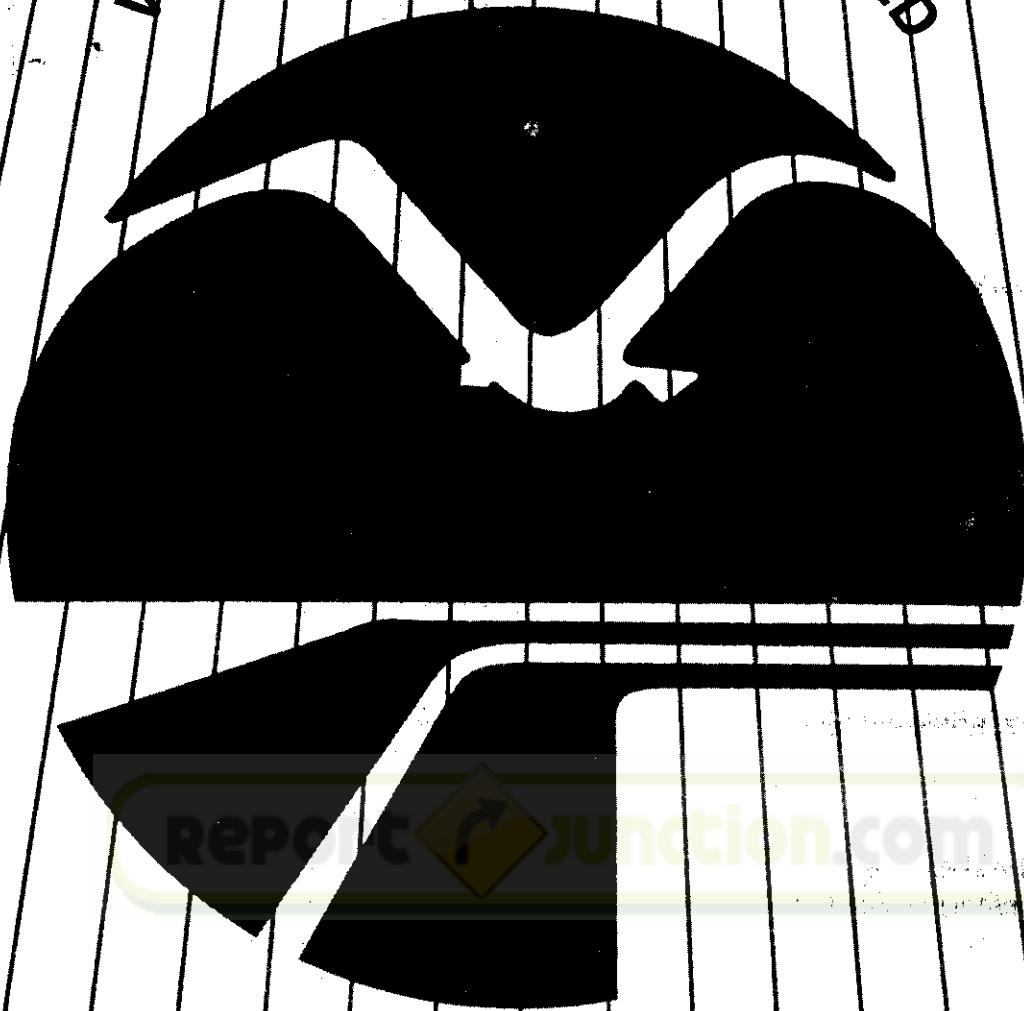


# VESPA CAR COMPANY LIMITED



**THIRTEENTH ANNUAL REPORT  
1998-99**

**VESPA CAR COMPANY LIMITED**

**BOARD OF DIRECTORS**

M R B PUNJA, *Chairman*  
DEEPAK SINGHANIA  
S C DIKSHIT, *UTI Nominee*  
M PAGLIANO  
P PELLEGRINI  
MOHINDAR M KHANNA  
BAL KRISHNA SHRIYA  
NAMO NARAIN

**COMPANY SECRETARY**

S K GUPTA

**AUDITORS**

ONKAR TANDON & CO., *Chartered Accountants*  
KANPUR

**BANKERS**

STATE BANK OF INDIA

**REGISTERED OFFICE**

C-3, PANKI INDUSTRIAL ESTATE,  
KANPUR-208 022

**ADMINISTRATIVE &  
COMMERCIAL OFFICE**

714, RAHEJA CHAMBERS,  
NARIMAN POINT  
MUMBAI - 400 021

**WORKS**

SALON  
DISTT. RAE BARELI - 229 127 (U.P.)



**VESPA CAR COMPANY LIMITED****NOTICE**

NOTICE is hereby given that Thirteenth Annual General Meeting of Vespa Car Company Limited will be held on Tuesday, the 28th September, 1999 at 10.00 AM at its Registered Office at C-3, Panki Industrial Estate, Kanpur-208 022 to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 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 MRB Punja, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Deepak Singhania, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT, pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Onkar Tandon & Company, Chartered Accountants of Kanpur, the retiring Auditors, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors."

