



Modi Hoover

FOURTEENTH

ANNUAL

REPORT

1999-2000

Modi Hoover International Limited

Certified true copy
For Modi Hoover International Ltd.
[Signature]

BOARD OF DIRECTORS

Mr. Satish Kumar Modi
Chairman

Mrs. Shalini Nopany

Mr. Ved Prakash Arya

Mr. Ashok Kumar Gupta

Auditors

MANGLA ASSOCIATES
Chartered Accountants
108 & 109, Ansal's Satyam,
Raj Nagar,
Ghaziabad-201 002, U.P. India

Registered Office

Mezzanine Floor,
Hemkunt Tower
98, Nehru Place
New Delhi - 110 019

Head Office

11th Floor, Hemkunt Tower
98, Nehru Place
New Delhi - 110 019

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MODI HOOVER INTERNATIONAL LIMITED

REGD. OFFICE :MEZZANINE FLOOR, HEMKUNT TOWER, 98, NEHRU PLACE, NEW DELHI - 110 019.

NOTICE is hereby given that the Fourteenth Annual General Meeting of the MODI HOOVER INTERNATIONAL LTD. will be held on Saturday, the 30th day of December, 2000 at 9.30 a.m. at E-2, East of Kailash, New Delhi to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2000 and the Profit and Loss Account for the year ended on that date together with the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S.K. Modi, who retires by rotation and being eligible, offer himself for the re-appointment.
3. To appoint a Director in place of Ms. Shalini Nopany, who retires by rotation and being eligible, offer herself for the re-appointment.
4. To appoint M/s. Mangla Associates, Chartered Accountants as the Auditors 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 Special Resolution:
"RESOLVED that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association be and are hereby altered in the following manner:-
 - I. In the Interpretation Clause after the following interpretations be added :-
"Member" means a registered shareholders of the Company, the deemed registered holders from time to time of the Shares/Securities of the Company and includes every person whose name is entered as beneficial owner in the records of the Depository.
"Depositories Act" means. The Depositories Act, 1996 and includes where the context so admits, any re enactment of statutory modifications thereof for the time being in force.
"Depository" means a Depository as defined under the clause (c) of Sub Section (1) of Section 2 of the Depositories Act, 1996.
"Beneficial Owner" shall have the meaning assigned thereto in clause (a) of Sub Section (1) of Section 2 of the Depositories Act, 1996.
 - II. In the Interpretation Clause the existing interpretation of word **"Register"** be substituted as follows:
"Register" shall mean the Register and Index of Members in accordance with Section 150 and 151 and all other applicable provisions of the Companies Act, 1956 and shall include the Register and Index of Beneficial Owner, maintained in accordance with the Depositories Act, 1996.
 - III. After the existing Article 17 the following new Articles 17(a), 17(b) and 17(c) shall be inserted:-
Article 17(a)
 Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its existing shares and other securities, rematerialise its shares and other securities held with Depositories and/or offer its fresh shares and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder and on the same being done, the Company shall further be entitled to maintain a register of members with the details of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any future issue and transfer or transmission of any shares or other securities held in material or dematerialised form.
Article 17(b)
 The Shares and other securities of the Company which are held in the dematerialised form shall not be progressively numbered and the provisions relating to the progressive numbering shall not apply to the shares or other securities of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form and no Share Certificates shall be issued in respect of the shares issued/held in dematerialised form with any Depository.
Article 17 (c)
 Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the Shares/ Securities in the records of the Depository as the absolute owner thereof as regards the receipt of Dividends or Bonus or Service of Notice and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by Court of Competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claims to or interest in such shares/securities on the part of any other person whether or not it shall have express or implied notice thereof.
 - IV. After the existing Article 58, the following new Article 58 (a) shall be inserted:-
Article 59(a)
 In the case of Transfer or Transmission of Securities held by beneficial owners with the Depository the provisions relating to the normal transfer or transmission of securities in respect of the securities held in the physical mode shall not apply to the transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the Depository. In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates in respect thereof and where such shares or securities are being held in an electronic and fungible form with a Depository, the provision of the depositories Act, 1996 shall apply.



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

"RESOLVED that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association be and are hereby altered by insertion of the following new Article 58 (b) after Article 58.

Article 58 (b)

Nomination for Shares & Debentures

Notwithstanding anything contained in articles of Association of the Company every holder(s) of shares in or holder(s) of debentures of the Company, holding either singly or jointly, may, at any time, nominate a person in the prescribed manner to whom the shares and /or the interest of the member in the capital of the Company or debentures of the Company shall vest in the event of his/her death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Companies Act, 1956 or such other regulations governing the matter from time to time."

By order of the Board

Date : 04.12.2000
Place : New Delhi.

