

# ANNUAL REPORT & ACCOUNTS 2016-2017

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## Board of Directors

Mr. Raj Chopra	Chairman & Managing Director
Mrs. Kavita Ahuja	Whole Time Director
Mr. K. K. Mehta	Whole Time Director
Mr. S. L. Tandon	Director
Mr. R. C. Murada	Director
Mr. Rohit Gogia	Director
Mr. O. P. Tandon	Director

## Company Secretary

Mr. Ravi Arora

## Auditors

Dinesh Mehta & Co.  
New Delhi

## Regd. Office

Competent House, F-14,  
Connaught Place  
New Delhi - 110001

## Bankers

Vijaya Bank  
State Bank of India  
HDFC Bank Ltd.

## Showrooms

- Competent House, F-14, Connaught Place, New Delhi - 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi -110024
- A-24 & 25, Madhu Vihar, Rajapuri, New Delhi - 110059
- Plot No. 3, Gazipur, Delhi - 110096
- 29, Shivaji Marg, New Delhi - 110015
- Khasra No. 11/5/1, Opp. Furniture Market, Phirni Road, South - West Distt., Najafgarh, New Delhi - 110043
- B-95, Wazirpur Industrial Area, New Delhi - 110052
- 18/19, Hind Pocket Book, G. T. Road, Shahdara – 110032
- 407, Village Islampur, Near Subhash Chowk, Sohna Road, Gurugram - 122001
- Vasant Aptt. Complex, Old Delhi Gurgaon Road, Sector – 12, Gurugram -122001
- Khasra No.- 17/21/1/1&22/1/1/1, Opp. Fortune Hotel, Main Sohna Road, Village Tikri, Gurugram - 122018
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post – Didwin, Hamirpur, Himachal Pradesh
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Vill Kothi, P. O. – Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh

## Workshops

- 895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi - 110030
- Plot No. 3, Gazipur, Delhi - 110096
- B-83, Maya Puri Industrial Area, Phase - I, New Delhi - 110064
- 650/1A, 14, Shivaji Marg, New Delhi - 110015
- A-25, Sector-33/34, Infocity, Gurugram - 122001
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post – Didwin, Hamirpur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Opp. S.S.B. Training Centre, Shamshi, Kullu, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Near UCO Bank, Jawalaji Road, Tehsil Nadaun, Distt. Hamirpur, Himachal Pradesh
- Village Dohaga, P.O. Dhalu, Tehsil - Joginder Nagar, Distt. Mandi, Himachal Pradesh
- Vill Kothi, P. O. – Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh

## Share Transfer Agent

M/s Skyline Financial Services (P) Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110020

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## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 32nd Annual General Meeting of the members of Competent Automobiles Co. Limited will be held at Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 on Tuesday, the 29th day of August, 2017 at 10:00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2017 together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mrs. Kavita Ahuja, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Ambani & Associates LLP, (Firm Registration No. 016923N), be and are hereby appointed as Statutory Auditors of the Company for the period of 5 years, commencing from the conclusion of this Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company, subject to ratification by members in every Annual General Meeting and at such remuneration as shall be fixed by the Board of Directors of the Company.”

**Registered Office:  
Competent House,  
F-14, Connaught Place,  
New Delhi - 110001**

**By order of the Board  
For Competent Automobiles Co. Ltd.**

**Place: New Delhi  
Date: 26th June, 2017**

**Ravi Arora  
Company Secretary**

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Shareholders are requested to bring their copy of Annual Report to the meeting, as no separate copy would be provided at the venue of the Annual General Meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

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4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 23, 2017 to Tuesday, August 29, 2017 (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting as to those Members whose names appear in the Register of Members of the Company as on the book closure dates.
6. Details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report.
7. Electronic copy of the Annual Report is being sent to all the members whose email ids are registered with Company/ Depository Participants for communication purposes unless the member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
10. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
11. The members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents i.e. **M/s. Skyline Financial Services Pvt. Limited, D-153/A, 1st Floor Okhla Industrial Area Phase -I, New Delhi-110020.**
12. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
13. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
  - i. Name of the Sole / First joint holder and the Folio Number.
  - ii. Particulars of Bank Account, viz.:
    - Account type, whether Savings (SB) or Current Account (CA)
    - Account number allotted by the Bank.
    - Name of the Bank
    - Name of Branch
    - Complete address of the bank with Pin Code Number
14. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their depositories to the Company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such changes, with complete details of Bank Account.

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### 15. Electronic Clearing Service (ECS) Facility

With respect to the payment of dividend, the Company provides the facility of ECS to all of its shareholders, holding shares in electronic form and shareholders who have opted for ECS and are holding shares in physical forms.

Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, the same can be downloaded from Company's website (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)).

16. Pursuant to provisions of Section 124 of Companies Act, 2013, all unpaid or unclaimed dividends upto the year ended 31st March, 2009 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
17. Pursuant to the provisions of Section 124 of Companies Act, 2013, dividend for the financial year ended March 31, 2010 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

### Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Financial Year	Type of dividend	Date of Declaration of Dividend	Date at which amount becoming due for credit to IEPF
2009-10	Final Dividend	29-09-2010	06-11-2017
2010-11	Final Dividend	30-09-2011	07-11-2018
2011-12	Final Dividend	29-09-2012	06-11-2019
2012-13	Final Dividend	29-07-2013	06-09-2020
2013-14	Final Dividend	30-07-2014	07-09-2021
2014-15	Final Dividend	31-07-2015	08-09-2022
2015-16	Final Dividend	31-08-2016	08-10-2023

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company.

18. Non-Resident Indian Shareholders are requested to inform M/s Skyline Financial Services Pvt. Limited immediately:
- The change in the residential status on return to India for permanent settlement.
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number, and address of the Bank, if not furnished earlier.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN card by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details with the Company.
20. SEBI has also mandated that for registration for transfer of securities, the Transferee(s) as well as Transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
21. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
22. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip

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alongwith Route Map are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip alongwith Route Map in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

### 23. Voting Through Electronic Means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 26th August, 2017 (9:00 am) and ends on 28th August, 2017 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. A person who is not a member as on cut-off date should treat this notice notice for information purpose only.
- VI. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of “CACL”.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

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- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to fcs.ppa@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided alongwith Notice of the AGM
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).
- In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 22, 2017.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 22, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mr. Pramod Prasad Agarwal, Company Secretary, Proprietor of M/s P. P. Agarwal & Co., Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the

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employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.competent-maruti.com](http://www.competent-maruti.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**Registered Office:  
Competent House,  
F-14, Connaught Place,  
New Delhi 110001**

**By order of the Board  
For Competent Automobiles Co. Ltd.**

**Place: New Delhi  
Date: 26th June, 2017**

**Ravi Arora  
Company Secretary**

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## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting this 32nd Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2017.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2017 is summarised below:

(Rs. in Lacs)

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Gross Income	124404.51	104425.53
<b>Profit before Dep. &amp; Tax and Extraordinary Item</b>	<b>2678.59</b>	<b>2356.32</b>
Less : Depreciation	523.60	478.04
Less: Provision for Taxation including deferred tax	672.27	595.42
Less: Extraordinary Item	270.73	-
<b>Profit after tax</b>	<b>1211.99</b>	<b>1282.86</b>
Add: Profits from Previous year	5756.61	4804.19
Profits available for appropriation	6968.60	6087.04
<b>Less Appropriations</b>		
Proposed Dividend including tax	-	73.97
Tax Adjustments	58.54	6.45
Transfer to General Reserves	250.00	250.00
Closing Balance	6660.06	5756.61

### PERFORMANCE

Your Company has reported a turnover of Rs. 124404.51Lacs in the Current Financial Year against the turnover of Rs. 104425.53 Lacs in the Previous Financial Year, registering a growth of 19.13%

The Company's profit before tax and Extraordinary Item is Rs. 2154.99 Lacs as compared to profit before tax of Rs. 1878.28 Lacs of previous year, registering a growth of 14.73%.

During the year 2016-17, your company sold 24,100 Maruti Vehicles (including 452 Vehicles under Direct Billing) as compared with 22,554 Maruti Vehicles (including 1,115 Vehicles under Direct Billing), sold during the previous year.

### DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Rs.1.00 per Equity Share of Rs. 10/- each for the year ended 31st March, 2017, which, if approved, by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

### TRANSFER TO RESERVES

An amount of Rs. 2.50 Crores has been transferred to the reserves.



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## ACHIEVEMENTS

During the year, your Company has received following Awards & Recognition by Maruti Suzuki India Limited:

### DELHI-NCR REGION

#### MSDC Awards

1. PLATINUM-Award for Group
2. NEXA-Alpha for Nexa Wazirpur

#### RO AWARDS Delhi / NCR

1. Highest-Sales Through N2N Leasing S-Cross 2016-17
2. Highest MCP-Sale 2016-17
3. BEST- Performance in AMT-N1-A 2016-17
4. Highest Follow-up through i-pad

### HIMACHAL PRADESH REGION

#### MSDC Awards

1. Royal Platinum Award
2. Best E-Outlet Bilaspur
3. Maximum village coverage
4. Maximum Activation of NEXA Outlet

#### RO AWARDS MANDI

1. RM Award Group
2. Highest Growth in K-10
3. Highest Growth in Omni
4. Highest Exchange volume
5. Highest Exchange Growth
6. Highest POC Growth
7. Highest Penetration Improvement

#### RO AWARDS HAMIRPUR

1. Highest Seat Cover Penetration
2. Highest Market Share in (C) Segment
3. Highest Market Share in (B) Segment
4. Highest Change in % Coverage of villages

## DIRECTORS AND KEY MANAGERIAL PERSONS

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the Listing Regulations). The Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 & Listing Regulations making them eligible to act as Independent Directors.

In terms of appointment of Mrs. Kavita Ahuja, and as required under Companies Act, 2013, Mrs. Kavita Ahuja shall retire by rotation, and being eligible and longest in the office, she offers herself for re-appointment. The Board recommends her re-appointment.

During the year, Mr. Vijay Kumar Sharma has resigned from the post of Chief Financial Officer and Mr. Badri Nath was appointed as Chief Financial Officer of the Company w.e.f. November 04, 2016.

Apart from above, there was no change in Key Managerial Personnel of the Company.

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The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. Based upon the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

## CODE OF CONDUCT

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed the Compliance with the Code of Conduct applicable to the Directors and employees of the Company.

The Chairman and Managing Director have given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code. The Code of Conduct is available on the Company's website [www.competent-maruti.com](http://www.competent-maruti.com).

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with provisions of the Companies Act, 2013 and the Listing Regulations in the preparation of the annual accounts for the year ended on March 31, 2017 and state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year ended on that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors has devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## CORPORATE GOVERNANCE

Your Company reaffirms its commitment to good Corporate Governance practices. Pursuant to the Listing Regulations Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are enclosed as **Annexure A & B** and form an integral part of this report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

A report on Management Discussion and Analysis, as required under the Listing Regulations, is enclosed as **Annexure C** and forms an integral part of this report.

## AUDIT COMMITTEE

The Audit Committee comprises of Mr. R. C. Murada, Chairman; Mr. Rohit Gogia and Mrs. Kavita Ahuja as members. All the recommendations made by the Audit Committee were accepted by the Board.

## CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee comprises of Mr. R. C. Murada as Chairman and Mr. Rohit Gogia and Mrs. Kavita Ahuja as members of the Committee. The CSR policy may be accessed on the Company's website: [www.competent-maruti.com](http://www.competent-maruti.com) and is attached as **Annexure D** and forms the part of this Report of the Directors.

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During the year, the CSR has been implemented by the Company. The Company has made contribution to Development on Communication, Arts & Culture, Science, Economic and Education Centre (D-CACUS-EDUCATION CENTRE), a Registered Society under Manipur Societies Registration Act, 1989. The total contribution made to the implementing agency is Rs. 34,00,000/- (Rupees Thirty Four Lacs only). Annual Report on CSR is enclosed herewith as **Annexure E**.

### **VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations. Protected Disclosures by a whistle blower should be addressed to the MD at the Registered Office of the Company. The MD shall submit a report about all PD cases annually to the Audit Committee of the Company. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website: [www.competent-maruti.com](http://www.competent-maruti.com)

### **NOMINATION AND REMUNERATION COMMITTEE**

The Committee is comprised of Mr. R. C. Murada as Chairman and Mr. Rohit Gogia and Mr. S. L. Tandon as members of the Committee. The Policy of Nomination and Remuneration is available on Company's website [www.competent-maruti.com](http://www.competent-maruti.com) and is enclosed as **Annexure F**.

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee shall consider and resolve the grievances of security holders of the company.

### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure G** to this Report.

### **MEETINGS OF THE BOARD**

Twelve meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

### **PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES**

The Company has not given any loan nor made any investment to other body corporates or given any guarantees or provided any security in connection with a loan to any other body corporate or person during the year under review.

### **INVESTOR EDUCATION AND PROTECTION FUND**

In compliance with provisions of Section 124 of Companies Act, 2013, the Company has transferred Rs.1,01,318/- to IEPF, being unpaid and unclaimed dividend for the FY 2008-09.

