



# PRIMEAST INVESTMENTS LIMITED

*Seventeenth Annual Report*

**1999-2000**

Devatha Plaza, 131, Residency Road  
BANGALORE - 560 025

*Primeast Investments Limited*

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*Primeast Investments Limited***PRIMEAST INVESTMENTS LIMITED****Board of Directors**

Shri. T.P. ISSAR Chairman  
 Shri. R.C. BHAVUK Managing Director  
 Shri. B.P. CHATURVEDI  
 Shri. P.R. AHUJA  
 Shri. SANJIV AHUJA  
 Shri. G.D. KHEMANI  
 Shri. GAGAN KHOSLA

**Bankers**

- a) INDIAN OVERSEAS BANK  
 Residency Road Branch, Bangalore.
- b) STATE BANK OF MYSORE  
 Richmond Road Branch, Bangalore.
- c) INDIAN OVERSEAS BANK  
 Worli Branch, Mumbai.

**Auditors**

M/s. BRAHMAYYA & CO.  
 Chartered Accountants, Bangalore

**Company Secretary**

K.J. BINOJ

**Registered Office**

DEVATHA PLAZA  
 131, Residency Road  
 BANGALORE - 560 025.

*Primeast Investments Limited***NOTICE**

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of the Members of **PRIMEAST INVESTMENTS LIMITED** will be held on Saturday, the 30th September, 2000 at 10.00 a.m. at Hotel Rama, Lavelle Road, Bangalore - 560 001 to transact the following business

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31.3.2000 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. T.P. Issar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. G.D. Khemani who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be agreed with the Board of Directors.

**SPECIAL BUSINESS :**

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

**"RESOLVED THAT** Mr. Sanjiv Ahuja be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. *To consider and if thought fit, to pass with or without modification the following resolution as special resolution.*

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**"RESOLVED THAT** pursuant to the provisions of Section 17 and any other provisions of the Companies Act, 1956 (including any statutory re enactment or modification thereof) as may be applicable, the consent of the Company be and is hereby accorded to the Memorandum of Association of the Company being altered in the following manner :

(A) Clauses (1) (2) and (3) of Clause IIIA in the Memorandum of Association be and are hereby deleted.

(B) The following new clauses (1) and (2) be and are hereby inserted in Clause IIIA in the Memorandum of Association.

1) To provide Computer services and facilities for data processing, system designing, software and allied electronic data processing equipment and provide Management and Systems consultancy services.

2) To carry on the business of Internet related activities and providing Internet based services and to develop, maintain and provide services in Telecommunication related Sectors.

(C) To substitute the following new clause (11) be and is hereby inserted in place of existing clause III (B) (11)

11. To promote, lend, advance or invest in Shares and other securities of any other undertaking including venture capital undertaking engaged in the Computer Software and Internet business which the Company is authorised to carry on and acquire any part of the Property, rights and liabilities of the undertaking and to dispose of the shares of the undertaking in a manner which may seem directly or indirectly calculated to benefit the Company".

**FURTHER RESOLVED THAT** the Directors of the Company be and is hereby authorised to accept and give effect to any modifications or alterations in the aforesaid proposed alterations to the Memorandum of Association of the Company which may be imposed or directed by the Registrar of Companies and to take all steps and to do all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

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7. To consider and if thought fit, to pass with or without modification, the following resolution as special resolution :

**"RESOLVED THAT** approval of the Company be and is hereby given, pursuant to section 149 (2A) of the Companies Act, 1956 to the commencement and carrying on by the Company of the business of computer software, computer services and internet related activities, more particularly proposed to be inserted in Clause III(A) of object Clause III of the Memorandum of Association of the Company vide the special resolution set out at Item 6. of this Notice".

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Directors be and are hereby authorised to take all steps as they may think fit and proper and to do all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

8. To consider and if thought fit, to pass with or without modification, the following resolution as special resolution :

**"RESOLVED THAT** pursuant to section 21 of the Companies Act, 1956 and subject to the approval of Central Government, the consent of the Company be and is hereby accorded, to the change of the name of the Company to Sovereign Technologies Ltd or such other name as may be approved by the Central Government, and that the Clause 1 of the Memorandum of Association be altered accordingly.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Directors be and are hereby authorised to take all steps as they may think fit and proper and to do all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

9. To consider and if thought fit, to pass with or without modification, Resolution (a) as Ordinary Resolution (b) as special resolution.

a) Resolution for increasing the Authorised Capital :

**"RESOLVED THAT** the Authorised Share Capital of the Company be increased from Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 equity shares of Rs. 10/- each to Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into

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3,00,00,000 equity shares of Rs. 10/- ranking pari passu all respects with and carry the same rights of the existing equity shares.

