



PRIMEAST INVESTMENTS Limited

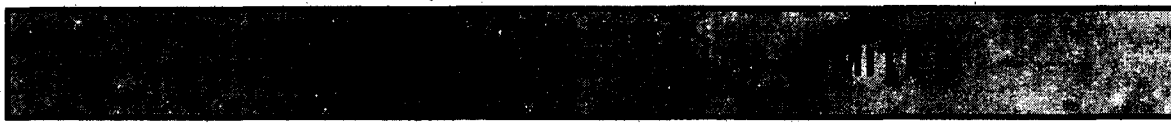
Nineteenth Annual Report

2001 - 2002

DEVATHA PLAZA, 131, RESIDENCY ROAD,
BANGALORE - 560 025.

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PRIMEAST INVESTMENTS LIMITED

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Primeast Investments Limited**Board of Directors**

Shri. T. P. ISSAR Chairman
Shri. R. C. BHAVUK Managing Director
Shri GURMUKH SINGH THAKRAL
Shri KARAN SINGH THAKRAL
Shri. B. P. CHATURVEDI
Shri. G. D. KHEMANI
Shri. KANWALJEET SINGH BAWA

Bankers

- a) INDIAN OVERSEAS BANK
- b) STATE BANK OF MYSORE

Auditors

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

Company Secretary

K. J. BINOJ

Registered Office

DEVATHA PLAZA
131, Residency Road,
BANGALORE - 560 025.

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of PRIMEAST INVESTMENTS LIMITED will be held on Monday, the 30th September, 2002 at 10.00 a.m. at Conference Hall, 2nd floor, Directorate of Youth Services, State Youth Centre (Near Reserve Bank of India), Nrupathunga Road, Bangalore 560 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on 31.3.2002 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. B. P. Chaturvedi who retires by rotation and being eligible offers himself for reappointment.
3. 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 :

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

"RESOLVED THAT Mr. Gurmukh Singh Thakral be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

"RESOLVED THAT Mr. Karan Singh Thakral 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 an Ordinary Resolution.

"RESOLVED THAT Mr. Kanwaljeet Singh Bawa be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

a) *Resolution for increasing the authorised Capital ;*

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"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 equity shares of Rs.10/- each to Rs.12,50,00,000 (Rupees Twelve crores fifty lakhs only) divided into 1,25,00,000 equity shares of Rs.10/- ranking pari passu in all respects with and carry the same rights of the existing equity shares;

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

The Authorised share Capital of the Company is Rs.12,50,00,000 (Rupees Twelve crores fifty lakhs only) divided into 1,25,00,000 equity shares of Rs.10/-(Rupees Ten each) 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 ;

RESOLVED FURTHER 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.12,50,00,000 (Rupees Twelve Crores fifty lakhs only) divided into 1,25,00,000 equity Shares of Rs. 10/- each subject to the Power of increase, reduction and modification hereinafter contained;

RESOLVED FURTHER 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 a 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 the business of manufacturers, processors, importers, exporters, buyers, sellers, stockists, distributors, and / or dealers of electronic devices and products, hardware and software for electronic products and devices and more particularly mentioned in clause III (C) (13) (e) of the Memorandum of Association of the Company;

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RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Directors be and are hereby authorized 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 the following resolution as a special resolution.*

"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 4,33,000 equity shares of Rs.10 each amounting to Rs.43,30,000 (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.43,30,000/- (Rupees Forty three lakhs thirty thousand only) 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 Resolution, 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 4,33,000 EQUITY SHARES OF RS. 10/- EACH
AMOUNTING TO Rs. 43,30,000
(Rupees Forty Three Lakhs Thirty Thousand only)**

Sl. No.	ENTITY	AMOUNT IN RS.
1.	Thakral Investments India (P) Ltd.	43,30,000
	TOTAL	43,30,000

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".

BY ORDER OF THE BOARD OF DIRECTORS

Regd. Office
Devatha Plaza, 131
Residency Road
Bangalore

K. J. BINOJ
Company Secretary

Place : BANGALORE
Date : 17.08.2002

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM IS ANNEXED AT THE END OF THIS REPORT PROXY FORMS DULY COMPLETED IN ALL RESPECTS SHALL BE LODGED WITH THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
- Members are requested to address all correspondence regarding share transfers, certificate endorsement, change of address and general queries, to the Registered office, as the Company has no Share Transfer Agent.

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3. The Proxies and members are requested to bring their attendance slip annexed at the end of this report to the meeting and sign at the entrance of the meeting venue.
4. **As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.**
5. **The Explanatory Statement as required by Section 173 of the Companies Act, 1956 is annexed hereto and the papers, documents referred to therein are open for inspection at the Registered Office of the Company between 9:30 am and 5:30 pm on any working day prior to the date of the meeting.**

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

ITEM NO. 4

- 1) On 23rd April, 2002 the Board of Directors of your Company had appointed Mr. Gurmukh Singh Thakral as an additional Director. Pursuant to Section 260 of the Companies Act, 1956 Mr. Gurmukh Singh Thakral holds office upto the date of this Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act 1956 in writing from a member proposing his name as a Director.
- 2) The Board considers that on account of Mr. Gurmukh Singh Thakral's knowledge, experience and eminence it would be in the interest of the Company to appoint him as a Director of the Company.
- 3) The Board of Directors of your company recommend the resolution for consideration and approval.
- 4) None of the Directors are in any way interested or concerned in the said resolution.

