



**Board of Directors**

Mr. Raj Chopra	Chairman & Managing Director
Mrs. Kavita Ahuja	Whole Time Director
Mr. K. K. Mehta	Whole Time Director
Mr. Atul Malhotra	Director
Mr. S. L. Tandon	Director
Mr. Gopi Dargan	Director
Mr. Ramesh Chander Murada	Director
Mr. Harish Mahajan	Director

**Company Secretary**

Mr. Yadvinder Goyal

**Auditors**

Dinesh Mehta & Co.  
New Delhi

**Regd. Office**

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

**Bankers**

Vijaya Bank  
State Bank of India

**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, (East Delhi) Delhi 110096
- 21, Shivaji Marg, New Delhi 110015
- 19, Shivaji Marg, New Delhi 110015 (True Value)
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- GF-12 & GF-16, Omaxe Plaza, Sohna Road, Gurgaon, Haryana
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H.P)
- Village Tikkar, Post – Didwin, Hamirpur, (H.P)

**Workshops**

- 895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi 110030
- Plot No. 3, Gazipur, Delhi 110096
- 19, Shivaji Marg, New Delhi 110015
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- NH – 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H. P)
- Village Tikkar, Post – Didwin, Hamirpur, (H. P)

**Share Transfer Agent**

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

# ANNUAL REPORT & ACCOUNTS 2009-2010

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## NOTICE

**Notice** is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of Competent Automobiles Co. Limited will be held at Plot No.-3, Gazipur, Delhi-110096 on Wednesday, the 29<sup>th</sup> day of September, 2010 at 10:00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account for the year ended on that date 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 Mr. Harish Mahajan, who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Mr. Gopi Dargan, who retires by rotation and is eligible for re-appointment.
5. To appoint auditors and to fix their remuneration.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof for the time being in force, consent of the Company be and is hereby accorded for the re-appointment of Mrs. Kavita Ahuja, as Whole-time Director of the Company for a period of five (5) years with effect from 1<sup>st</sup> November, 2010, and on payment of following remuneration and terms & conditions:

- a) Basic Salary : Rs.50,000/- p.m.
- b) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956

- c) Perquisites

- I. Residential Accommodation: The appointee shall be provided rent free furnished accommodation and its valuation will be done as per income tax rules.
- II. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- III. Medical Reimbursement: Expenses incurred for self and family to meet medical / hospitalization expenses in India / abroad including expenditure on stay abroad for undergoing treatment.
- IV. Leave Travel Concession for self and family once in a year as per rules of the Company for the time being in force.
- V. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- VI. Personal Accident Insurance Premium paid by the Company as per rules of the Company for the time being in force.
- VII. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- VIII. Company's contribution towards Provident Fund as per rules of the Company for the time being in force.
- IX. Gratuity not exceeding ½ month salary for each completed year of service.



- X. Free use of Company's car with the driver for the business of the Company.
- XI. Free use of telephone at residence.
- XII. Earned/Privilege Leave : One month leave with full pay and allowance for every 11 months of service with encashment benefits at the end of tenure.

**RESOLVED FURTHER THAT** Pursuant to provisions of the Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, wherein in any financial year during the tenure of her service, the Company has no profits or its profits are inadequate, the Company may pay to Mrs. Kavita Ahuja, Whole-Time Director, remuneration by way of salary, perquisites and other terms as specified supra, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration including salary, perquisites and benefits, minimum remuneration and other terms of her appointment, from time to time, as deemed expedient or necessary during the tenure of her appointment or as may be prescribed by the authorities giving sanction or approval, with further power to sub delegate the above to any person."

