



PRIMEAST INVESTMENTS LIMITED

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TWENTY SECOND
ANNUAL REPORT
2004 - 2005

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.R.C.BHAVUK, Managing Director
Shri. KANWALJEET SINGH BAWA
Shri.GURMUKH SINGH THAKRAL
Shri.B.P.CHATURVEDI
Shri.P.R.YAGNIK
Shri.SIVARAMA KRISHNAN

Bankers

INDIAN OVERSEAS BANK

Auditors

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

Company Secretary

Shri.SANTHOSH KUMAR J.

Registered Office

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

Primeast Investments Limited

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of PRIMEAST INVESTMENTS LIMITED will be held on Friday, the 30th September, 2005 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 31.3.2005 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. Kanwaljeet Singh Bawa 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 authorize the Board of Directors to fix their remuneration

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. P R Yagnik be and is hereby appointed as 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. Sivarama Krishnan be and is hereby appointed as Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD

Regd. Office
Devatha Plaza, 131,
Residency Road,
Bangalore

SANTHOSH KUMAR J.
Company Secretary

Place: BANGALORE
Date: 22.08.2005

NOTES

1. 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 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. Members are requested to address all correspondence regarding de-mat, share transfers, certificate endorsement, change of address and general queries to the registered office.
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 venue.

Primeast Investments Limited

4. The Register of Members and Share Transfer Books shall remain closed from Friday, the 23rd September 2005 to Friday, the 30th September 2005 (both days inclusive)
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 11:30 a.m. and 5:30 p.m. 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 17th June 2005, the Board of Directors of your Company had appointed Mr. P.R. Yagnik as an Additional Director. Pursuant to section 260 of the Companies Act, 1956, Mr. P.R. Yagnik holds office up to the date of forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, from a member proposing him as a Director.
- 2) The Board considers that on account of Mr. P.R. Yagnik's knowledge, experience and eminence, it would be in the interest of the company to appoint him as a Director.
- 3) The Board of Directors of your Company recommends the resolution for your consideration and approval.
- 4) None of the Directors are interested or concerned in the said resolution.

ITEM NO 5

- 1) On 17th June 2005, the Board of Directors of your Company had appointed Mr. Sivarama Krishnan as an Additional Director. Pursuant to section 260 of the Companies Act, 1956, Mr. Sivarama Krishnan holds office up to the date of forthcoming Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, from a member proposing him as a Director.
- 2) The Board considers that on account of Mr. Sivarama Krishnan's experience, proven management and leadership abilities, it would be in the interest of the company to appoint him as a Director.
- 3) The Board of Directors of your Company recommends the resolution for your consideration and approval.
- 4) None of the Directors are interested or concerned in the said resolution.

BY ORDER OF THE BOARD

Regl. Office
Devatha Plaza, 131,
Residency Road,
Bangalore

SANTHOSH KUMAR J.
Company Secretary

Place: BANGALORE
Date: 22.08.2005

Primeast Investments Limited**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF LISTING AGREEMENT WITH STOCK EXCHANGES)****Item No.2:**

- 1) Name : Mr. Kanwaljeet Singh Bawa
- 2) Date of Birth : 20.11.1969
- 3) Expertise : Expertise in Financial Management, Taxation and Corporate Secretarial affairs.
- 4) List of Companies in which outside directorship held as on 22-08-2005 : M/s. Thakral Computers Pvt. Ltd.,
M/s. Glade Trading Company Pvt. Ltd.,
M/s. Westminster Developments Pvt. Ltd.
M/s. Normandy Developments Pvt. Ltd.,
M/s. Khazina Developments Pvt. Ltd.,
M/s. Zarina Developments Pvt. Ltd.,
M/s. Minnow Trading Co. Pvt. Ltd.,
M/s. Raffles Software Pvt. Ltd.,
M/s. Normandy Investments Pvt. Ltd.,
M/s. Netizen Infotek (India) Pvt. Ltd.,
M/s. Sovereign Investments Pvt. Ltd.,
M/s. Bhagwan Developments Pvt. Ltd.,
M/s. Jagbir Developments Pvt. Ltd.,
M/s. Carew Developments Pvt. Ltd.,
M/s. Raaya Developments Pvt. Ltd.,
M/s. Future World India Pvt. Ltd.,
- 5) Chairman / Member of the Committee of the Board of the Companies on which he is a Director as on 22.08.2005 : Nil

Item No.4:

- 1) Name : Mr. P R Yagnik
- 2) Date of Birth : 05.09.1939
- 3) Expertise : Finance and Corporate Management experience of over 3 decades.
- 4) List of Companies in which outside directorship held as on 22-08-2005 : M/s. Raffles Software Pvt. Ltd.,
M/s. Thakral Computers Pvt. Ltd.,
M/s. Pacific Internet India Pvt. Ltd.,
M/s. Shevin Securities Pvt. Ltd.,
M/s Indigo Overseas Pvt. Ltd.,
- 5) Chairman / Member of the Committee of the Board of the Companies on which he is a Director as on 22.08.2005 : Nil