ITEM NO. 5

- 1) On 23rd April, 2002 the Board of Directors of your Company had appointed Mr. Karan Singh Thakral as an additional Director. Pursuant to Section 260 of the Companies Act, 1956 Mr. Karan Singh Thakral holds office upto the date of this Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act 1956 in writing from a member proposing his name as a Director.
- 2) The Board considers that on account of Mr. Karan Singh Thakral's experience, vision and proven management and leadership abilities it would be in the interest of the Company to appoint him as a Director of the Company.
- 3) The Board of Directors of your company recommend the resolution for consideration and approval.
- 4) None of the Directors are in any way interested or concerned in the said resolution.

Primeast Investments Limited**ITEM NO. 6**

- 1) On 29th January, 2002 the Board of Directors of your Company had appointed Mr. Kanwaljeet Singh Bawa as an additional Director. Pursuant to Section 260 of the Companies Act, 1956 Mr. K. S. Bawa holds office upto the date of this Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 in writing from a member proposing his name as a Director.
- 2) The Board considers that on account of Mr. K. S. Bawa's experience in Corporate finance and corporate secretarial affairs it would be in the interest of the Company to appoint him as a Director of the Company.
- 3) The Board of Directors of your company recommend the resolution for consideration and approval.
- 4) None of the Directors are in any way interested or concerned in the said resolution.

ITEM NO. 7

- (i) The Authorised Capital of the Company at present is Rs.12 crores divided into 1,20,00,000 equity shares of Rs. 10/- each. The Company is proposing to make a preferential allotment of shares (as set out in resolution at item 9 of this notice) to garner further funds into the new business activities of software development and internet related activities. It is, therefore, considered advisable to increase the Authorised Capital of the Company from Rs. 12,00,00,000 to Rs.12,50,00,000 by creation of 5,00,000 equity shares of Rs.10/- each. Under Section 94 of the Companies Act, 1956 and Articles of Association of the Company, the proposed increase of Authorised Capital and the consequent amendment to the Memorandum and Articles of Association of the Company require the approval of the members in General meeting and hence the resolutions as set out in (a) & (b) above are proposed.
- (ii) Your Directors recommend that the Resolution as set out in (a) be passed as Ordinary resolution and Resolution as set out in (b) be passed as special resolution.
- (iii) None of the directors are interested or concerned in the said resolution.

ITEM NO. 8

- (i) The Company had changed its Main Objects Clause to Computer Software and Internet related activities at the 17th Annual general meeting on 30.09.2000. The Company had also passed a Special resolution under Section 372A of the Companies Act, 1956 to invest in the shares of Pacific Internet India Pvt. Ltd., by entering into a strategic joint venture with Pacific Internet Singapore. The company now proposes to take up the business of manufacturers / processors or importers / exporters or buyers/sellers of electronic devices and products including computer software and hardware which is more particularly mentioned in Clause III (C) (13) (e) of Memorandum of Association. Section 149 (2A) of

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the Companies Act, 1956 stipulates that to commence a business mentioned in "Other objects" of Memorandum of Association, the sanction of shareholders by way of a Special resolution is required. The Board of directors hope this new business of manufacturers / buyers / sellers etc., will bring operational profits to the company and further help to achieve the Main objects of Computer software and internet related activities.

- (ii) The Board of directors of your company recommend the resolution for consideration and approval.
- (iii) None of the directors are interested or concerned in the said resolution.

ITEM NO. 9

- i) The present subscribed and paid up equity share capital of the Company is Rs. 11,73,50,800 divided into 1,17,35,080 equity shares of Rs. 10/- each. It is now proposed to further augment the long term resources of the Company for the purpose of funding its foray into new lines of business viz; software development and internet related activities, by way of a preferential issue of shares. The proceeds of this issue would enable the Company to further strengthen the strategic joint venture entered with Pacific Internet (Singapore) by investing further in the shares of Pacific Internet India Private Limited, an Indian company presently carrying on the business of an Internet Service Provider. It has been proposed to issue, subject to the allotment being within the overall authorised capital, 4,33,000 equity shares of Rs.10/- each for cash at par, aggregating to Rs.43,30,000 to entities as per list enclosed in the Special Resolution, on the terms and conditions to be decided by the Board, including inter alia terms set out in the Special Resolution. The said entities to whom the shares would be allotted include the promoters and / or their associates. The shares allotted to NRIs / OCBs if any, will be on a fully repatriable basis. The said issue, offer and allotment of shares would be subject to such approvals including those Government of India, RBI, FIPB and SEBI as may be necessary.
- (ii) The post allotment shareholding pattern of the shareholders will be as under :

SL. NO.	ENTITY	NUMBER OF SHARES	% TO TOTAL SHARES
1.	Thakral Investments India (P) Ltd.	44,62,200	36.67%
2.	Other Existing Shareholders	77,05,880	63.33%
	TOTAL	1,21,68,080	100%

- iii) The pre and post issue shareholding based on the Subscribed Capital of the Company as on 30.09.2002 is as follows, on the assumption that the entities subscribe to the shares as set out above. All the entities belonging to the Promoter Group intend to subscribe to the extent of the shares proposed to be allotted to them.