**Registered Office:**  
**Competent House,**  
**F-14, Connaught Place, New Delhi 110 001**

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

**Place : New Delhi**  
**Date : 30<sup>th</sup> August, 2010**

**Yadvinder Goyal**  
**Company Secretary**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERD OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 6 is annexed hereto.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 23<sup>rd</sup> day of September, 2010 to Wednesday, the 29<sup>th</sup> day of September, 2010 (both days inclusive).
6. The dividend on equity shares as recommended by the Board of Directors, if declared at the meeting, will be paid with in the prescribed time after the meeting.
7. 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.
8. 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.
9. 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 -1, New Delhi-110020**

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10. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
11. 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:
- Name of the Sole / First joint holder and the Folio Number.
  - Particulars of Bank Account, viz.:
    - Name of the Bank
    - Name of Branch
    - Complete address of the bank with Pin Code Number
    - Account type, whether Savings (SB) or Current Account (CA)
    - Account number allotted by the Bank.
12. 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.
13. 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, which is enclosed herewith or can be obtained from the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt. Limited. Requests for payment of dividend through ECS for the year 2009-10 should be lodged with M/s Skyline Financial Services Pvt. Limited.
14. Pursuant to provisions of Section 205A of the Companies Act, 1956, all unpaid or unclaimed dividends upto the year ended 31<sup>st</sup> March, 2002 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
15. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 2003 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 pursuant to Section 205 of the Companies Act, 1956.

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

<b>Financial Year</b>	<b>Type of Dividend</b>	<b>Date of Declaration of Dividend</b>	<b>Due Date for Transfer to IEP Fund</b>
2002-03	Final Dividend	29-9-2003	06-11-2010
2003-04	Final Dividend	29-9-2004	06-11-2011
2004-05	Final Dividend	16-9-2005	24-10-2012
2005-06	Final Dividend	29-9-2006	06-11-2013
2006-07	Final Dividend	28-9-2007	05-11-2014
2007-08	Final Dividend	29-9-2008	06-11-2015
2008-09	Final Dividend	30-9-2009	07-11-2016



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. **Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**

16. 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.
17. As mandated by the Securities and Exchange Board of India (SEBI), members are requested to send copy of the Income Tax PAN card along with other documents while sending their request for transfer of shares in physical form, deletion of name of the deceased shareholders, transmission or transposition of shares etc., to the Registrar & Transfer Agent of the Company.
18. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B, which is enclosed herewith, to the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt. Limited.
19. 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 in Annexure to the Corporate Governance Report on Page No. 18.

#### **EXPLANATORY STATEMENT IN TERMS SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No. 6**

Mrs. Kavita Ahuja is the Whole-Time Director of the Company since November, 2005. Her current tenure as Whole-Time Director will expire on 31<sup>st</sup> October, 2010.

The Board of Directors at their meeting held on 30<sup>th</sup> August, 2010 re-appointed Mrs. Kavita Ahuja as Whole-Time Director of the Company for a further period of five (5) years with effect from 1<sup>st</sup> November, 2010 on such remuneration as set out in the Draft Resolution read with this statement and the same is subject to your approval.

A brief resume of Mrs. Kavita Ahuja, nature of her expertise in specific functional areas, names of companies in which she hold Directorships and Memberships/ Chairmanships of Board Committees are provided at Page No. 18 of this Report.

This shall also be treated as abstract of terms of her appointment u/s 302 of the Companies Act, 1956.

Mrs. Kavita Ahuja is directly interested in the resolution. Mr. Raj Chopra and Mr. K. K. Mehta may also be deemed to be interested in this resolution.

The Board re-commends the resolution for approval.

**Registered Office:  
Competent House,  
F-14, Connaught Place, New Delhi 110 001**

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

**Place : New Delhi  
Date: 30<sup>th</sup> August, 2010**

**Yadvinder Goyal  
Company Secretary**

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## DIRECTORS' REPORT

**Dear Members,**

Your directors have pleasure in presenting this 25<sup>th</sup> Annual Report together with Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2010.

