Services Pvt. Ltd., Amgis Holdings Pvt. Ltd., Pals Overseas Pvt. Ltd., Banzai Steel Pvt. Ltd., Senorita Impex Pvt. Ltd. and Jayavant Products Limited

Mr. Mehta does not hold any Chairmanship/Membership in the committees of other companies.

Mr. Dinesh Nandwana

Mr. Dinesh Nandwana is a Chartered Accountant having over 20 years experience of administration. He is Chairman of Vakrangee Softwares Limited, a company involved in the development of administrative aspect of both digitized photo and multilingual technology.