### **LISTING FEE OF SHARES**

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2017-18 has been paid in advance by the Company.

### **AUDITORS**

As per section 139 of the Companies Act, 2013 read with Rules made thereunder, the Statutory Auditors of the Company, M/s. Dinesh Mehta & Co. (FRN 000220N), Chartered Accountants, New Delhi, shall hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Upon recommendation of Audit Committee, the Board of Directors, subject to approval of members, in ensuing Annual General Meeting, had appointed M/s Ambani & Associates LLP, Chartered Accountants, (FRN 016923N) as Statutory Auditor of the Company for a term of 5 yrs. and that their appointment shall be subject to ratification by members in every Annual General Meeting. The Company has received their written consent and a certificate that they satisfy the criteria as provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Audit Committee and the Board of Directors recommends the appointment of M/s Ambani & Associates LLP, (FRN 016923N), Chartered Accountants as the Statutory Auditors of the Company in relation to the financial year 2017 -18 till the conclusion of the 37th Annual General Meeting, subject to ratification by members in every Annual General Meeting.

# **ANNUAL REPORT & ACCOUNTS 2016-2017**

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## **AUDITORS' REPORT**

The observations made by the Auditors in their Report are self-explanatory and do not call for any further comments.

## **SECRETARIAL AUDITOR**

The Board has appointed M/s P. P. Agarwal & Co., Practicing Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure H** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013**

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2013 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were Nil and Rs. 20.54 Lacs respectively as compared to Rs. Nil and Rs. 20.83 lacs in the previous year respectively.

The prescribed particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure I** and forms the part of this Report of the Directors.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. As per the provisions of Section 136 of the Act, the Report and Accounts are being sent to the shareholders of the Company and others entitled thereto, excluding the statement on particulars of employees. The Copies of said Statements are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting. Any members interested in obtaining such details may write to the Secretarial Department at the Registered Office of the Company.

## **DEPOSITS**

The Company has not accepted any deposit from Public and shareholders.

## **MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR**

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company and date of the report.

## **INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Further, the Board has risk management plan in place and the board reviews the same on continuous basis.

## **DETAILS OF SUBSIDIARIES AND THEIR PERFORMANCE**

The company has no subsidiary, associate or joint venture company as defined under Companies Act, 2013.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website : [www.competent-maruti.com](http://www.competent-maruti.com)

## **ANNUAL REPORT & ACCOUNTS 2016-2017**

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Your Directors draw attention of the members to Note no. 32 & 39 to the financial statement which sets out related party disclosures.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Anti-Sexual Harassment Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17

- **No. of complaints received : 0**
- **No. of complaints disposed : 0**

### **ACKNOWLEDGEMENT**

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company during the year under review. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Banks, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

**For and on behalf of the Board  
For Competent Automobiles Co. Limited**

**Place: New Delhi  
Date: 26th June, 2017**

**Raj Chopra  
Chairman & Managing Director  
DIN – 00036705**

# ANNUAL REPORT & ACCOUNTS 2016-2017

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

The Company maintains standards while complying with the ideology of practicing good Corporate Governance. While achieving corporate goals and creating wealth for the investors the company simultaneously endeavors to apply highest level of corporate ethics and corporate governance practices. The Board considers itself a trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding shareholders wealth.

The Company's compliance of corporate governance guidelines of the listing agreement is as follows:

#### A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The Company is managed and controlled through a professional body of Board of Directors, which consists of eminent persons with considerable professional expertise and experience.

The Board of Directors comprise of an optimum combination of Executive and Non-executive Independent Directors headed by the Chairman & Managing Director. The composition of the Board of Directors of the Company is in compliance of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations). The independent directors do not have any pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgment of the directors in any manner.

The composition and structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31st March, 2017 is as under:

Name of the Director	Category	Designation	Inter-se relationship among directors	No. of other Directorships Held**	Total No. of Chairmanships / Memberships of Board Committees***		
					Chairmanship	Membership	Total
Mr. Raj Chopra	Promoter Director	Chairman & Managing Director	Father of Mrs. Kavita Ahuja	11	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	3	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. S. L. Tandon	Independent Director	Director	*	Nil	Nil	1	1
Mr. R. C. Murada	Independent Director	Director	*	Nil	2	Nil	2
Mr. Rohit Gogia	Independent Director	Director	*	2	Nil	2	2
Mr. O P Tandon	Independent Director	Director	*	Nil	Nil	Nil	Nil

\* There is no relationship between any of the Independent Directors

\*\* Excluding directorship of Competent Automobiles Co. Ltd.

\*\*\* Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, have been considered. As per disclosure(s) received from the Directors, none of the Directors hold memberships in more than 10 Committees or Chairmanship in more than 5 Committees.

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## B. BOARD MEETINGS:

### 1. Schedule of Board Meetings

Months for holding the board meetings in the ensuing year are decided in advance and most board meetings are held at the Company's Registered Office at 'Competent House', F-14, Connaught Place, New Delhi. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda.

### 2. Number of Board Meetings

The Company's Board met Twelve (12) times – on 27th April, 2016; 30th May, 2016; 18th July, 2016; 12th August, 2016; 14th September, 2016; 26th September, 2016; 7th October, 2016; 4th November, 2016; 1st December, 2016; 17th January, 2017; 8th February, 2017 and 24th March, 2017 during the financial year ended 31st March, 2017. The maximum time gap between any two meetings was not more than four months.

### 3. Record of the Directors' attendance at Board Meetings and Annual General Meeting (AGM)

Name of the Director	Number of Board Meetings held during his/her tenure and attended by him/her		Attendance at last AGM held on 31st August, 2016
	Held	Attended	
Mr. Raj Chopra	12	12	Yes
Mrs. Kavita Ahuja	12	12	Yes
Mr. K. K. Mehta	12	12	No
Mr. S. L. Tandon	12	12	Yes
Mr. R. C. Murada	12	12	Yes
Mr. Rohit Gogia	12	12	No
Mr. O. P. Tandon	12	12	No

4. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarisation programme can be access at company's website: [www.competent-maruti.com](http://www.competent-maruti.com)

## C. BOARD LEVEL COMMITTEES

### 1. AUDIT COMMITTEE

#### • Terms of reference

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's supervisory responsibilities, an Audit Committee has been constituted, headed by an independent director. Majority of its members are Independent Directors and each member has rich experience in financial sector.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors.

The functions of the Audit Committee are review of periodical results and annual financial statements. The Audit Committee also oversees the Company's financial reporting process, review performance of statutory and internal auditors, adequacy and compliance of internal control systems. The Audit Committee reviews quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on changes, if any, in accounting policies and practices, compliance with accounting standards, compliance with stock exchange listing agreement requirements etc.

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## • Composition and names of members

The Audit Committee, as on 31st March, 2017, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

Chairman : Mr. R. C. Murada  
Members : Mrs. Kavita Ahuja and Mr. Rohit Gogia

## • Meetings and attendance during the year

The Audit Committee met five times during the financial year from 1st April, 2016 to 31st March, 2017 on the following dates:

1	30th May, 2016	3	4th November, 2016
2	12th August, 2016	4	1st December, 2016
5	8th February, 2017		

The attendance record of the audit committee members is given in following table:

Names of the Audit Committee Members	Number of Audit Committee meetings held during his/her tenure and attended by him/her	
	Held	Attended
Mr. R. C. Murada	5	5
Mrs. Kavita Ahuja	5	5
Mr. Rohit Gogia	5	5

Mr. R. C. Murada, Chairman of the Audit Committee attended the last annual general meeting of the Company to answer the shareholders' queries.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

### • Terms of reference

This Committee was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions. To expedite the process of share transfer, transmission etc., the Board has appointed M/s Skyline Financial Services Pvt. Ltd viz. Registrar and Share Transfer Agent to attend to all the necessary formalities of share transfer, transmission etc. at least thrice in a month.

Terms of reference of the Stakeholders' Relationship Committee are as per the guidelines set out in Listing Regulations which inter-alia include looking into the investors complaints on transfer of shares, non receipt of dividends etc. and redressal thereof.

### • Composition and names of members

The Stakeholders' Relationship Committee (i.e. SRC) as on 31st March, 2017 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mr. S. L. Tandon and Mr. Rohit Gogia

### • Meetings and attendance during the year

The Stakeholders' Relationship Committee met four (4) times during the financial year from 1st April, 2016 to 31st March, 2017 on the following dates:

1	30th May, 2016	3	4th November, 2016
2	12th August, 2016	4	8th February, 2017



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The attendance record of the Stakeholders' Relationship Committee members is as follows:

Names of the SRC members	Number of SRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. S. L. Tandon	4	4

- **Compliance Officer**

The Compliance Officer for this committee is Mr. Ravi Arora, Company Secretary of the Company.

### Shareholders' Complaints etc. received during the FY 2016-17

During the year from 1st April, 2016 to 31st March, 2017, the Company has 2 complaints from Investors / Shareholders of the Company, which were duly resolved.

All requests received for change of address/ change of bank account details, dividend related queries etc. were replied well with in time.

### 3. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of reference**

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Regulations of Listing Regulations and Section 178 of the Companies Act, 2013. The terms of reference include recommending a policy relating to remuneration and employment terms of Managing Director, Whole-Time Director and senior management personnel, adherence to the remuneration/employment policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or senior management.

- **Composition and names of members**

The Nomination and Remuneration Committee (i.e. NRC) as on 31st March, 2017 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mr. S. L. Tandon and Mr. Rohit Gogia

- **Meetings and attendance during the year**

The Nomination and Remuneration Committee met four (4) times during the financial year from 1st April, 2016 to 31st March, 2017 on the following dates:

1	30th May, 2016	3	4th November, 2016
2	12th August, 2016	4	8th February, 2017

The attendance record of the Nomination and Remuneration Committee members is as follows:

Names of the	Number of NRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. S. L. Tandon	4	4

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## Remuneration Policy

The Remuneration Policy as recommended by the Nomination and Remuneration Committee had been accepted by the Board of Directors. The Remuneration Policy is attached as **Annexure F** to the report of Directors.

### The Details of Remuneration paid to Directors for the year ended 31st March, 2017 (In Rs.)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	30,00,000	48,00,000
Mrs. Kavita Ahuja	12,00,000	-	12,00,000
Mr. K. K. Mehta	11,00,000	5,00,000	16,00,000

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### • Terms of reference

The Committee oversees corporate social responsibility and other related matters as may be referred by the Board of Directors. This Committee discharges the role as enumerated under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

### • Composition and names of members

The Corporate Social Responsibility Committee (i.e. CSR) as on 31st March, 2017 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mrs. Kavita Ahuja and Mr. Rohit Gogia

### • Meetings and attendance during the year

The Corporate Social Responsibility Committee met four (4) times during the financial year from 1st April, 2016 to 31st March, 2017 on the following dates:

1	30th May, 2016	3	4th November, 2016
2	12th August, 2016	4	8th February, 2017

The attendance record of the Corporate Social Responsibility Committee members is as follows:

Names of the	Number of NRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. S. L. Tandon	4	4

## D. GENERAL BODY MEETINGS:

1. Date, Venue and Time of previous three Annual General Meetings:

Financial Year ended	Date	Venue	Time
March 31, 2016	31.08.2016	Avalon Hall, Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074	10:00 a.m.
March 31, 2015	31.07.2015	Avalon Hall, Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074	10:00 a.m.
March 31, 2014	30.07.2014	Plot No. 3, Gazipur, Delhi 110096	9:30 a.m.

2. Two special resolutions were passed by the shareholders at the 31st Annual General Meeting on 31st August, 2016 of the Company for (1) approval of re-appointment of Mrs. Kavita Ahuja as Whole-Time Director of the Company;

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and (2) approval for increase of salary of Mr. K. K. Mehta as Whole-Time Director of the Company.

3. No Postal Ballot was conducted during the year. No special resolution requiring postal ballot is being proposed at the forthcoming Annual General Meeting.

### E. DISCLOSURES:

1. **Related Party Transactions:** For related party transactions please refer to note no. 32 & 39 in the notes to financial statement forming part of the annual accounts.
2. The Company has complied with the requirements of stock exchange or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. The Company has in place Whistle Blower-cum-Vigil Mechanism Policy which is also available on the Company's website [www.competent-maruti.com](http://www.competent-maruti.com). No personnel has been denied access to the Audit Committee to lodge their grievances.
4. **CEO/ CFO CERTIFICATION:** The Chairman and Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2017.
5. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The code of conduct is displayed on the website of the Company.

To  
The Board of Directors  
Competent Automobiles Co. Ltd.,  
Competent House, F-14,  
Connaught Place, New Delhi – 110001

### Annual Declaration of compliance of Code of Conduct by CEO

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board members and senior management personnel has been duly complied by all Board members and senior management personnel of the Company for the year ended 31st March, 2017.

New Delhi  
June 26, 2017

Raj Chopra  
Chairman & Managing Director

### 6. Compliance with Mandatory requirements of Listing Regulations

The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

### 7. Compliance with Non-Mandatory requirements of Regulation 27 of the Listing Regulations

The Company has not adopted any of the non-mandatory requirements of Regulation 27 of the Listing Regulations.