### FINANCIAL HIGHLIGHTS

As a result of consistent strong growth in Automobile industry, the Company's operating results improved as compared to previous year. The details of Financial Highlights are summarised below:

(Rupees in Lacs)

Particulars	Year ended 31-03-2010	Year ended 31-03-2009
Gross Income	<b>63,455.61</b>	56,628.15
Profit before Dep. & Tax	<b>1,132.47</b>	1,002.08
Depreciation	<b>283.70</b>	265.36
Provision for Taxation including deferred tax	<b>305.57</b>	273.45
Profit after tax	<b>543.20</b>	463.27
Add: Profits from Previous year	<b>1,499.01</b>	1,242.77
Profits available for appropriation	<b>2,042.21</b>	1,706.04
Proposed Dividend including tax	<b>71.67</b>	71.91
Tax Adjustments	<b>5.21</b>	5.13
Transfer to General Reserves	<b>150.00</b>	130.00
Balance carried to the Balance Sheet	<b>1,815.33</b>	1,499.00

### PERFORMANCE

This financial year 2009-10 was one of the best years for growth and a variety of factors, including the stimulus package, lower interest rates and new model launches, helped the industry to register the growth.

Your Company has reported a record turnover of Rs. 63,455.61 lacs during the financial year 2009-10 against the turnover of Rs. 56,628.15 lacs of previous year.

The Company's profit before tax (PBT) is Rs. 848.77 lacs as compared to profit before tax of Rs. 736.72 lacs of previous year.

During the year 2009-10, your company sold 17280 Maruti Vehicles (including 732 Vehicles under Direct Billing) as compared with 15112 Maruti Vehicles (including 498 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 Re. 1.00 per Equity Share of Rs.10/- each for the year ended 31<sup>st</sup> March, 2010, which if approved by shareholders at the ensuing Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

## **ACHIEVEMENTS**

Since the last directors report, the Company has received following awards from Maruti Suzuki India Limited in its Annual Dealers Conference:

Award for Highest Sales in North Zone;  
Award for Best Performance in Institutional Sales Dealer (Growth);  
Award for Best Performance in DGS & D Sales; and  
Award for Innovative Usage of Dealer Mangement System (DMS).

## **DIRECTORS**

The members are informed that Mr. Sidheshwar Dayal, a director of the Company passed away on 14<sup>th</sup> July, 2010. Your Board mourns his untimely demise and also wish to place on record its appreciation for eminent contribution made by him during his tenure as director of the Company.

In accordance with the provisions of Articles of Association of the Company, Mr. Harish Mahajan and Mr. Gopi Dargan, directors of the Company, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Mrs. Kavita Ahuja is the Whole-Time Director of the Company and her current tenure as Whole-Time Director will expire on 31<sup>st</sup> October, 2010. The Board of Directors re-appointed her as Whole-Time Director of the Company for a further period of five (5) years with effect from 1<sup>st</sup> November, 2010 subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217(2AA) of the Companies Act, 1956 the Board of Directors confirm that:

- a) In the preparation of the Annual Accounts for financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) We 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 as on 31<sup>st</sup> March, 2010 and of the profit for the year ended on that date;
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) We have prepared the annual accounts for financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

## **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are enclosed and form an integral part of this report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A report on Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement, is enclosed and forms an integral part of this report.

## **LISTING FEE OF SHARES**

Your Company's Equity Shares are listed with Bombay Stock Exchange Limited (BSE) and Listing Fee for the year 2010-11 has been paid in advance by the Company.

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## AUDITORS

The Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a Certificate from the Auditors to the effect that their appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956.

## AUDITORS' REPORT

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

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

The foreign exchange earnings and expenditure of the company during the year under review were Rs. Nil and Rs. 12.15 lacs as compared to Rs. Nil and Rs. 8.46 lacs in the previous year respectively.

## PARTICULARS OF EMPLOYEES

During the year, there was no employee drawing remuneration in excess of Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. Accordingly, information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been given here.