**FURTHER RESOLVED THAT** Clause V of the Memorandum of Association of the Company be altered as follows :-

The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees Thirty crores only) divided into 3,00,00,000 equity shares of Rs. 10/- (Rupees Ten only) with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as such may be for the time being provided by the regulations of the Company.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Directors be and are hereby authorised to take all steps as they may think fit and proper and to do all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

b) Special Resolution for making consequential amendments to Articles of Association :-

**"RESOLVED THAT** the Articles of Association of the Company be amended by deleting the existing Article 5 and substituting the following therefore :

The Capital of the Company shall be Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of Rs. 10/- each subject to the Power of increase, reduction and modification hereinafter contained.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Directors be and are hereby authorised to take all steps as they may think fit and proper and to all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

10. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution.



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**"RESOLVED THAT** pursuant to the provisions of sub section (1A) of section 81 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange/s where the shares of the Company are listed and subject to the approval of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB) and all other concerned authorities and departments, if any, to the extent necessary and on such terms and conditions as may be prescribed or imposed by all or any of the concerned authorities in granting any such approvals, permissions and sanctions and which may be agreed to by the Directors of the Company (hereinafter referred to as the "Directors" which term shall be deemed to include Board of Directors, any committee of Directors or any Director authorised for the purpose by the Board) the approval of the Company be and is hereby accorded to offer, issue and allot to entities as per list enclosed, upto 2,29,50,000 equity shares or Rs. 10 each amounting to Rs. 22,95,00,000 (hereinafter referred to as "the said shares") out of the unissued equity share capital of the Company for cash at par in such manner at such time and in one or more tranches as the Board may think fit and on such terms and conditions, including the number of equity shares to be issued, manner of calls and to make such inter-se changes regarding preferential Allotment to the allottees provided that the overall amount of allotment does not exceed Rs. 22,95,00,000/- (Rupees Twenty two crores ninety five lakhs) as the Board may, in its absolute discretion, think fit provided :

- i) that the shares allotted to Non-Resident Indians/Overseas Corporate Bodies are on fully - repatriable basis.
- ii) that the said shares, allotted in terms of this Resolutions, shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects including voting rights with the existing equity shares of the Company save and except that the said shares shall, with regard to Dividend, if any, declared for the financial year in which the said shares are allotted and the subsequent years, be entitled to Dividends in proportion to the amount of capital paid-up or credited as paid-up thereon.
- iii) The said shares shall be subject to lock-in in accordance with the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time.
- iv) That the other terms and conditions of issue, offer and allotment in respect of the said shares shall be such as are decided by the Board.
- v) That the allotment is subject to its being within the limit of the overall Authorised Capital.



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**PREFERENTIAL ALLOTMENT OF 2,29,50,000 SHARES OF Rs. 10/-  
EACH AMOUNTING TO Rs. 22,95,00,000 (Twenty  
Two Crores ninety five lakhs only)**

Sl. No.	ENTITY	AMOUNT IN Rs.
1.	Temasek Investments (Mauritius) Ltd.	3,21,90,740.00
2.	Bay International Investments Ltd.	2,14,87,870.00
3.	Thakral Investments India Ltd.	90,00,000.00
4.	Group Employees / Business Associates / existing shareholders either in India or in abroad	2,73,73,080.00
5.	Paramount Surgimed (Mauritius) Ltd.	13,94,48,310.00
	<b>TOTAL</b>	<b>22,95,00,000.00</b>

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper, and to settle any question or difficulty that may arise in regard to the issue, allotment and distribution of the said shares as it may deem fit".

11. To Consider and if thought fit, to pass with or without modification the following resolution as special resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 372A and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which expression shall include a committee of Directors duly authorised in this behalf) :

To invest upto 2,29,50,000 equity shares of Rs. 10/- each amounting to Rs. 22,95,00,000/- (rupees twenty two crores ninety five lakhs only) in the shares of Pacific Internet India Ltd either by way of subscription and/or by way of acquisition of shares from other companies.

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and on such other terms and conditions as the Board may in its absolute discretion deem fit and proper notwithstanding the fact that such investment together with aggregate sum of all other investments made, loans given and guarantees provided by the Company exceeds the maximum limit prescribed under section 372A of the Companies Act, 1956".

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Directors be and are hereby authorised to take all steps as they may think fit and proper and to do all acts, deeds, matter or things as the Directors in their absolute discretion, consider necessary, expedient or proper".

BY ORDER OF THE BOARD OF DIRECTORS

K.J BINOJ  
Company Secretary

**Regd. Office :**

Devatha Plaza, 131,  
Residency Road,  
Bangalore.

Place : BANGALORE

Date : 9-08-2000