8. The necessary certificate from Mr. Raj Chopra, Chairman and Managing Director and Mr. Badri Nath, Chief Financial Officer of the Company, pursuant to Listing Regulations, was placed before the Board.

9. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report on page no. 26.

### 10. Disclosure regarding appointment or re-appointment of Directors:

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a) Mrs. Kavita Ahuja, Whole-Time Director of the Company, retires by rotation and being eligible offer herself for reappointment at the forthcoming Annual General Meeting;

11. **Compliance Certificate from Statutory Auditors:** Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in Part C of Schedule V of Listing Regulations, is annexed to this report.
12. **Shareholding of Directors:** As on 31st March, 2017, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

**i. Executive Directors:**

Name of the Director	Number of Shares Held
Mr. Raj Chopra	Nil
Mrs. Kavita Ahuja	37,78,680
Mr. K. K. Mehta	Nil

**ii. Non – Executive Independent Directors:**

Name of the Director	Number of Shares Held
Mr. S. L. Tandon	Nil
Mr. R. C. Murada	Nil
Mr. Rohit Gogia	15,000
Mr. O. P. Tandon	NIL

13. Other disclosures as required under Listing Regulations has been given at relevant places in the Annual Report.

## F MEANS OF COMMUNICATION

The Company normally publishes its quarterly / half yearly / yearly Unaudited/audited financial results in Business Standard / Financial Express / Jansatta (English & Hindi) newspapers. The Company also ensures that these Results are promptly and prominently displayed on the Company's website [www.competent-maruti.com](http://www.competent-maruti.com).

## G. INFORMATION TO SHAREHOLDERS

### 1. REGISTERED OFFICE

Competent House, F-14, Connaught Place, New Delhi – 110001  
Phone: +91 11 45700000, Fax: +91 11 23327640

### 2. ANNUAL GENERAL MEETING

The date, time & venue of the forthcoming Annual General Meeting and the Book Closure dates are as per the Notice calling the Annual General Meeting.

### 3. FINANCIAL CALENDER

Financial Year starts from 1st April and ends at 31st March of succeeding year and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative and subject to change)
Un-audited Financial results for the 1st quarter ended June 30, 2017	August, 2017
Un-audited Financial results for the 2nd quarter and half year ending September 30, 2017	November, 2017
Un-audited Financial results for the 3rd quarter ending December 31, 2017	February, 2018
Audited Financial results for the last quarter and whole year ending March 31, 2018	May, 2018

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### 4. WEBSITE

The Company's website is [www.competent-maruti.com](http://www.competent-maruti.com)

### 5. DIVIDEND PAYMENT DATE

Your Directors have recommended a dividend of Re. 1/- per equity share. The total amount to be paid to equity shareholders as dividend is Rs. 61.46 Lakh.

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2017, if approved at the forthcoming Annual General Meeting, will be paid with in the specified time period.

Following table gives the dividend history of Company in the last three years:

Year	Dividend (%)
2015-16	10
2014-15	10
2013-14	10

### 6. LISTING ON STOCK EXCHANGE

As on 31st March, 2017, the Company's shares are listed on BSE Limited and Scrip Code is 531041.

### 7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialised equity shares of the company. The ISIN number of the shares of Competent Automobile Co. Ltd. is INE823B01015.

### 8. ANNUAL LISTING FEE

Annual Listing Fee for the financial year 2017-18 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

### 9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

Following tables give the data on shareholding according to types of shareholders and class of shareholders.

#### Distribution of the shareholdings according to type of shareholders

Particulars	31st March, 2017	
	No. of Shares	% (Holding)
<b>Promoter and Promoter Group</b>		
Individuals	46,04,305	74.92
<b>Total (A)</b>	<b>46,04,305</b>	<b>74.92</b>
<b>Public Shareholding</b>		
Mutual Funds	100	0.00
Bodies Corporate	2,41,427	3.93
NBFC	1,79,520	2.92
Individuals	10,69,766	17.40
Others (NRIs/HUF/Clearing Member / House etc.)	50,882	0.83
<b>Total (B)</b>	<b>15,41,695</b>	<b>25.08</b>
<b>Grand Total (C=A+B)</b>	<b>61,46,000</b>	<b>100</b>

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### Distribution of shareholding according to the number of shares

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	2479	90.21	2950430	4.80
5001 To 10,000	136	4.95	1132270	1.84
10001 To 20,000	54	1.97	811810	1.32
20001 To 30,000	24	0.87	619570	1.01
30001 To 40,000	9	0.33	334750	0.54
40001 To 50,000	12	0.44	585720	0.95
50001 To 1,00,000	17	0.62	1154320	1.88
1,00,000 and Above	17	0.62	53871130	87.65
<b>Total</b>	<b>2748</b>	<b>100</b>	<b>61460000</b>	<b>100</b>

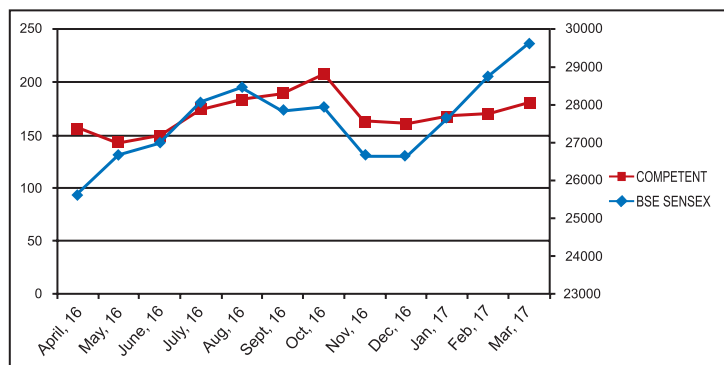
### 10. MARKET PRICE DATA

Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2016-17 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-16	178.00	132.10
May-16	163.50	135.60
Jun-16	150.00	135.00
Jul-16	182.00	139.00
Aug-16	198.00	138.10
Sep-16	215.80	174.00
Oct-16	219.00	183.20
Nov-16	214.60	150.00
Dec-16	181.90	147.50
Jan-17	175.00	154.00
Feb-17	190.00	164.70
Mar-17	188.00	161.20

### 11. SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX

#### a. COMPANY'S SHARE PRICE (MONTHLY CLOSING PRICE) MOVEMENT VIS A VIS BSE SENSEX



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### 12. DEMAT

Your Company's equity shares are compulsorily traded in dematerialisation form by all categories of investors. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. National Securities Depositories Limited (NSDL) and Central Depositories Service (India) Limited (CDSL).

As on 31st March, 2017, 91.12% (i.e. 56,00,407 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

### 13. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

The Company has appointed a common Registrar & Share Transfer Agent i.e. Skyline Financial Services Private Limited to expedite the process of share transfer, transmission etc. and to attend all the necessary formalities of share transfer, transmission etc. at least thrice in a month. Their contact details are as follows:

Skyline Financial Services Private Limited  
Unit: M/s Competent Automobiles Co. Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020  
Ph: +91 11 26812682 Fax: +91 11 26812683  
Contact Person: Mr. Virender Rana  
Email: admin@skylinerta.com

### 14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31st March, 2017.

### 15. PLANT LOCATIONS

The addresses of the Company's units are mentioned at the first page of this Annual Report.

### 16. ADDRESS FOR CORRESPONDENCE:

**i. Investors' Correspondence** may be addressed to the following:

The Company Secretary,  
Competent Automobiles Co. Limited,  
"Competent House",  
F-14, Connaught Place,  
New Delhi 110001  
Email: cs@competent-maruti.com

**OR**

to the Registrar and Share Transfer Agent i.e : Skyline Financial Services Private Limited as stated at point no.-13.

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PURSUANT TO THE REQUIREMENTS OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, ON CORPORATE GOVERNANCE, THE INFORMATION REQUIRED TO BE GIVEN, IN CASE OF THE APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR, IS GIVEN AS FOLLOWS:

<b>Name of the Director</b>	Mrs. Kavita Ahuja
<b>Date of Birth</b>	22/01/1972
<b>Qualification</b>	Bachelor of Arts
<b>Expertise in Specific functional area</b>	Mrs. Kavita Ahuja have a rich experience in automobile industry with specialization in auto finance and day to day operations.
<b>Date of Appointment</b>	01/04/1991
<b>Name of the other Companies in which he holds Directorship</b>	- Competent International Resorts & Hotels Limited - Milagro Infrastructure pvt. Ltd. - Raj Chopra & Co. Pvt. Ltd
<b>Name of the Committees* of the Companies of which he holds Membership / Chairmanship</b>	a) Audit Committee - member
<b>Shareholding in the Company</b>	61.48%

\* For this purpose, Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.



# **ANNUAL REPORT & ACCOUNTS 2016-2017**

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of M/s Competent Automobiles Co. Limited

1. We have examined the compliance of regulations of Corporate Governance by Competent Automobiles Co. Limited for the year ended March 31, 2017, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dinesh Mehta & Co.,  
Firm Registration No.-000220N  
Chartered Accountants**

**Hiren Mehta  
Partner  
Membership No. - 90772**

**Place: New Delhi  
Date: May 30, 2017**

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERALL VIEW

Auto industry body Society of Indian Automobile Manufacturers has projected growth of 7-9% for the current fiscal expecting support from seventh pay commission and better rabi output, however cost of ownership is expected to rise by 4-6% as a results of increasing cost of raw material and oil prices.

### INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT

The automobile sector is one of the key segments of the economy having extensive forward and backward linkages with other key segments of the economy. The Indian automobile industry comprises of a number of Indian-origin and multinational players, with varying degree of presence in different segments.

Automobile dealer Industry plays the vital role of link between the manufacturer of the automobile and the consumer. With large inventories of cars, dealers provide consumers with a wide array of vehicles to meet their needs at different price points.

The sales of most of automobiles today are subject to changing consumer tastes, the popularity of the manufacturer's vehicle models, and the intensity of competition with other dealers. Along with the sale of the car, most dealers also sell additional automobile-related services to potential buyers. These services include extended warranties, undercoating, insurance, and financing. After market sales departments sell these services and other merchandise after vehicle salespersons have closed a deal. Sales of these packages greatly increase the revenue generated for each vehicle sold.

Performing repair work on vehicles is another profitable service provided in this industry. Service departments at motor vehicle dealers provide repair services and sell accessories and replacement parts. The work of the service department has a major influence on customers' satisfaction and willingness to purchase future vehicles from the dealer.

**Industry Structure:** The automobile dealer industry is comprised of two segments. New car dealers, often called franchised dealers, primarily sell new cars, sport utility vehicles (SUVs), and passenger and Commercial Vehicles. These franchised dealers sell vehicles manufactured by a particular company, which may include several brands. Used car dealers comprise the other segment of the industry, and are sometimes referred to as independent dealers. These dealers sell a variety of vehicles that have been previously owned or formerly rented and leased. Improvements in technology have increased the durability and longevity of new cars, raising the number of high-quality used cars that are available for sale. Used car dealers by definition do not sell new cars, but most new car dealers do sell some used cars.

New vehicle sales account for more than half of total sales revenue at franchised new car dealers. These sales also generate additional revenue in other departments of new car dealers, which are more profitable to the dealer. By putting new vehicles on the road, dealers can count on new repair and service customers and future trade-ins of used vehicles.

### Developments

India's automotive Industry is one of the most competitive in the world. We have almost all major manufacturers of the world here in India and the numbers are only increasing. Customers are spoilt for choice and dealerships are willing to go that extra mile to make that ever so crucial "sale". From a seller's market it has turned into a buyers' market. Today, India has one of the fastest growing automobile industries in the world.

In an effort to achieve greater financial and operational efficiency and flexibility in the automobile dealer industry, greater emphasis is being placed on after sale services, such as vehicle maintenance and repair, at both new and used car dealers. These services remain less susceptible to economic downturns. They are also part of an effort to enhance customer loyalty and overall customer service.

In recent years, the sale of used cars has become another useful business area for many new car dealers in the wake of shrinking margins on new cars. To make them acceptable to more customers, dealers promote "certified pre-owned" vehicles to customers who want a warranty on their used vehicle. This often raises the price, but in return provides customers with peace of mind. In economic downturns, the relative demand for these and other used cars often increases as sales of new cars decline.

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The increased use of the Internet to market, new and used cars has also had a significant impact on automobile dealers. Through the Internet, consumers can easily access vehicle reviews, view pictures of vehicles and compare models, features, and prices. Many websites allow consumers to research insurance, financing, leasing and warranty options. As a result, consumers are generally better informed and spend less time meeting with salespersons.

## OPPORTUNITIES AND THREATS

### Opportunities

Our Principle, Maruti Suzuki India Limited, expects Indian Passenger car market to reach four million units by 2020. Further, operational of Gujarat Plant will reduce delivery timings of the popular models, thus expect year 2017-18 to be the year of growth.