**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 Mohindar M. Khanna, who was appointed as an Additional Director and holds such office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing Mr. Khanna's candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board of Directors

Place : New Delhi  
Dated : 21st August, 1999

**S K GUPTA**  
Company Secretary

Report Junction.com

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a PROXY to attend and, on a poll, to vote instead of himself. A blank form of proxy is enclosed and, if intended to be used, should be returned to the Registered Office of the Company not less than forty-eight hours before the scheduled time of the Meeting. A proxy so appointed need not be a member.
2. Members are requested to notify change in their address, if any, to the Company at its Registered Office, quoting their folio number.
3. Register of Members and Share Transfer Books will remain closed from 24th to 28th September, 1999 (both days inclusive).
4. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.

**VESPA CAR COMPANY LIMITED****DIRECTORS' REPORT**

To

The Members,

Your Directors present their Thirteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999 showing net loss of Rs.89.17 lakhs.

While the Company's manufacturing operations continue to remain suspended, LML Limited — one of the promoters of the Company — (the other being Piaggio & C SpA) provided funds to the Company to enable it to meet settlement of its dues to the Financial Institutions and Banks. The Company is aware that matters concerning and relating to its business, including its debts, are to be resolved by the two promoters, namely Piaggio & C SpA and LML Limited.

Mr MRB Punja & Mr Deepak Singhania retire by rotation and, being eligible, offer themselves for re-appointment. Mr Mohindar M. Khanna joined the Board as Additional Director on 30.7.1999. A Notice has been received u/s 257 of the Companies Act, 1956 for appointment of Mr Khanna as Director.

M/s Onkar Tandon & Company, Chartered Accountants, retire as Auditors at the ensuing Annual General Meeting and are eligible for re-appointment.

In respect of the observations made by the Auditors in their report, your Directors wish to state that the respective Notes to the Accounts are self explanatory and do not call for any further comments.

There is no employee whose particulars are required to be furnished in terms of Section 217(2A) of the Companies Act, 1956.

The Company's Shares are listed/quoted at the following Stock Exchanges:-

- U.P. Stock Exchange, Kanpur
- Delhi Stock Exchange, New Delhi
- Ahmedabad Stock Exchange, Ahmedabad
- The Stock Exchange, Mumbai

Listing Fee is already paid to all Stock Exchanges for the period upto 31.3.2000.

Your Directors acknowledge co-operation extended by the State Government, Financial Institutions, Bankers and Shareholders.

For and on behalf of the  
Board of Directors

**M R B PUNJA**  
Chairman

Place : New Delhi

Dated : 21st August, 1999

*Continued from page 1*

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

**Item No. 5**

On 30.7.1999 Mr Mohindar M. Khanna was appointed as Additional Director. Company has received notice in writing from a member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr Khanna may be deemed to be concerned or interested in the resolution relating to his appointment.

None of the other Directors is, in any way, concerned or interested in the said resolutions.

Resolution contained at Item No. 5 of the notice is commended to be passed.

By Order of the Board of Directors

Place : New Delhi

Dated : 21st August, 1999

**S K GUPTA**  
Company Secretary

**VESPA CAR COMPANY LIMITED****AUDITORS' REPORT**

To

The Members of

Vespa Car Company Limited

Kanpur

1. We have audited the attached Balance Sheet of Vespa Car Company Limited as at 31st March, 1999 and also the annexed Profit & Loss Account for the year ended on that date, which are in agreement with the books of account.
2. As required by the Manufacturing and other Companies [Auditors' Report] Order, 1988 and on the basis of such checks of the books and records of the Company, as we considered appropriate and in accordance with the information and explanations given to us during the course of audit, we report that in our opinion:
  - (i) The fixed assets register showing the quantitative details and its situation of its fixed assets had been destroyed in the fire during 1996-97. Relevant records are in the process of being reconstructed. The fixed assets could not be physically verified during the year. (Refer Note 6 of Schedule 14)
  - (ii) The fixed assets of the Company have not been revalued during the year.
  - (iii) The stocks of finished goods, components, stores and machinery spares, tools and raw materials of the Company could not be physically verified by the Management either during the year or as at the end of the year (Refer Note 6 of Schedule 14). Hence no observation could be made on procedure and discrepancy if any. Material in transit and stocks in possession of third parties are subject to confirmation.
  - (iv) On the basis of our examination, the valuation of the stocks has been taken as such as per books of account and on the same basis as in the preceding year.
  - (v) The Company has neither taken nor granted any loans secured or unsecured from/to Companies, firms, or other parties listed in the register maintained under Sec. 301 of the Companies Act, 1956. There are no companies under the same Management as defined under Sub-section (1-B) of Section 370 of the Companies Act, 1956 (not applicable w.e.f. 31.10.1998).
  - (vi) The employees and others to whom the loans have been given by the Company are repaying the principal amounts as stipulated excepting as stated in point no. 3(iii) below. There is no stipulation of charging interest.
  - (vii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of stores and spare parts, raw materials including components and for the sale of goods.
  - (viii) There are no transactions for purchase of goods, material and services made by the Company in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs 50,000 or more in respect of each party.
  - (ix) In view of suspension of manufacturing operations for several years and also in view of the inventory valuation having been taken as per books of account and as such, we are unable to comment on the quantum of unserviceable/damaged inventories.