## DEPOSITS

Your Company has not accepted any deposit under Section 58A and 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

## 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, 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: 30<sup>th</sup> August, 2010**

**RAJ CHOPRA  
(Chairman & Managing Director)**



## 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 comprise of an optimum combination of Executive and Non-executive Independent directors headed by the Chairman. As on 31<sup>st</sup> March, 2010, Board of Directors consists of Nine (9) directors, out of which 6 are Non-Executive Independent Directors, constituting more than 50% of its total strength. The Company's Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgement of the directors in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchanges. The structure of the Board and record of other directorships and Committee memberships and Chairmanships as on 31<sup>st</sup> March, 2010 is as under:

Name of the Director	Category	Designation	No. of other Directorships Held	Total No. of Chairmanships / Memberships of Board Committees*		
				Chairmanships	Memberships	Total
Mr. Raj Chopra	Promoter Director	Chairman & Managing Director	6	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	1	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Nil	Nil	Nil	Nil
Mr. Atul Malhotra	Independent Non-Executive Director	Director	3	Nil	2	2
Mr. S. L. Tandon	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil
Mr. Gopi Dargan	Independent Non-Executive Director	Director	2	Nil	1	1
Mr. Sidheshwar Dayal	Independent Non-Executive Director	Director	1	2	Nil	2
Mr. Ramesh C Murada	Independent Non - Executive Director	Director	Nil	Nil	Nil	Nil
Mr. Harish Mahajan	Independent Non-Executive Director	Director	6	Nil	Nil	Nil

\*In accordance with clause 49, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies, whether listed or not, have been considered.

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None of the Directors is a member of more than 10 Board-level committees of public companies in which they are directors, nor is chairman of more than 5 such committees.

## B. BOARD MEETINGS:

### 1. Scheduling 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 ten times on 9<sup>th</sup> April 2009, 30<sup>th</sup> April 2009, 12<sup>th</sup> May, 2009, 31<sup>st</sup> July, 2009, 20<sup>th</sup> August, 2009, 28<sup>th</sup> October, 2009, 9<sup>th</sup> December, 2009, 30<sup>th</sup> January, 2010, 4<sup>th</sup> March, 2010 and 15<sup>th</sup> March, 2010, during the financial year ended 31<sup>st</sup> March, 2010. The maximum time gap between any two meetings was not more than four months.

### 3. Record of the Directors' attendance at Board Meetings and AGM

Name of the Director	Number of Board Meetings held during his tenure and attended by him		Attendance at last AGM held on 30 <sup>th</sup> September, 2009
	Held	Attended	
Mr. Raj Chopra	10	10	Yes
Mrs. Kavita Ahuja	10	9	Yes
Mr. K. K. Mehta	10	4	No
Mr. Atul Malhotra	10	9	No
Mr. S. L. Tandon	10	7	No
Mr. Gopi Dargan	10	8	No
Mr. Sidheshwar Dayal	10	7	No
Mr. Ramesh C Murada	10	7	No
Mr. Harish Mahajan	10	8	No

## C. BOARD LEVEL COMMITTEES

In accordance with listing agreement with the stock exchange on Corporate Governance, the following committees were in operation:

- > Audit Committee
- > Investor Grievance Committee

### 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 oversight 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 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 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 and legal requirements etc.

➤ **Composition and names of members**

The Audit Committee, as on 31<sup>st</sup> March, 2010, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

Chairman : Mr. Sidheshwar Dayal  
Members : Mr. Atul Malhotra and Mrs. Kavita Ahuja

Due to demise of Mr. Sidheshwar Dayal, Board of Directors have reconstituted the Audit Committee of the Company. Accordingly, the Audit Committee, at present, consists of the following three directors and each member of the Committee possesses strong financial and accounting background:

Chairman : Mr. Ramesh C Murada  
Members : Mr. Atul Malhotra and Mrs. Kavita Ahuja

➤ **Meetings and attendance during the year**

The Audit Committee met five times during the financial year from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010 on the dates as stated below:

1	30 <sup>th</sup> April 2009	4	28 <sup>th</sup> October, 2009
2	31 <sup>st</sup> July 2009	5	30 <sup>th</sup> January, 2010
3	20 <sup>th</sup> August, 2009		

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	Attended
Mr. Sidheshwar Dayal	5	5
Mr. Atul Malhotra	5	5
Mrs. Kavita Ahuja	5	5

Representative of the Audit Committee was present at the last annual general meeting of the Company to answer the shareholder queries.