India being one of the largest automobile markets in the world, has a bright future because of several factors like rapid urbanisation, Car buyers getting younger, growing middle class, overall growth of other industries, infrastructure development and the improved road infrastructure. This along with rising disposable income, aspirations for a better lifestyle and a slew of new product launches lined up by companies would aid overall increase in sales volumes. The Company, with its wide portfolio is expected to benefit from the same. This growing consumerism is expected to lead to an increase in car penetration.

### Threats

It is expected that cost of ownership of cars may rise by 4 – 6% in 2017-18 for petrol and diesel cars as a results of increasing of raw materials and oil prices. The projection for growth of auto industry has been restricted to 7-9%, as that of last year.

Affordability is the most important demand driver in India, the domestic car market has until now been segmented on the basis of vehicle price. Price based competition also takes place in a continuum than in segments since nearly all the models are launched in multiple versions at different price points. As a result higher end variant compete with lower-end-variant of a car in a segment above it.

Further, intensity of competition has increased in almost all the segments of the Indian automobile dealers market whether it's a competition for sales of cars from dealers of same brand or of competing brands or competition in after-sales service business from other dealers of same brand or from organised (branded) franchised service network or from unorganised local garages.

Moreover, in the automobile dealer industry, vehicles cannot be kept in the store for long unlike consumer durables, as automobiles lose value with time. The model gets old and the customer would not be willing to pay for it. The damage due to handling, if they are in the showroom or warehouse for too long, is another factor.

Other factors like affordability, innovation, infrastructure facilities and price of fuel, stringent emission norms and safety regulations and interest rates affect the demand for automobiles to a larger extent. These factors and challenges always keep the automakers and dealers on their toes.

## OUTLOOK

Auto industry body Society of Indian Automobile Manufacturers has projected growth of 7-9% for the current fiscal expecting support from seventh pay commission and better rabi output, however cost of ownership is expected to rise by 4-6% as a results of increasing cost of raw material and oil prices.

The long term outlook for the automobile industry is bright and robust, though outlook for the Indian auto industry in near term is expected to remain stable growth.

## RISKS AND CONCERNS

Indian car industry is one of the most promising car industries across the globe. It has gradually strengthened its foothold in the international area as well. The country is dealing with many car manufacturers, dealers, and associations in various countries including U.S. From some countries, India import cars and car components and to some India exports.

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Though India has witnessed a growing customer base, it has not inoculated them from the global crisis. The crippling liquidity and high interest rates have slowed down the vehicle demand.

Rising Input costs of commodities, availability of credit and affordable interest rates are important facilitators for automobile sales. The uncertain exchange rates and a sudden increase in dollar value against Indian rupee have contributed to slowdown. Increasing Dollar value has raised the landed cost of imported machine, tools and even raw materials required for production.

In addition, rising cost of dealership operations, limited availability of trained and untrained manpower, increasing labour and wage rates, prospects of accelerated career growth and better training & development opportunities have kept the margins of dealership operations under immense pressure.

Intensity of competition has increased in almost all the segments of the Indian automotive market due to entry of new players and appointment of new dealers by Maruti. Launch of new models by different players have also increased market competition. This increasing level of competition would also translate into higher selling and distribution costs. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

## **SEGMENT WISE BUSINESS PERFORMANCE**

Competent Automobiles Co. Ltd. is mainly in the business of trading and servicing of Maruti Suzuki vehicles. The Company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with purchase and sales of vehicles manufactured by Maruti Suzuki India Limited. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. For Segment wise business performance of the Company, please refer to note no. 36 in the notes to financial statement forming part of the annual accounts.

## **OPERATIONAL & FINANCIAL PERFORMANCE**

The details of the operational & financial performance are appearing in the financial statements separately. For highlights, please refer to Directors' Report forming a part of this Annual Report.

## **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2017, there were 1762 employees on the payroll of the Company.

## **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has proper and adequate systems of internal control in order to ensure that assets are safeguarded and transactions are duly authorized, recorded and reported correctly.

Internal Audit function is looked after by team of in house internal Auditors appointed by the Company, who conduct regular audit at all units/locations. Both the statutory as well as Internal Auditors independently evaluate the adequacy of internal control system. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

## **CAUTIONARY STATEMENT**

Certain statements in the Management Discussion & Analysis describing the company's views about the Industry's expectations/predictions, objectives etc. may be forward looking within the applicable laws and regulations. Actual results may differ materially from those expressed in the statements. Company's operations may be affected with the demand and supply situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above, in mind.

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

### PHILOSOPHY:

Competent Automobiles Co. Ltd. (CACL) is committed to social development and empowerment. CACL views Corporate Social Responsibility as a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices.

We appreciate the importance of working for the inclusive growth of the society. Through various socially relevant initiatives we strive to create a positive impact on the society. Efficient implementation of such interventions, which involve different partners for various activities, requires a robust process to maximize the intended impact.

Through CSR our focus shall be on addressing social, environmental and economic needs of the marginalized/underprivileged section of the society and creating Social Capital.

### Purpose:

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our Good & Green goals
- Define the kind of projects that will come under the ambit of CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

### CSR committee:

CACL will have a Board Level Sub-Committee herein after referred to as CSR Committee consisting of three or more Directors out of which at least one shall be an independent director.

### The role/responsibilities of the CSR Committee include:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of budgeted expenditure to be incurred on the activities referred to in clause (1) above.
3. Monitor the Corporate Social Responsibility Policy of the company from time to time
4. Institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities
5. Monitor implementation of CSR activities on quarterly basis.

### CSR Committee Members:

- a) Mrs. Kavita Ahuja
- b) Mr. R. C. Murada
- c) Mr. Rohit Gogia

### CSR Focus Area Projects/Programs/Activities:

CACL's CSR focus area is inspired by the vision of our Chairman, Mr. Raj Chopra, for development of various section of society.

- a) Old Age Homes
- b) Education of children, women and weaker section of society
- c) Health Care

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- d) Development of Sports
- e) Any other activities as permissible under law as CSR activity

Apart from above, the Company intends to contribute to various programs for rural development, scientific & Prime Minister Relief Fund.

### **CSR Budget:**

In alignment with The Companies Act, 2013 the Corporation shall earmark as CSR Budget, at least 2% of the average of net profits of the company made during the three immediately preceding financial years.

### **Treatment of Surpluses:**

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

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## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company is committed to social development and empowerment. The company views CSR as a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices.

During the period under review, the company had made contribution to Development on Communication, Arts & Culture, Science, Economic and Education Centre (D-CACUS-EDUCATION CENTRE), a Registered Society under Manipur Societies Registration Act, 1989, for promoting education including special education among children, women, elderly and differently abled people.

The CSR policy available at web link: <http://www.competent-maruti.com/investorsarea/CSR-Policy.pdf>

2. **Composition of CSR committee:**

Mr. R. C. Murada	Chairman
Mr. Rohit Gogia	Member
Mrs. Kavita Ahuja	Member

3. Average net profit of the company for last three financial years: Rs. 16,62,69,583 /-.
4. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above): Rs. 33,25,392/-
5. Details of CSR spend for the financial year
  - a) Total amount spent for the financial year : Rs. 34,00,000/-
  - b) Amount unspent if any : Nil
  - c) Manner in which the amount spent during the financial year is detailed below:

S. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programwise*	Amount spend on the projects or programs sub-heads*: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spend Direct or through implementing agency
1	promoting education including special education among children, women, elderly and differently abled people	Cl (i) & (ii)	Manipur			Rs. 34,00,000/-	Development on Communication, Arts & Culture, Science, Economic and Education Centre (D-CACUS-EDUCATION CENTRE)#

\* the Company has undertaken CSR activity through implementing agency and hence budget and overhead expenditures cannot be ascertained.  
# implementing agencies

6. Reasons for not spending two percent of average net profit for the last three financial years or part thereof: NIL

## RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

**Raj Chopra**  
Chairman & Managing Director

**Ramesh Chander Murada**  
Chairman of the CSR Committee

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## NOMINATION AND REMUNERATION POLICY

### Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### Objectives of the Committee:

The Committee shall:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ii) Formulation of criteria for evaluation of Independent Director and the Board;
- iii) Devising a policy on Board diversity;
- iv) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**Effective Date:** The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 12.08.2014. This policy shall be operational with immediate effect.

### Definitions:

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means Competent Automobiles Co. Limited.
- **“Independent Director”**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives —
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding



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the financial year in which he is proposed to be appointed, of —

- a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- iii. holds together with his relatives two per cent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - v. is a material supplier, service provider or customer or a lessor or lessee of the company;
  - vi. who is not less than 21 years of age.
- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
    - (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
    - (ii) Company Secretary; and
    - (iii) Chief Financial Officer
  - **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **Applicability:-**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

### **Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement.

### **General Appointment Criteria:**

- i) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- iii) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

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## **Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

## **Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

## **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **Criteria for Evaluation of Independent Director and the Board:**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

### **1. Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

### **2. Non - Executive Director:**

The Non - Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of his independence
- f) inform the Board immediately when they lose their independence,
- g) assist the company in implementing the best corporate governance practices.
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) strive to attend the general meetings of the company;
- k) keep themselves well informed about the company and the external environment in which it operates;
- l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## **Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

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The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

## **Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### **1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### **2. Non-executive Independent Directors**

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### **3. KMPs / Senior Management Personnel etc.**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### **4. Directors and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L34102DL1985PLC020668
- ii) Registration Date: April 11, 1985
- iii) Name of the Company: Competent Automobiles Company Limited
- iv) Category / Sub-Category of the Company: Indian Non – Government Company
- v) Address of the Registered office and contact details: Competent House, F-14, Connaught Place, New Delhi – 110 001. Phone: +91 11 45700000 Fax: +91 11 23327640
- vi) Whether listed company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :  
Skyline Financial Services private Limited  
D-153 A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Tel. : 011-26812682, 83, 011-64732681 to 88; Fax : 011-26812682

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Vehicles	501	91.88

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1			Not Applicable		

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	4604305	NIL	4604305	74.92	4604305	NIL	4604305	74.92	<b>NIL</b>
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	4604305	NIL	4604305	74.92	4604305	NIL	4604305	74.92	<b>NIL</b>

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(2) <b>Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A) (1) + (A)(2)</b>	4604305	NIL	4604305	74.92	4604305	NIL	4604305	74.92	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds		100	100			100	100		<b>NIL</b>
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>		100	100			100	100		<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	261290	105400	366690	5.97	315047	105900	420947	6.85	<b>0.88</b>
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	509534	158025	667559	10.86	509212	154893	664105	10.80	<b>(0.06)</b>
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	172291	282900	455191	7.41	122761	282900	405661	6.60	<b>(0.81)</b>
c) Others (NRI, HUF, Clearing Members)	49855	2300	52155	0.84	49082	1800	50882	0.83	<b>(0.01)</b>
<b>Sub-total (B)(2):-</b>	992970	548625	1541595	25.08	996102	545493	1541595	25.08	<b>NIL</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	992970	548725	1541695	25.08	996102	545593	1541695	25.08	<b>NIL</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5597275</b>	<b>548725</b>	<b>6146000</b>	<b>100</b>	<b>5600407</b>	<b>545593</b>	<b>6146000</b>	<b>100</b>	<b>NIL</b>

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## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kavita Ahuja	3778680	61.48	NIL	3778680	61.48	NIL	NIL
2	Priya Chopra	271100	4.41	NIL	825625	13.43	NIL	9.02
3	Geeta Chopra	554525	9.02	NIL	NIL	NIL	NIL	(9.02)
Total		4604305	74.92	NIL	4604305	74.92	NIL	NIL

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/2016 to 31/03/2017	
		No. of shares at the beginning (01/04/2016) / end of year (31/03/2017)	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mrs. Kavita Ahuja	3778680	61.48	01/04/2016	NIL	-	-	-
		3778680	61.48	31/03/2017				
2.	Ms. Priya Chopra	271100	4.41	01/04/2016				
				28/11/2016	554525	Purchase/Gift	825625	13.43
		825625	13.43	31/03/2017				
3.	Mrs. Geeta Chopra	554525	9.02	01/04/2016	NIL			
				28/11/2016	554525	Sale/Gift	NIL	NIL
		NIL	NIL	31/03/2017				

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name*	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/2016 to 31/03/2017	
		No. of shares at the beginning (01/04/2016) / end of year (31/03/2017)	% of total shares of the company				No. of shares	% of total shares of the company
1	GUJARAT LEASE FINANCING LIMITED	179520	2.92	01/04/2016				
		179520	2.92	31/03/2017		Nil		
2	RISHI CHOPRA	116900	1.90	01/04/2016				
		116900	1.90	31/03/2017		Nil		
3	RAMAN KUMAR SEHGAL	101100	1.64	01/04/2016				
		101100	1.64	31/03/2017		Nil		
4	COMPETENT LEASING P LTD	79800	1.30	01/04/2016				