For **MODI HOOVER INTERNATIONAL LIMITED**

Ved Prakash Arya
Director

IMPORTANT NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
3. The Company is in process to enter into an agreement with NSDL and CDSL to participate in the system of Demineralisation of shares. Once this is over, shareholders of the Company will have the option of holding their shares in the electronic form.
4. Members are requested to notify the Company immediately about their change of address, if any.
5. The Register of members and the share transfer books of the Company shall remain closed from 26th December, 2000 to 30th December, 2000 (both days inclusive).
6. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be supplied as a measure of economy.
7. Shareholders may please note that NO GIFT OR COUPONS will be distributed at the Meeting.
8. The explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of item nos. 5 to 6 set out in the NOTICE as Special Business is annexed hereto.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2A) OF THE COMPANIES ACT, 1956.

Item no. 5

Consequent upon the passing of the Depository Act, 1996 and setting up of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in its continued efforts to provide better investor services, The Company intends to join both the above Depositories to make its share available for trading in electronic form i.e. dematerialised form. The Trading in the shares of the Company would be compulsorily be in electronic form.

The Articles of Association of the Company do not contain the provisions for dematerialisation of shares hence approval of the shareholders is sought to for adding/substitution of the enabling clauses so that the Articles of Association of the Company will be made in tune with the Depositories Act, 1956.

Your Directors recommend the foregoing resolution for your approval.

None of the Director is interested or concerned in the resolution.

Item no. 6.

The Companies Act, 1956 has been amended and new section 109A and Section 109B have been inserted making available nomination facility to the share and debenture holders in respect of the shares and debentures of the company held by them. Accordingly, a new Article is proposed at Article no. 58(b), so as to bring the same in line with the provisions the said section of the Companies Act, 1956.

The resolution is being placed before the members for their approval.

None of the Director is interested or concerned in the resolution.

By order of the Board

Date : 04.12.2000
Place : New Delhi.

For **MODI HOOVER INTERNATIONAL LIMITED**

Ved Prakash Arya
Director



DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting this Fourteenth Annual Report of the Company together with the Audited Balance Sheet as at 30th June, 2000 and Profit and Loss Account for the year ending on 30th June, 2000.

FINANCIAL RESULTS

(Rs. in thousands)

	Year ended 30.06.2000	Year ended 30.06.1999
Total Sales & Other Income	16739	17521
Net Profit/(Loss)	(6700)	(10355)
Depreciation	463	464
Misc. / Preliminary Expenditure written off	007	3730
Profit/(Loss) before Tax	(7170)	(14549)
Provision for Tax	—	—
Net Profit/(Loss) for the year	(7170)	(14549)
Profit/(Loss) transferred to Balance Sheet	(7170)	(14549)
Profit b/f. from previous year balance available for Appropriation	(115088)	(100539)
Balance carried over to Balance Sheet	(122090)	(115088)

DIVIDEND

In view of the losses no dividend has been recommended for accounting year 1999-2000.

OPERATIONS

Because of the irregular and delayed supplies from the suppliers, and a bad phase of the white goods sector the company could not meet the target of selling the desired number of units of vacuum cleaners and water purifier. The turnover and other income at Rs 167.39 lakhs was marginally lower as compared to turnover and other income of Rs. 175.21 lakhs in the previous year, though the Net loss of Rs. 71.70 lakhs was also lower as compared to the previous year of Rs.145.49. However, your Directors are hopeful of the better results in the future.

DEPOSITS

The Company has not accepted any deposits from the public.

DIRECTORS

Mr. S .K. Modi, Ms. S. Nopany, Mr. Ved Prakash Arya and Mr. Ashok Kumar Gupta are the Directors of the Company. Mr. S .K. Modi and Ms. S. Nopany. retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for the reappointment. Your Company is also considering for the appointment of Whole Time Director.

AUDITORS

M/s. Mangla Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for the reappointment.

The Auditors' Report as well as notes on accounts appended to this report are self explanatory and in the opinion of Board of Directors, do not require any further comments.

DEMATERIALISATION OF SHARES

Your Company has also been identified by the Securities & Exchange Board of India (SEBI) for dematerialisation of shares. After this trading will be done compulsorily in electronic forms. Further in its continued efforts to provide better investor services, the Company intends to join the Depositories to make its share available for trading in electronic form. The resolution to this effect for change in the Articles of Association is being moved in the ensuing Annual General Meeting.

NOMINATION OF SHARES

The Companies Act, 1956 has been amended and new section 109A and Section 109B have been inserted making available nomination facility to the share and debenture holders in respect of the shares and debentures of the company held by them. The Company will commence the facility of Nomination of shares to its share holders, once the proposal is approved by its members in the ensuing Annual General Meeting.

REDUCTION OF CAPITAL

The Company filed an application with the Hon'ble High Court at New Delhi for confirmation of Reduction of Capital in November, 1998 under section 100, 101 and 102 of the Companies Act, 1956. the Hon'ble High Court in its order confirm the reduction of Capital. Consequent to the order of the Hon'ble High Court the Share Capital structure of the Company will be reorganised and accordingly new shares will be issued in lieu of the partly paid equity shares. The Company will fix a record date for issuing the new share certificates to those members whose name appear on the record date.