**2. INVESTOR GRIEVANCE COMMITTEE**

➤ **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 Investor Grievance Committee are as per the guidelines set out in the listing agreement with the Stock Exchange which interalia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc. and redressal thereof.

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## > Composition and names of members

The Investor Grievance Committee (i.e. IGC) as on 31<sup>st</sup> March, 2010 is headed by an Independent director, and consists of the following:

Chairman : Mr. Sidheshwar Dayal  
Members : Mr. Atul Malhotra and Mr. Gopi Dargan

Due to demise of Mr. Sidheshwar Dayal, Board of Directors have reconstituted the Investor Grievance Committee of the Company. Accordingly the Investor Grievance Committee, at present, consists of the following three directors:

Chairman : Mr. Ramesh C Murada  
Members : Mr. Atul Malhotra and Mr. Gopi Dargan

## > Meetings and attendance during the year

The Investor Grievance Committee met four times during the financial year from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010 on the dates as stated below:

1.	30 <sup>th</sup> April, 2009	3.	28 <sup>th</sup> October, 2009
2.	31 <sup>st</sup> July, 2009	4.	30 <sup>th</sup> January, 2010

The attendance record of the Investor Grievance Committee members is given in following table:

Names of the IGC members	Number of IGC Meetings	
	Held	Attended
Mr. Sidheshwar Dayal	4	4
Mr. Atul Malhotra	4	4
Mr. Gopi Dargan	4	4

## > Compliance Officer

The Compliance Officer for this committee, at present, is Mr. Yadvinder Goyal, Company Secretary.

## > Shareholders' Complaints etc. received during the FY- 2009-10

During the year from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010 the Company has not received any complaint from Investor / Shareholder and all requests received for change of address/ change of bank account details, dividend related queries etc. were replied well with in time. Accordingly, as at 31<sup>st</sup> March, 2010, no complaint was pending for redressal.

## D. REMUNERATION PAID TO DIRECTORS

The remuneration paid to Managing and Whole time directors is decided by the Board of Directors with the approval of shareholders of the Company subject to provisions of section 198, 309, 349 & 350 and all other applicable provisions if any of the Companies Act, 1956. Following table gives the details of remuneration paid to directors. As of now, the Company does not have any Employee Stock Option Plan (ESOP):

The Details of Remuneration paid to all Directors for the year ended 31<sup>st</sup> March, 2010

(In Rs.)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	-	18,00,000
Mrs. Kavita Ahuja	6,00,000	-	6,00,000
Mr. K. K. Mehta	4,10,000	-	4,10,000

**E. GENERAL BODY MEETINGS:**

**Date / Venue / Time of previous three Annual General Meetings:**

Financial Year ended	Date	Venue	Time
March 31, 2009	30-09-2009	Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.
March 31, 2008	29-09-2008	Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.
March 31, 2007	28-09-2007	Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.

- Details of Special Resolutions passed in the previous three Annual General Meetings** – Only one Special Resolution in respect of ‘Approval for payment of commission to directors other than Managing / Whole time directors of the Company’ was passed in the Annual General Meeting held on 29<sup>th</sup> September, 2008.
- No Special Resolution requiring a postal ballot was placed before the last Annual General Meeting. Similarly, no Special Resolution requiring a postal ballot is being proposed at the forthcoming Annual General Meeting.

**F. DISCLOSURES:**

- Related Party Transactions** : For related party transactions, please refer to Note No.-10 of Part - B of Schedule ‘T’ to the annual accounts on Page No. 38
- The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
- 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 31<sup>st</sup> March, 2010.