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				07/05/2016	500	Purchase	80300	1.31
		80300	1.31	31/03/2017				
5	RAKESH KUMAR JAIN	66300	1.08	01/04/2016				
				24/08/2016	-1000	Sale	65300	1.06
				09/09/2016	-1000	Sale	64300	1.05
				02/12/2016	360	Purchase	64660	1.05
		64660	1.05	31/03/2017				
	ABHEER AHUJA U/G. ASHISH AHUJA	49900	0.81	01/04/2016				
		49900		31/03/2017		Nil		
6	SANJAY KHANNA	39900	0.65	01/04/2016				
		39900		31/03/2017		Nil		
7	VRAMATH INVESTMENT CONSULTANCY PVT LTD			01/07/2016	2094	Purchase	2094	0.03
				08/07/2016	2906	Purchase	5000	0.08
				12/08/2016	200	Purchase	5200	0.08
				09/09/2016	2500	Purchase	7700	0.13
				16/09/2016	9000	Purchase	16700	0.27
				07/10/2016	6250	Purchase	22950	0.37
				02/12/2016	9950	Purchase	32900	0.54
				30/12/2016	5000	Purchase	37900	0.62
		37900	0.62	31/03/2017				
8	VRAMATH FINANCIAL SERVICES PVT LTD	12738	0.21	01/04/2016				
				29/04/2016	25	Purchase	12763	0.21
				05/08/2016	10000	Purchase	22763	0.37
				19/08/2016	1284	Purchase	24047	0.39
				02/09/2016	130	Purchase	24177	0.39
				16/09/2016	-130	Sale	24047	0.39
				16/12/2016	3691	Purchase	27738	0.45
				23/12/2016	-5000	Sale	22738	0.37
		22738	0.37	31/03/2017				
9	VRAMATH RESORTS AND PLANTATIONS PRIVATE LIMITED			29/04/2016	10000	Purchase	10000	0.16
				29/07/2016	6000	Purchase	16000	0.26
				05/08/2016	2636	Purchase	18636	0.30
		18636	0.30	31/03/2017				

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10	DARGAN PROPERTIES PVT LTD	18393	0.3	01/04/2016				
		18393		31/03/2017		Nil		
11	ROHIT GOGIA	15000	0.24	01/04/2016				
		15000		31/03/2017		Nil		
13.	B C C FINANCE AND INVESTMENT P LTD	15000	0.24	01/04/2016				
		15000		31/03/2017		Nil		
14.	ARUNA CHANDRAKANT SHAH	11861	0.19	01/04/2016				
		11861		31/03/2017		Nil		
15.	ANAND MISHRILAL JAJU	15000	0.24	01/04/2016				
				29/04/2016	-5000	Sale	10000	0.16
				20/05/2016	-5000	Sale	5000	0.08
				28/10/2016	3000	Purchase	8000	0.13
				11/11/2016	-2000	Sale	6000	0.10
				03/03/2017	5000	Purchase	11000	0.18
		11000	0.18	31/03/2017				
16	SHASHI VIG	8567	0.14	01/04/2016				
		8567		31/03/2017		Nil		
17.	SURESH KUMAR RATTAN	9282	0.15	01/04/2016				
				02/09/2016	-2300	Sale	6982	0.11
				31/03/2017	200	Purchase	7182	0.12
		7182	0.12	31/03/2017				
18.	BALPREET KAUR	25507	0.42	01/04/2016				
				10/02/2017	-10507	Sale	15000	0.24
				03/03/2017	-15000	Sale	0	0
		0	0	31/03/2017				
19.	HARPREET SINGH	20023	0.33	01/04/2016				
				10/02/2017	-10023	Sale	10000	0.16
				03/03/2017	-10000	Sale	0	0
		0	0	31/03/2017				



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### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares the beginning (01/04/2016) / end of year (31/03/2017)	% of total shares of the company				No. of shares	% of total shares of the company
1	<b>Raj Chopra Chairman &amp; Managing Director</b>	0	0	01/04/2016 & 31/03/2017	Nil			
2	<b>Kavita Ahuja Whole-Time Director</b>	3778680	61.48	01/04/2016 & 31/03/2017	Nil			
3	<b>K. K. Mehta Whole-Time Director</b>	0		01/04/2016 & 31/03/2017	Nil			
4	<b>R C Murada Independent Director</b>	0		01/04/2016 & 31/03/2017	Nil			
5	<b>S L Tandon Independent Director</b>	0		01/04/2016 & 31/03/2017	Nil			
6	<b>Rohit Gogia Independent Director</b>	15000		01/04/2016 & 31/03/2017	Nil			
7	<b>O P Tandon Independent Director</b>			01/04/2016 & 31/03/2017				
8	<b>Badri Nath Chief Financial Officer</b>	0		01/04/2016 & 31/03/2017	Nil			
9	<b>Ravi Arora Company Secretary</b>	0		01/04/2016 & 31/03/2017	Nil			

### V. INDEBTEDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	672336284	18500000	-	690836284
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	672336284	18500000	-	690836284
<b>Change in Indebtedness during the financial year</b>				
• Addition	1843282	91500000	-	93343282
• Reduction	148798649	59442473	-	208241122
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	525380917	50557527	-	575938444
ii) Interest due but not paid				
iii) Interest accrued but not due				

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## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Raj Chopra	Kavita Ahuja	K K Mehta	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18,00,000	12,00,000	11,00,000	41,00,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others (Ex-gratia)	30,00,000	-	5,00,000	35,00,000
5.	Others, please specify	-	-	-	-
	Total (A)	48,00,000	12,00,000	16,00,000	76,00,000
	Ceiling as per the Act	2,20,83,100 (being 10% of the net profit of the company calculated as per 198 of the Companies Act, 2013)			

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		S. L. Tandon	R. C. Murada	O. P. Tandon	Rohit Gogia	
3.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	NIL	NIL	NIL	NIL	NIL
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration					76,00,000*
	Overall Ceiling as per the Act	2,42,91,410 (being 11% of the net profit of the company calculated as per 198 of the Companies Act, 2013)				

\* Total remuneration to Managing Director and Whole-Time Directors (being total of A and B)

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## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	10,95,000	10,84,800	21,79,800
2.	Stock Option	-	-	-	-
-	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	10,95,000	10,84,800	21,79,800

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
Competent Automobiles Company Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Competent Automobiles Company Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Securities and Exchange Board of India Act, 1992;
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following applicable regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has inter alia complied with the following other applicable laws:
  - a) The Factories Act, 1948;
  - b) The Industrial Disputes Act, 1947;
  - c) The Employees' Provident Fund & Misc. Provisions Act, 1952;
  - d) The Employees' State Insurance Act, 1965;
  - e) The Contract Labour (Regulation and Abolition) Act, 1970;
  - f) The Environmental Laws; and
  - g) The Delhi Shops and Establishments Act, 1954.

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I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- ii. The Equity Listing Agreement entered by the Company with the BSE Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

**I further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in due compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous in all cases and no dissenting views have been recorded.

**I further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period none of the following events has taken place:

1. Public/ Right/ Preferential issue of shares/ Debentures/ Sweat Equity etc.
2. Redemption/ Buy-back of securities
3. Major decisions taken by the members in pursuance to section 180 of the Act.
4. Merger/ Amalgamation / Reconstruction etc.
5. Foreign Technical collaborations.

For **P. P. Agarwal & Co.**  
Company Secretaries  
U. C. No. S2012DE174200

Place: New Delhi  
Date: 24/06/2017

Pramod P. Agarwal  
FCS No. 4955; CoP No.: 10566

*This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.*

# ANNUAL REPORT & ACCOUNTS 2016-2017

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**Annexure -A**

To,

The Members,  
**Competent Automobiles Company Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P. P. Agarwal & Co.**  
Company Secretaries  
U. C. No. S2012DE174200

Place: New Delhi  
Date: 24/06/2017

Pramod P. Agarwal  
FCS No. 4955; CoP No.: 10566

## ANNUAL REPORT & ACCOUNTS 2016-2017

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (Amt. in INR)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Raj Chopra Chairman & Managing Director	48,00,000 (includes commissions of INR 30,00,00/-)	Nil	34.42
2	Mrs. Kavita Ahuja Whole-Time Director	12,00,000	Nil	8.60
3	Mr. K. K. Mehta Whole-Time Director	16,00,000 (includes commissions of INR 5,00,00/-)	Nil	11.47
4	Mr. Badri Nath	10,84,800	12.43	Not Applicable
5	Mr. Ravi Arora	10,95,000	15.87	Not Applicable

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1,39,463/-  
 iii) In the financial year, there was an increase of 10.92% in the median remuneration of employees;  
 iv) There were 1762 permanent employees on the rolls of Company as on March 31, 2017;  
 v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 10.91 % (approx.) whereas the increase in the managerial remuneration for the same financial year was 1.88%.  
 vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# **ANNUAL REPORT & ACCOUNTS 2016-2017**

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## **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
**COMPETENT AUTOMOBILES COMPANY LIMITED**

We have audited the accompanying financial statements of COMPETENT AUTOMOBILES COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended 31st March 2017, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31st, 2017, its Profit and its cash flows for the year ended on that date.



# ANNUAL REPORT & ACCOUNTS 2016-2017

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## Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we enclose in the "Annexure I", a statement on the matters specified in Clause's 3 and 4 of the Order.
- II. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II"; and
  - g) In our opinion and to the best of our information and according to the explanations given to us , we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 29 to the Financial Statements.
    - (ii) The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the Books of Accounts maintained by the Company refer note 38 to the financial statements.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

**Place: New Delhi**  
**Dated: May 30, 2017**

# ANNUAL REPORT & ACCOUNTS 2016-2017

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## Annexure-I to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

1. In respect to its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - b) As explained to us, the management during the year has physically verified the fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. We are informed that, no material discrepancy has been noticed by the management on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records are not material. The discrepancies noted on such verification have been properly dealt with in the books of accounts.
3. As per information and explanation given to us and on the basis of our examination of the records of the company, the Company has not granted any loans, secured or unsecured to the companies, firms, limited liability partnerships or other parties covered in the register under section 189 of the Companies Act, 2013 ('the Act'), therefore clause 3 (iii) (a), (iii) (b) and (iii) ('c) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
5. As per information and explanation given to us, the Company has not accepted any deposits and accordingly directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provision of Companies Act, 2013 and the rules framed thereunder would not apply and accordingly clause 3(v) of the order is not applicable to the company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act and accordingly clause 3(vi) of the order is not applicable.
7.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues to appropriate authorities.  

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, income tax, sales tax, duty of customs, value added tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or value added tax which have not been deposited with the appropriate authority on account of any disputes;
8. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from government or from any financial institutions except vehicle loans.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the order is not applicable.
10. According to the information and explanation given to us by management, we have neither come across any

## **ANNUAL REPORT & ACCOUNTS 2016-2017**

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instances of fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the period nor have we been informed any such case by the company.

11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**Place: New Delhi**  
**Dated: May 30, 2017**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

### **Annexure – II to the Independent Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **COMPETENT AUTOMOBILES COMPANY LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

## **ANNUAL REPORT & ACCOUNTS 2016-2017**

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Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**Place: New Delhi**  
**Dated: May 30, 2017**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

# ANNUAL REPORT & ACCOUNTS 2016-2017

## BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in ₹)

	Notes to Accounts	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	6,27,84,500	6,27,84,500
Reserves and Surplus	3	1,08,59,22,037	97,05,77,662
		<b>1,14,87,06,537</b>	1,03,33,62,162
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	47,68,254	1,49,52,375
Other Long-Term Liabilities	5	48,99,545	32,44,527
		<b>96,67,799</b>	1,81,96,902
<b>Current Liabilities</b>			
Short-Term Borrowings	6	56,06,15,391	66,55,05,241
Trade Payables	7		
- Total outstanding dues of Micro, Small & Medium Enterprises		-	-
- Total outstanding dues of Creditors other than Micro, Small & Medium Enterprises		5,18,56,749	11,53,00,395
Other Current Liabilities	8	50,18,60,878	51,41,66,689
Short-Term Provisions	9	4,85,81,661	4,82,19,219
		<b>1,16,29,14,679</b>	1,34,31,91,544
<b>TOTAL</b>		<b>2,32,12,89,015</b>	2,39,47,50,609
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	10	41,46,23,539	42,73,74,040
- Capital Work-in-Progress	11	13,15,22,242	12,41,91,485
Non Current Investments	12	34,00,00,000	34,00,00,000
Deferred Tax Assets (Net)	13	1,96,55,941	1,78,83,405
Long-Term Loans and Advances	14	10,33,87,515	10,24,91,256
Other Non current Assets	15	2,28,44,880	1,66,31,396
		<b>1,03,20,34,117</b>	1,02,85,71,582
<b>Current Assets</b>			
Inventories	16	49,83,22,148	79,16,88,438
Trade Receivables	17	25,36,54,366	30,03,35,671
Cash and Bank Balances	18	25,75,23,127	14,14,62,946
Short-Term Loans and Advances	19	6,83,253	4,81,000
Other Current Assets	20	27,90,72,006	13,22,10,972
		<b>1,28,92,54,899</b>	1,36,61,79,027
<b>TOTAL</b>		<b>2,32,12,89,015</b>	2,39,47,50,609

Significant Accounting policies Notes to Accounts forming part of Financial Statements.(1 to 40)