Item No. 5:

- 1) Name : M/r. Sivarama Krishnan
- 2) Date of Birth : 18.06.1964
- 3) Expertise : Management experience of over 2 decades.
- 4) List of Companies in which outside directorship held as on 22.08.2005 : M/s. Raffles Software Private Limited.
M/s. Thakral Computers Private Limited
- 5) Chairman / Member of the Committee of the Board of the Companies on which he is a Director on 22.08.2005 : Nil

Primeast Investments Limited**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Twenty Second Annual Report along with the Audited Accounts for the year ended 31.03.2005

| FINANCIAL RESULTS | 31.03.2005 | Rs. in Lakhs 31.03.2004 |
|--|-------------------|------------------------------------|
| Income From Business | <u>4.34</u> | <u>1.93</u> |
| Gross Income | 4.34 | 1.93 |
| Less: Operational Expenses | <u>33.44</u> | <u>27.74</u> |
| Profit/(Loss) Before Depreciation and Provisions | (29.10) | (25.81) |
| Depreciation | <u>1.04</u> | <u>1.10</u> |
| Profit/(Loss) Before Provisions | (30.14) | (26.91) |
| Provisions | <u>Nil</u> | <u>0.04</u> |
| Profit/(Loss) after Provisions | (30.14) | (26.95) |
| Add : (Loss) brought forward from previous year | (349.59) | (322.64) |
| Total Loss carried to Balance Sheet | (379.73) | (349.59) |

OPERATIONS

In pursuance of the Main objects of Computer Software and Internet related activities the company had entered into a strategic joint venture with Pacific Internet, Singapore vide the resolution passed under section 372A of the Companies Act, 1956 at the 17th Annual General Meeting held on 30.09.2000. The Company has so far invested Rs.10.17 Crores in Pacific Internet India Pvt. Ltd. The Board feels that there is a surge in the Technology Sector especially in Software and Internet Sector. The Global Telecom Companies are finding that the investment climate in India is appropriate at present and the guidelines too have been relaxed by FIPB (Foreign Investment Promotion Board). Since Pacific Internet (India) Pvt. Ltd. has increased its business volume and customer base during the last three years, the Board expects that the investment in Pacific Internet (India) Pvt. Ltd. will reap good dividends in the near future.

The Company had passed a resolution in an earlier Annual General Meeting for the Commencement of the business of Marketing of Financial products. The Company had made a tie up with M/s. HDFC Bank Limited for marketing of Personal loan products and now a fresh tie up with M/s. ICICI Bank Limited. The Company plans to extend its area of operation for the entire range of Financial products such as Loan products, Investment products and Insurance products. The Board firmly believes that the tie up with M/s. ICICI Bank for Personal Loan will become profitable and will be able to diversify into other loan segments such as Auto Loan and Housing Loan at the earliest.

Primeast Investments Limited**DIVIDEND**

Since there are accumulated losses carried forward from previous years, the company is therefore not in a position to declare dividends.

CAPITAL

The present paid-up capital of the Company is Rs.11.73 Crores. The present authorised capital of the Company is Rs.13 Crores, which was increased from Rs.12.50 Crores at the 20th Annual General Meeting of the company. The shares of the company have been admitted for De-mat and the International Security Indexation Number (ISIN) allotted to the company is INE190F01010.

LISTING PARTICULARS

As required by Clause 32 of the Listing Agreement with the stock exchange, a cash flow statement is appended.

As per Clause 49 of the listing agreement with Bangalore Stock Exchange the following information relating to Stock Exchanges where the company's securities are listed is furnished below for general information of shareholders.

- a) Bangalore Stock Exchange
Stock Exchange Tower,
No.51, 1st cross,
J.C.Road
Bangalore - 560 027.
- b) The Mumbai Stock Exchange
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

It is further submitted for information of shareholders that the Annual listing fees of 2004 - 2005 for Bombay stock exchange has been paid, while for the Bangalore stock exchange is yet to be paid.

DIRECTORS

The Board of Directors of the company consists of six Directors, of whom four are Non-Executive Independent Directors and one Non Executive Director and one Executive Director. Mr. Karan Singh Thakral, has resigned from the Board on 16th August 2005. The Company values the vision and guidance provided by Mr. Karan Singh Thakral during his tenure as a Director of the company and the Board places on record its appreciation for the valuable direction and leadership provided by him.

Mr. Kanwaljeet Singh Bawa. Director is due to retire by rotation and is eligible for re appointment in the forthcoming Annual General Meeting. Further, Mr. P.R.Yagnik and Mr. Sivarama Krishnan, who were appointed as additional Directors under Section 260 of the Companies Act, 1956 to hold their respective directorships up to the date of forthcoming Annual General Meeting, are seeking appointment under Section 257 of the Companies Act, 1956, being eligible.