**New Delhi**  
**30<sup>th</sup> August, 2010**

**Raj Chopra**  
**Chairman & Managing Director**

- Compliance with Mandatory requirements of clause 49 of the listing agreement**  
The Company has complied with all the applicable mandatory requirements of clause 49 of the listing agreement.
- Compliance with Non-Mandatory requirements of clause 49 of the listing agreement**  
The Company has not adopted any non-mandatory requirement of clause 49 of the listing agreement.
- The necessary certificate from CEO (i.e. Chairman and Managing Director) and CFO (i.e. DGM-Finance & Accounts) of the Company, pursuant to clause 49(V) of the listing agreement with stock exchange, was placed before the Board.
- Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report on Page No. 20.

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### 8. Disclosure regarding appointment or re-appointment of directors:

- a) Mr. Harish Mahajan and Mr. Gopi Dargan, directors of the Company, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting;
- b) Mrs. Kavita Ahuja is the Whole-Time Director of the Company and her current tenure as Whole-Time Director will expire on 31<sup>st</sup> October, 2010. The Board of Directors re-appointed her as Whole-Time Director of the Company for a further period of five (5) years with effect from 1<sup>st</sup> November, 2010 subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

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 in Annexure to this report on Page No. 18.

9. **Compliance Certificate from Statutory Auditors:** Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in clause 49 of the listing agreement, is annexed to this report.
10. **Shareholding of Directors:** Details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) as on 31<sup>st</sup> March, 2010 are given below:

#### i. Executive Directors:

Name of the Director	Number of Shares Held
Mr. Raj Chopra	33,31,780
Mrs. Kavita Ahuja	2,61,900
Mr. K. K. Mehta	Nil

#### ii. Non - Executive Directors:

Name of the Director	Number of Shares Held
Mr. Atul Malhotra	Nil
Mr. S. L. Tandon	200
Mr. Gopi Dargan	Nil
Mr. Sidheshwar Dayal	500
Mr. Ramesh C Murada	Nil
Mr. Harish Mahajan	Nil

11. Other disclosures as required under clause 49 has been given at relevant places in the Annual Report.

### G MEANS OF COMMUNICATION

The Company normally publishes its quarterly / half yearly / yearly unaudited / audited results in Business Standard (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). Further, quarterly shareholding patterns of the Company are also displayed on Company's website.

### H. INFORMATION TO SHAREHOLDERS

#### 1. Registered Office

Competent House, F-14,  
Connaught Place, New Delhi – 110 001  
Phone : + 91 11 45700000, 45800000  
Fax : + 91 11 23327640

**2. Annual General Meeting**

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

**3. Financial Calendar**

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

<b>Particulars</b>	<b>Month (Tentative and subject to change)</b>
Un-audited Financial results for the 1 <sup>st</sup> quarter ending June 30, 2010	July 2010
Un-audited Financial results for the 2 <sup>nd</sup> quarter and half year ending September 30, 2010	October 2010
Un-audited Financial results for the 3 <sup>rd</sup> quarter ending December 31, 2010	January 2011
Un-audited Financial results for the last quarter ending March 31, 2011	April 2011
Audited Financial results for the whole year ending March 31, 2011	August 2011

**4. Website**

The address of 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. 61,46,000/-.

Dividend on equity shares as recommended by the Board of directors for the year ended 31<sup>st</sup> March, 2010, if approved at the ensuing 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:

<b>Year</b>	<b>Dividend (%)</b>
2006-07	10
2007-08	10
2008-09	10

**6. Listing on Stock Exchange**

As on 31<sup>st</sup> March, 2010, the Company's shares are listed on Bombay Stock Exchange 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 Automobiles Co. Ltd. is **INE 823B01015**

**8. Annual Listing Fee**

Annual Listing Fee for the year 2010 – 11 has been paid to the above mentioned stock exchange. There are no arrears of listing fees with the said stock exchange till date.