As Per our report of even date attached

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(K.K. Mehta)

Whole Time Director

DIN-00036902

Place: New Delhi

Date : 30-05-2017

(Ravi Arora )

Company Secretary

(Badri Nath)

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2016-2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

	Note No.	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>A Revenue</b>			
I Revenue from Operations	21	<b>12,42,97,60,079</b>	10,43,35,72,720
II Other Income	22	<b>1,06,91,189</b>	89,80,031
<b>III Total Revenue (I+II)</b>		<b>12,44,04,51,268</b>	10,44,25,52,751
<b>IV Expenses</b>			
Purchases of Stock in Trade	23	<b>10,80,90,25,990</b>	9,47,38,44,541
Changes in Inventories of Stock in Trade	24	<b>29,33,66,290</b>	(16,99,59,345)
Employee Benefit Expenses	25	<b>34,51,51,593</b>	29,43,14,922
Finance Cost	26	<b>8,90,83,419</b>	6,61,71,501
Depreciation and Amortization Expense	27	<b>5,23,60,137</b>	4,78,04,134
Other Expenses	28	<b>63,59,64,638</b>	54,25,48,952
<b>Total Expenses</b>		<b>12,22,49,52,066</b>	10,25,47,24,705
<b>V Profit before extraordinary items and Tax (V) = (III)-(IV)</b>		<b>21,54,99,202</b>	18,78,28,046
VI Extraordinary Items		<b>2,70,73,270</b>	-
<b>VII Profit / (Loss) After extraordinary items and Taxes VI = (V-VI)</b>		<b>18,84,25,932</b>	18,78,28,046
<b>IX Profit / (Loss) before Tax (VII-VIII)</b>		<b>18,84,25,932</b>	18,78,28,046
<b>X Less :Tax Expenses</b>			
- Current Tax		<b>6,90,00,000</b>	6,30,00,000
- Deferred Tax		<b>(17,72,536)</b>	(34,57,181)
			-
<b>Profit after Tax for the Year (IX-X)</b>		<b>12,11,98,468</b>	12,82,85,227
<b>Earnings per Equity share Before Extraordinary item (In ₹)</b> <b>(Nominal Value per Share ₹ 10/-)</b>			
Basic and Diluted		<b>24.12</b>	20.87
<b>Earnings per Equity share After Extraordinary item (In ₹)</b> <b>(Nominal Value per Share ₹ 10/-)</b>			
Basic and Diluted		<b>19.72</b>	20.87
<b>Significant Accounting policies Notes to Accounts forming part of Financial Statements.(1 to 40)</b>			

This is the Statement of Profit and Loss referred to in our report of even date.

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

**For and on behalf of the Board of Directors**

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(K.K. Mehta)

Whole Time Director

DIN-00036902

Place: New Delhi

Date : 30-05-2017

(Ravi Arora )

Company Secretary

(Badri Nath)

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2016-2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(All Figures in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>18,84,25,932</b>	18,78,28,046
<b>Adjustments for :</b>		
Depreciation and Amortisation	5,23,60,137	4,78,04,134
Profit on Sale of Tangible Assets	(22,68,204)	(15,55,645)
loss on sale of Tangible Assets	2,70,73,270	-
Provisions no longer required written back	-	-
Provision for Gratuity	-	-
Provision for Doubtful Debts	-	-
Financial Expenses	8,90,83,419	6,61,71,501
Interest Income	16,62,48,622	11,24,19,990
<b>Operating gain before working capital changes</b>	<b>35,46,74,554</b>	30,02,48,036
Changes in working capital		
(Increase)/ Decrease in Inventories	29,33,66,290	(16,99,59,345)
(Increase)/Decrease in Trade Receivables	(10,01,79,729)	(14,63,42,031)
(Increase)/Decrease in Loans and Advances	(10,98,512)	(2,79,41,571)
Increase in Current Liabilities and Provisions	(6,63,34,817)	(7,40,40,113)
	12,57,53,232	(41,82,83,060)
<b>Cash generated from Operating activities before Taxes</b>	<b>48,04,27,787</b>	(11,80,35,024)
Direct Taxes paid (net of refunds)	(8,10,67,575)	(7,07,59,200)
<b>Net cash generated from/ (used in) Operating activities</b>	<b>39,93,60,212</b>	(18,87,94,224)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15,10,79,279)	(7,37,58,590)
Purchase of Investments	-	(22,25,00,000)
Proceeds from Sale of Investments	-	-
Proceeds from Sale of Tangible Assets	7,93,33,820	71,31,871
Interest received	-	-
<b>Net cash generated from / (used in) investing activities</b>	<b>(7,17,45,459)</b>	(28,91,26,719)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank and other Borrowings	(11,50,73,971)	37,41,25,079
Proceeds from Long Term Bank Borrowings	-	-
Repayment of Long Term Borrowings	-	-
Financial expenses paid	(8,90,83,419)	(6,61,71,501)
Dividend paid	(73,97,181)	(73,97,181)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(21,15,54,571)</b>	30,05,56,397
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>11,60,60,181</b>	(17,73,64,546)
<b>Cash and Bank balance at the beginning of the year</b>	<b>14,14,62,946</b>	31,88,27,492
<b>Effect of exchange gain on cash and cash equivalents</b>	-	-
<b>Cash and Bank balance at the end of the year</b>	<b>25,75,23,127</b>	14,14,62,946
<b>Component of Cash and Bank balance</b>		
Cash and cash equivalents include :		
Cash on hand	1,29,25,891	2,16,65,129
Cheques on hand	61,07,356	49,95,032
Balances with Banks:		
Deposit accounts	-	-
Current accounts	8,98,09,215	10,37,81,312
<b>Cash and cash equivalents at the end of the year</b>	<b>10,88,42,463</b>	13,04,41,473
<b>Add:</b>		
Fixed deposits with original maturity of more than 90 days	14,86,80,664	1,10,21,473
<b>Cash and Bank balances at the end of the year</b>	<b>25,75,23,127</b>	14,14,62,946

**Notes** 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement.  
2 Figures in brackets represents cash out flow.

As per our report of even date

**For Dinesh Mehta & Co.**  
Firm Registration No: 000220N  
Chartered Accountants

**For and on behalf of the Board of Directors**

(Hiren Mehta)  
Partner  
Membership Number-90772

(Raj Chopra)  
Chairman & Managing Director  
DIN-00036705

(Kavita Ahuja)  
Whole Time Director  
DIN-00036803

(K.K. Mehta)  
Whole Time Director  
DIN-00036902

Place: New Delhi  
Date : 30-05-2017

(Ravi Arora )  
Company Secretary

(Badri Nath)  
Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2016-2017

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## SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with generally accepted accounting principles in India and applicable statutes and comply with the Accounting Standards specified under the Companies Act 1956, {which are deemed to be applicable as per Section 133 of companies Act 2013 , read with Rule 7 of Companies (Accounts )Rules ,2014} and the other relevant provisions of the 1956 Act /2013 Act as Applicable .

All Assets and liabilities have been classified as Current and Non Current as per Company's normal operating cycle and other criteria set out in the Schedule III of The Companies Act, 2013.

#### 1.1 Tangible Assets

- a) Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets. The amount of capital expenditure which has not been attributed to the assets and pending for capitalization are shown as Capital Work in progress.
- b) Depreciation on Fixed Assets is provided based on useful life of the assets as prescribed in the Schedule -II to the Companies Act 2013 , and charged on the basis of written down Value Method .
- c) The vehicles purchased for the purpose of test drive are treated as an asset of the Company and depreciation is charged accordingly.

#### 1.2 Inventories

Cost of the Inventories are valued on the basis given below:

- (i) Cost of finished goods are measured at cost or market value which ever is lower.
- (ii) Cost of Spare Parts and Accessories, Oils and Lubricants are measured at cost on FIFO basis.

#### 1.3 Investments

Current Investment are stated at the lower of cost or fair value . Non current Investments are valued at cost of acquisition, less provisions for diminution, as necessary, if any.

#### 1.4 Lease

Lease Rentals for operating lease are charged to statement of profit and loss on accrual basis in accordance with the respective lease agreements.

#### 1.5 Segment Accounting

The accounting policies adopted for segment reporting are in accordance with the Accounting Standards -17 " Segment Reporting" issued by The Institute of Chartered Accountants of India. Segment revenue and expenses include amounts which can be directly identifiable to the segment on reasonable basis.

#### 1.6 Taxation

Tax Expenses comprises of the current tax and deferred tax charge or release. Current income tax is measured on the basis of taxable profits computed for current accounting period at the applicable rate of tax in accordance with The Income Tax Act, 1961. Deferred tax is recognized subject to consideration of prudence on timing difference between taxable profits and book profit that originate in one period and are capable of reversal in one or more subsequent periods(s). Deferred tax assets are represented by unabsorbed depreciation and carry forward business losses are not recognized unless there is " Virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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## **1.7 Foreign Exchange Transactions**

Transactions denominated in foreign exchange , if any, are recorded at the exchange rate prevailing on the date of the transaction. Monetary items are translated at the exchange rate prevailing at the end of the year.

## **1.8 Employee Benefits**

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the Group Gratuity Scheme of Life Insurance corporation of India. The premium and the contribution paid every year are charged to the revenue. Leave encashment is provided on the basis of earned leave standing to credit of employees and the same is discharged by the Company by the end of the year and accounted for on actual payment basis.

## **1.9 Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sale of goods and services adjusted for discount (Net). Interest income is recognized on time proportion basis taking in to account the amount outstanding and applicable.

## **1.10 Impairment of Assets**

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value minus the cost to sell and value in use.

## **1.11 Borrowing Cost**

Borrowing cost that is attributable to the acquisition , construction or production of qualifying assets is capitalized as part of cost of such asset. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing cost is recognized as an expense in the Profit and Loss Account in the period in which they are incurred.

## **1.12 Earning per Share**

The earnings considered in ascertaining the Earnings per Share (EPS) comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

## **1.13 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period		
<b>2 Share Capital</b>				
<b>Authorized</b>				
1,00,00,000 Equity shares of ₹ 10 each (Previous Year 1,00,00,000 Equity shares of ₹ 10 each)	<b>10,00,00,000</b>	10,00,00,000		
<b>Issued, Subscribed</b>				
64,09,500 Equity shares of ₹10 each (Previous Year 64,09,500 Equity shares of ₹10 each )	<b>6,40,95,000</b>	6,40,95,000		
<b>Paid -up</b>				
61,46,000 Equity Shares of ₹ 10/ each (Previous Year 61,46,000 Equity Shares of ₹ 10/ each)	<b>6,14,60,000</b>	6,14,60,000		
Add : Amount paid up on Forfeited 2,63,500 Equity Shares (Previous year : Amount Paid up on forfeited 2,63,500 Equity Shares)	<b>13,24,500</b>	13,24,500		
	<b>6,27,84,500</b>	6,27,84,500		
<b>A. The Reconciliation of the number of shares outstanding is set out below</b>	<b>Number of Shares</b>	<b>Number of Shares</b>		
Equity Shares outstanding at the beginning of the year and at the end of the year.	<b>61,46,000</b>	61,46,000		
<b>B. The Details of shareholders holding more than 5 % of the aggregate shares in the company</b>				
<b>Name of the Share Holder</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>
Mrs. Kavita Ahuja	61.48%	<b>37,78,680</b>	61.48%	37,78,680
Mrs. Geeta Chopra		-	9.02%	5,54,525
Ms. Priya Chopra	13.43%	<b>8,25,625</b>		-
<b>3 Reserves and Surplus</b>				
<b>i. General Reserve</b>				
As per last Balance Sheet		<b>25,17,51,195</b>		22,67,51,195
Add : Balance Tranferred from Profit and Loss Account		<b>2,50,00,000</b>		2,50,00,000
		<b>27,67,51,195</b>		25,17,51,195
<b>ii Securities Premium Account</b>				
As per last Balance Sheet		<b>14,31,65,000</b>		14,31,65,000
<b>iii Surplus in Statement of Profit and Loss</b>				
As per last Balance Sheet		<b>57,56,61,467</b>		48,04,18,862
Add : Net Profit for the Year		<b>12,11,98,468</b>		12,82,85,230
<b>Amount available for Appropriations</b>		<b>69,68,59,935</b>		60,87,04,092
<b>Less:</b>				
Proposed Dividend on Equity Shares		-		61,46,000
Dividend tax		-		12,51,181
Tax adjustments for earlier years		<b>58,54,094</b>		6,45,444
Transferred to General Reserve		<b>2,50,00,000</b>		2,50,00,000
		<b>66,60,05,842</b>		57,56,61,467
<b>Total</b>		<b>1,08,59,22,037</b>		97,05,77,662

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures as at the end of Current Reporting Period		Figures as at the end of Previous Reporting Period	
	Current	Non - Current	Current	Non- Current
<b>4. Term Loan</b>				
<b>Secured Loans:</b>				
Other Vehicle Loan	<b>1,05,54,800</b>	<b>47,68,254</b>	1,03,78,668	1,49,52,375
		<b>47,68,254</b>		1,49,52,375
<b>5 Other long-Term Liabilities</b>				
Others:		-		-
Security Deposits		<b>48,99,545</b>		32,44,527
		<b>48,99,545</b>		32,44,527
<b>6 Short-Term Borrowings</b>				
<b>Loan repayable on Demand</b>				
<b>From Banks</b>				
<b>Secured</b>				
- Cash Credit Facility From HDFC *		<b>12,44,00,833</b>		25,73,45,127
- Cash Credit Facility From State Bank of India #		<b>2,71,37,134</b>		2,92,21,366
- Inventory Funding From HDFC Bank**		<b>35,85,19,897</b>		36,04,38,748
<b>Unsecured</b>		-		-
<b>From Others</b>				
<b>Unsecured</b>				
Due to Directors ***		<b>5,05,57,527</b>		1,85,00,000
		<b>56,06,15,391</b>		66,55,05,241

\* Cash Credit from Banks is secured by hypothecation of Stock in Trade, mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 10.50% P.A. ( Previous Year from HDFC Bank @ 10.50 %P.A.)

# Cash Credit from Banks is secured by mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 11.10% P.A. ( Previous Year from SBI @ 11.10 % P.A.)

\*\* Inventory funding is repayable on demand and carries interest of 10.25%. P.A. (Previous Year interest rate @ 10.25% P.A.)

\*\*\* Loans from Directors is repayable on demand and carries interest rate of 9% P.A. (Previous Year interest rate @ 10% P.A.)

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>7. Trade Payables</b>		
Micro, Small and Medium Enterprises	-	-
Others	<b>5,18,56,749</b>	11,53,00,395
	<b>5,18,56,749</b>	11,53,00,395
<b>8. Other Current Liabilities</b>		
Current Maturities of Long Term Debts	<b>1,05,54,800</b>	1,03,78,668
Advance from Customers	<b>4,62,11,550</b>	7,38,69,045
Advance against sale of Land	<b>35,00,00,000</b>	35,00,00,000
Other Payables:		
- Expenses Payable *	<b>1,89,69,166</b>	76,06,532
- Others **	<b>7,12,736</b>	7,00,149
- Taxes Payable ***	<b>7,54,12,626</b>	7,16,12,295
	<b>50,18,60,878</b>	51,41,66,690
* (includes audit fees, interest and other expenses payable )		
** (includes unclaimed balances)		
***(includes service tax, Vat and T.D.S. payable)		
<b>9. Short-Term Provisions</b>		
Provision for Employees Benefits :		
Salary and other benefits *	<b>4,85,81,661</b>	4,08,22,038
<b>Other :</b>		
Proposed Dividend ***	-	61,46,000
Provision for Tax on Dividend	-	12,51,181
	<b>4,85,81,661</b>	4,82,19,219

\*(includes Salary ,Bonus , Exgratia , contribution to PF and other funds )

\*\*Dividend proposed by the Board of Directors amounting to Rs. 61,46,000 (excluding tax on Dividend )

is shown as Notes in compliance with AS-4 (Revised) as issued by ICAI and the same is subject to approval in Annual General Meeting

# ANNUAL REPORT & ACCOUNTS 2016-2017

10- Fixed Assets		(All Amount in INR)									
		GROSS BLOCK					DEPRECIATION				
PARTICULARS	AS AT 01.04.2016	ADDITIONS	SALE/TRF	AS AT 31.03.2017	UP TO 31.03.2016	FOR THE YEAR	ADJUSTMENT	UP TO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016	
<b>Tangible Assets</b>											
LAND	24,36,15,739		8,31,28,643	16,04,87,096	-	-		-	16,04,87,096	24,36,15,739	
BUILDING	13,62,93,550	2,36,23,155		15,99,16,705	9,37,56,259	39,77,018		9,77,33,277	6,21,83,428	4,25,37,291	
PLANT & MACHINERIES	13,35,30,334	1,66,91,284	9,65,227	14,92,56,391	9,32,88,866	78,98,559	8,71,422	10,03,16,003	4,89,40,388	4,02,41,468	
ELECTRIC INSTALLATIONS	1,62,35,542	98,15,904		2,60,51,446	1,41,80,835	9,28,521		1,51,09,356	1,09,42,090	20,54,707	
OFFICE EQUIPMENTS	8,60,08,844	1,23,04,326		9,83,13,170	7,39,86,219	68,25,522		8,08,11,741	1,75,01,429	1,20,22,625	
FURNITURE & FIXTURES	4,78,07,952	2,57,56,081		7,35,64,033	3,76,23,434	45,77,679		4,22,01,113	3,13,62,920	1,01,84,518	
VEHICLES	16,52,17,140	3,86,13,145	1,85,67,987	18,52,62,298	8,84,99,448	2,81,52,838	1,45,96,176	10,20,56,110	8,32,06,188	7,67,17,692	
<b>TOTAL</b>	<b>82,87,09,101</b>	<b>12,68,03,895</b>	<b>10,26,61,857</b>	<b>85,28,51,139</b>	<b>40,13,35,061</b>	<b>5,23,60,137</b>	<b>1,54,67,598</b>	<b>43,82,27,600</b>	<b>41,46,23,539</b>	<b>42,73,74,040</b>	
<b>PREVIOUS YEAR</b>	78,71,80,567	6,53,97,531	2,38,68,993	82,87,09,101	37,18,23,680	4,78,04,125	1,82,92,767	40,13,35,061	42,73,74,040	41,53,56,885	

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>11 Capital Work in progress</b>		
- Exp. Pending Capitalisation GOA	11,79,44,406	10,24,88,234
- Exp. Pending Capitalisation NOIDA	-	1,69,44,627
- Exp. Pending Capitalisation DELHI NEXA SHAHDRA	1,35,77,836	
- Exp. Pending Capitalisation GURGON NEXA	-	46,47,824
- Exp. Pending Capitalisation NEXA MANDI (H.P.)	-	1,10,800
	<u>13,15,22,242</u>	<u>12,41,91,485</u>
As Stipulated in AS-28 of the ICAI, the Company assessed potential generation of economic benefits from its business units and is of the opinion that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision required to be provided in the books of accounts.		
<b>12 Non Current Investments</b>		
Equity Shares of Raj Chopra & Company Pvt. Ltd. (Face value is Rs. 10 per share ) (85,00,000 @ 40 Per Share )	34,00,00,000	34,00,00,000
	<u>34,00,00,000</u>	<u>34,00,00,000</u>
<b>13 Deferred tax Liability/Assets (net)</b>		
Deferred Tax Assets (on account of timing difference of depreciation on Fixed Assets )	1,96,55,941	1,78,83,405
<b>Deferred tax Assets (Net)</b>	<u>1,96,55,941</u>	<u>1,78,83,405</u>
<b>14 Long Term Loans and Advances (Unsecured considered Good)</b>		
<b>i) Capital Advances</b>	3,60,00,000	3,60,00,000
<b>ii) Security Deposits</b>		
-Security Deposit to MSIL	2,02,50,000	2,02,50,000
-Security Deposits for Showrooms	3,52,43,828	3,20,87,828
-Other Security Deposits	1,18,93,687	1,41,53,428
	-	
	<u>10,33,87,515</u>	<u>10,24,91,256</u>
<b>15 Others Non current Assets</b>		
Advance Income Tax and Tax Deducted at Source (Net of Provision)	2,28,44,880	1,66,31,396
	-	-
	<u>2,28,44,880</u>	<u>1,66,31,396</u>
<b>16 Stock in Trade</b>		
(At cost or net realisable value whichever is lower)		
Vehicles	40,49,06,646	67,34,16,112
Spare Parts, Accessories , Oil & Lubricants	8,04,58,243	6,53,28,790
- Goods in Transit	1,29,57,259	5,29,43,536
	<u>49,83,22,148</u>	<u>79,16,88,438</u>

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>17 Trade Receivables</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment.		
- Unsecured and considered good	-	-
- Unsecured and considered doubtful	-	-
Other Debts		
Considered good	25,36,54,366	30,03,35,671
Considered doubtful	-	-
	<u>25,36,54,366</u>	<u>30,03,35,671</u>
Less: Provision for Doubtful Debts	-	-
	<u>25,36,54,366</u>	<u>30,03,35,671</u>
Some of the outstanding balances as at 31st March 2017 in respect of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.		
<b>18 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents:</b>		
Cash on hand	1,29,25,891	2,16,65,129
<b>Balances with banks</b>		
- In Current Accounts*	8,98,09,215	10,37,81,312
-Cheque in Hand	61,07,356	49,95,032
<b>Other Bank Balances</b>		
- In Fixed Deposits (More than 3 months & less than 12 months maturity), and includes Fixed deposits with govt. authorities	14,86,80,664	1,10,21,473
	<u>25,75,23,127</u>	<u>14,14,62,946</u>
* Includes unpaid Dividend accounts		
<b>19 Short Term Loans and Advances (Unsecured and considered good)"</b>		
<b>Others:</b>		
Staff Advances	6,83,253	4,81,000
	<u>6,83,253</u>	<u>4,81,000</u>
<b>20 Other Current Assets</b>		
Interest accrued but not due on Fixed Deposits	37,91,916	18,80,534
Advance Recoverable in Cash or in Kind	1,69,74,054	1,35,84,740
Recoverable from MSIL	25,06,96,277	11,13,45,835
Staff Imprest	33,22,650	21,21,911
Prepaid Expenses	42,87,109	32,77,952
	<u>27,90,72,006</u>	<u>13,22,10,972</u>

# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>21 Revenue from Operations</b>		
<b>Sale of products</b>		
Vehicles	10,87,06,92,567	9,07,36,55,422
Spare Parts & Accessories	69,75,19,812	61,23,13,976
Number Plates	26,44,306	15,03,904
<b>Services Rendered</b>		
-Logistic Charges	-	3,32,05,746
-Services & Labour Charges	33,84,36,455	33,22,29,988
<b>Incentive Received :</b>		
From Maruti Suzuki India Ltd.	34,60,64,477	24,11,06,921
<b>Commission Received</b>		
- Extended Warranty	1,14,88,894	95,58,747
- Insurance Business	10,93,78,473	9,05,97,868
- Direct Billing	26,02,629	33,44,342
- Sourcing Fees	4,12,84,232	2,97,08,704
-Interest Income	96,48,234	63,47,103
	<u>12,42,97,60,079</u>	<u>10,43,35,72,720</u>
<b>22 Other income</b>		
Net Gain on Sale of Tangible Fixed Assets	22,68,204	15,55,645
Booking Cancellation Charges	7,91,826	7,49,425
Miscellaneous income*	55,32,621	34,22,590
other non operating income**	20,98,538	32,52,370
	<u>1,06,91,189</u>	<u>89,80,031</u>
(* includes processing fees )		
(** includes MDS school income )		
<b>23 Purchase of Stock In Trade</b>		
<b>Purchases during the year</b>		
- Vehicle	10,19,87,65,534	9,03,51,38,413
- Spare Parts & Accessories	61,63,98,149	44,30,22,200
- Number Plates	6,64,820	4,91,911
<b>Less:</b>		
- Spares issued against Warranty	(66,88,132)	(48,07,983)
-Short & Excess (MSIL )	(1,14,382)	-
- Frieght & Octroi		
	<u>10,80,90,25,990</u>	<u>9,47,38,44,541</u>
<b>24 Changes in Inventories of Stock in Trade</b>		
<b>Inventories at the end of the year:</b>		
- Vehicles	40,49,06,646	67,34,16,112
- Spare Parts & Accessories	8,04,58,243	6,53,28,790
- Goods in Transit	1,29,57,259	5,29,43,536
	<u>49,83,22,148</u>	<u>79,16,88,438</u>
<b>Less:</b>		
<b>Inventories at the beginning of the year:</b>		
- Vehicles	67,34,16,112	51,69,61,200
- Spare Parts & Accessories	6,53,28,790	4,66,16,640
- Goods in Transit	5,29,43,536	5,81,51,253
	<u>79,16,88,438</u>	<u>62,17,29,093</u>
	<u>29,33,66,290</u>	<u>(16,99,59,345)</u>



# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>25 Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	29,09,55,072	23,89,40,424
Directors Remuneration	41,00,000	39,60,000
Commission paid to Directors	35,00,000	35,00,000
Contribution to Provident Fund and Other Funds	2,45,74,062	2,86,16,558
Staff Welfare Expenses	2,20,22,460	1,92,97,940
	<u>34,51,51,593</u>	<u>29,43,14,922</u>
<b>26 Finance Cost</b>		
Interest on Term Loan	21,13,147	23,25,137
Interest on Working capital	3,20,85,774	1,75,07,452
Interest on Inventory Funding	4,79,59,250	2,98,28,630
Interest Paid To MSIL	5,15,733	1,29,11,145
Interest Paid to others	39,53,621	27,47,700
Other Finance charges	24,55,894	8,51,437
	<u>8,90,83,419</u>	<u>6,61,71,501</u>
<b>27 Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	5,23,60,137	4,78,04,134
	<u>5,23,60,137</u>	<u>4,78,04,134</u>
<b>28 Other Expenses</b>		
Consumable Stores	2,42,85,184	2,77,01,145
Jobwork & Labour Charges	4,41,46,672	4,25,74,774
Security Services Charges	1,64,06,595	1,48,78,432
Services Charges	3,37,94,643	2,84,76,909
Petrol For New Car	99,60,771	97,80,566
Delivery Charges	1,49,81,608	1,08,84,009
Insurance	80,64,196	76,76,926
<b>Repair &amp; Maintainance</b>		
Building	5,34,68,106	4,34,56,082
Plant & Machinery	1,49,51,180	1,06,60,847
Others	96,02,333	1,39,31,875
Legal & Professional Charges	1,13,21,528	1,24,36,775
Rent*	10,49,89,881	8,81,49,613
Rates & Taxes	2,62,38,457	4,52,36,263
Facility Charges	72,00,000	72,00,000
Communication Expenses	1,21,52,943	1,12,68,788
Charity & Donation	6,16,911	26,400
CSR Expenditure **	34,00,000	29,00,000
Power & Fuel	3,08,44,165	2,59,21,988
Printing & Stationery	1,00,37,713	87,89,320
Travelling & Conveyance	1,90,94,453	1,61,95,268
Auditors Remuneration (Refer Note No. 30 )	11,77,500	11,00,000
Miscellaneous Expenses	49,56,427	26,11,089
Advertising & Publicity	19,93,450	51,79,981
Discount	15,85,75,177	9,44,31,690
Sales Promotion	1,37,04,746	1,10,80,212
	<u>63,59,64,638</u>	<u>54,25,48,952</u>

\* Rent Includes payment made on account of lease rental for Demo Vehicles .

\*\* Expenditure incurred for CSR includes payment made for promotion of Education.



# ANNUAL REPORT & ACCOUNTS 2016-2017

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 35 Unclaimed /Unpaid Divided

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124 of The Companies Act, 2013, will be transferred to the Investors Education and Protection Fund (IEPF) established by the Government of India. In terms of the provisions of Section 205C of Companies Act 1956, (since section 125 of Companies Act, 2013 is yet to be notified), no claim shall lie against the Company or IEPF after the said transfer. Total amount of Rs. 7,12,736/- as on 31st March, 2017 is lying in unclaimed / unpaid dividend account as under :

Financial Year	Amount in ₹
2009-2010	81,639
2010-2011	83,014
2011-2012	90,542
2012-2013	1,03,147
2013-2014	1,08,028
2014-2015	1,28,139
2015-2016	1,18,227
<b>Total</b>	<b>7,12,736</b>

(Amount in ₹)

	2016-17	2015-16
<b>36 Information about Business Segment</b>	-	-
<b>Segment Revenue</b>		
(a) Showroom Revenue	11,42,17,02,656	9,49,64,66,603
(b) Service & Spares	1,00,80,57,423	93,71,06,117
<b>Total</b>	<b>12,42,97,60,079</b>	<b>10,43,35,72,720</b>
<b>Segment Results</b>		
(a) Showroom Revenue	18,86,30,932	14,64,58,851
(b) Service & Spares	10,52,60,501	9,85,60,668
<b>Total</b>	<b>29,38,91,433</b>	<b>24,50,19,519</b>
<b>Less:</b>		
Interest and Financial Charges	8,90,83,419	6,61,71,501
<b>Add:</b>		
Un-Allocated Income	1,06,91,189	89,80,031
<b>Profit before Tax and Extraordinary item</b>	<b>21,54,99,202</b>	<b>18,78,28,049</b>
Less :Taxation Expenses including Deferred Tax	6,72,27,464	5,95,42,819
<b>Profit after Tax</b>	<b>14,82,71,738</b>	<b>12,82,85,230</b>
<b>Total Capital Employed</b>	<b>1,71,89,89,726</b>	<b>1,71,70,64,306</b>

## ANNUAL REPORT & ACCOUNTS 2016-2017

Capital employed in the Company's business are common in nature and cannot be attributed to a specific segment i.e. showroom, service and spares. It is not practical to provide segmental distribution of the capital employed since segregation of available data could be erroneous.

The segment report of the Company as stated above has been prepared in accordance with Accounting Standards 17 " Segment Reporting " issued by the institute of The Chartered Accountants of India.

The segment wise revenue and result's figures related to the respective heads are directly identifiable to each of the segments. Un-allocable income includes income on common services at corporate level and relates to the Company as whole. The above Segment reporting does not include Extraordinary item amounting to Rs. 2,70,73,270/-

The definitions of the business segmentation and the activities encompassed therein are as follows:

(i) Showroom:- Purchase and sales of vehicles manufactured by Maruti Suzuki India Ltd.

(ii) Service & Spares: Servicing of Maruti Vehicles and Sale of their Spare parts.

37 Advance against sale of land of Rs. 35 Crores as reflected under the head "Other Current Liabilities " is pertaining to Land Situated at Goa , for which proceedings are pending before jurisdictional court at GOA , upon outcome of the same Sale Deed shall be executed .

38 During the year , the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination -wise SBNs and other notes as per the notification are as follows :

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,88,22,500	13,37,792	2,01,60,292
(+) Permitted receipts		5,61,47,302	5,61,47,302
(-) Permitted payments		1,10,65,016	1,10,65,016
(-) Amount deposited in Banks	1,88,22,500	3,91,92,804	5,80,15,304
Closing cash in hand as on 30.12.2016		- 72,27,274	72,27,274

39 Related party Disclosure (Accounting Standard AS-18)

(a) Enterprises over which Directors/key management personnel of the Company were able to exercise significant influence during the year :

- Competent Builders Private Limited
- Competent Films Private Limited
- Competent International Tradex Company Private Limited
- Competent International Resorts and Hotels Limited
- Raj Chopra & Co. Private Limited
- Competent Infrapromoters Private Limited
- Milagro infrastructure Private Limited
- Enchanted Properties Private Limited
- Competent Construction Company
- Competent Exporters
- Competent Leasing & Finance
- Competent Film Enterprises

## ANNUAL REPORT & ACCOUNTS 2016-2017

(b) Key Managerial Personnel

Mr. Raj Chopra	- Chairman and Managing Director
Mrs. Kavita Ahuja	- Whole Time Director
Mr. K K Mehta	- Whole Time Director
Mr. Ravi Arora	- Company Secretary
Mr. Badri Nath	- Chief Financial Officer

(c) For related party transactions :-

S.No.	Name of Related Party	Relationship	Nature of Transaction	Amount (₹)
1	Raj Chopra	CMD	Salary	18,00,000
			Commission	30,00,000
			Rent	1,67,10,000
			Interest	6,42,649
2	Kavita Ahuja	Whole time Director	Salary	12,00,000
			Rent	15,00,000
			Interest	24,08,500
			Facility Charges	72,00,000
3	K.K.Mehta	Whole time Director	Salary	11,00,000
			Commission	5,00,000
4	Ravi Arora	Company Secretary	Salary	10,95,000
5	Badri Nath	CFO	Salary	10,84,800
6	Raj Chopra & Co. Pvt. Ltd.	Group Company	Sale of Car	8,62,696

40 The previous year figures have been regrouped, rearranged and reclassified, wherever deemed necessary to make them comparable with current year figures.

As per our report of even date annexed.

For and on behalf of the Board of Directors

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(K.K. Mehta)

Whole Time Director

DIN-00036902

Place: New Delhi

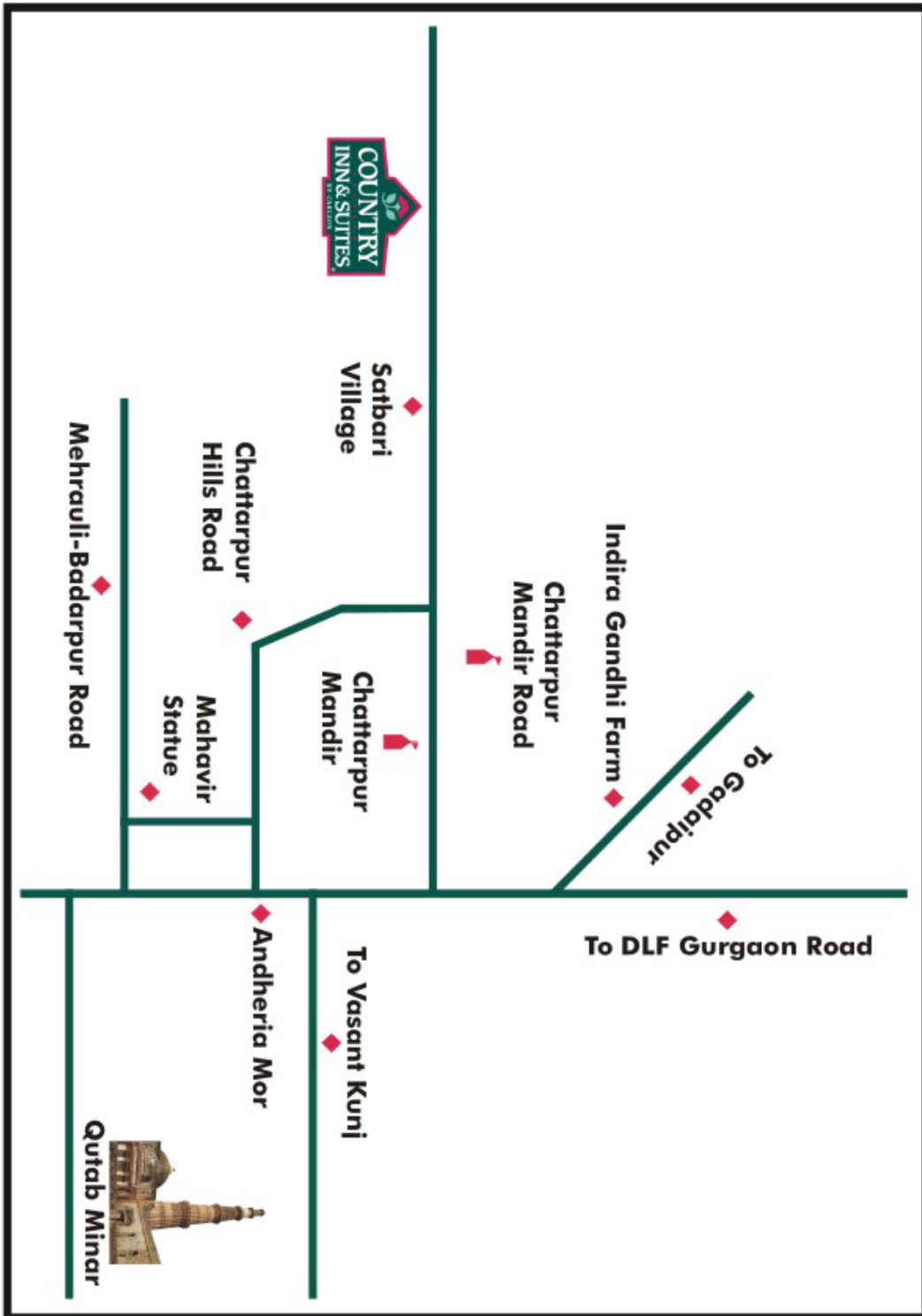
Date : 30-05-2017

(Ravi Arora )

Company Secretary

(Badri Nath)

Chief Financial Officer



# ANNUAL REPORT & ACCOUNTS 2016-2017

## COMPETENT AUTOMOBILES CO. LTD.

Registered Office: Competent House, F-14, Connaught Place, New Delhi - 110001

CIN: L34102DL1985PLC020668 Tel: 011-45700000

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at the venue of Annual General Meeting.

NAME OF MEMBER		
FOLIO NUMBER		NO. OF SHARES
DP ID No.*		CLIENT ID No.*

\* For the shareholders holdings the shares in electronic form.

I/We hereby record my/our presence at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th day of August, 2017 at 10:00 a.m. at Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 or at any adjournment thereof.

Name of the Proxy		Signature of Member/Proxy	
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**NOTE: NO GIFTS SHALL BE DISTRIBUTED AT THE MEETING**

## COMPETENT AUTOMOBILES CO. LTD.

Registered Office: Competent House, F-14, Connaught Place, New Delhi - 110001

CIN: L34102DL1985PLC020668 Tel: 011-45700000

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

NAME OF MEMBER(S)	
REGISTERED ADDRESS	
FOLIO NUMBER /DP ID No.* / CLIENT ID No.	
E-MAIL ID	

I/We being the member(s) of .....shares of Competent Automobiles Co. Limited, hereby appoint:

- 1) .....of ..... having e-mail id ..... or failing him
- 2) .....of ..... having e-mail id ..... or failing him
- 3) .....of ..... having e-mail id

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Tuesday, August 29, 2017 at 10:00 a.m. Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 or at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		

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Resolutions	For	Against
3. Re-appointment of Mrs. Kavita Ahuja, who retire by rotation		
4. Appointment of Auditors and fixing their remuneration		

Signed this..... day of.....2017

\_\_\_\_\_  
Signature of shareholder

Affix Re 1/- Revenue Stamp
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\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.