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### 9. Distribution of Shareholding as on March 31, 2010

Following tables gives the data on shareholding according to types of shareholders and class of shareholders:

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

Particulars	March 31, 2010	
	No. of Shares	% (Holding)
<b>Promoter and Promoter Group</b>		
Individuals	44,19,305	71.91
<b>Total (A)</b>	<b>44,19,305</b>	<b>71.91</b>
<b>Public Shareholding</b>		
Mutual Funds	100	0.001
Bodies Corporate	4,97,834	8.10
Individuals	10,23,324	16.65
NRIs	2,05,437	3.34
<b>Total (B)</b>	<b>17,26,695</b>	<b>28.09</b>
<b>Grand Total (C= A+ B)</b>	<b>61,46,000</b>	<b>100</b>

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

No. of Equity Shares held	March 31, 2010			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Share capital
1-500	1,954	89.06	2,66,250	4.33
501-1000	116	5.29	1,00,150	1.63
1001-2000	46	2.10	74,510	1.21
2001-3000	26	1.19	70,430	1.15
3001-4000	7	0.32	24,766	0.40
4001-5000	6	0.27	28,145	0.46
5001-10000	13	0.59	92,650	1.51
10001 and above	26	1.19	54,89,099	89.31
<b>TOTAL</b>	<b>2,194</b>	<b>100</b>	<b>61,46,000</b>	<b>100</b>

### 10. Market Price Data

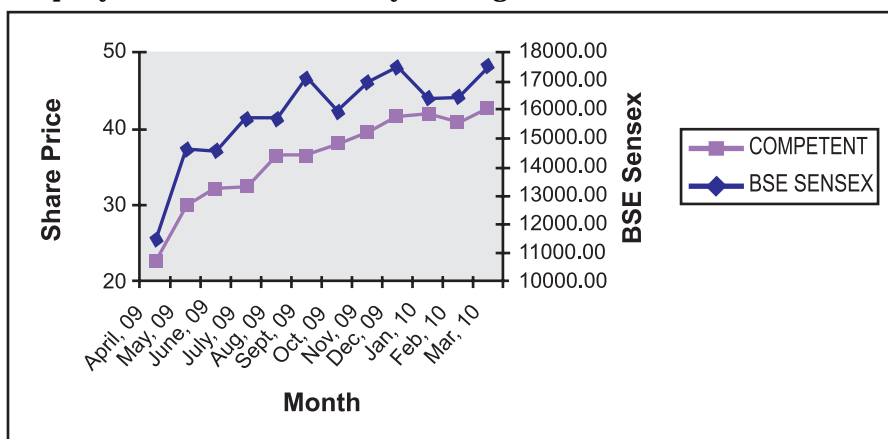
Monthly high and low prices of equity shares of the Company traded at The Bombay Stock Exchange Limited are given below:

Month	BSE		Month	BSE	
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)
Apr,09	23.60	18.00	Oct,09	39.20	35.50
May,09	30.35	21.80	Nov,09	41.00	35.00
Jun,09	34.75	30.00	Dec,09	42.00	37.00
Jul,09	34.10	28.60	Jan,10	46.70	38.20
Aug,09	36.50	32.00	Feb,10	46.50	37.75
Sept,09	38.85	35.50	Mar,10	46.55	39.85



## 11. Share Performance in comparison to BSE Sensex

### Company's Share Price (Monthly Closing Price) Movement Vis A Vis BSE Sensex



## 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 31<sup>st</sup> March, 2010, 13.70 % (i.e. 8,42,237 equity shares) of the total equity share capital were held in demat form.

## 13. Registrar And Share Transfer Agents And Share Transfer System

The Company is having a common Registrar i.e. Skyline Financial Services Private Limited for share transfer and dematerialisation of shares. To expedite the process of share, transmission etc., the Board has appointed M/s Skyline Financial Services Pvt. Ltd viz. Registrar and Share Transfer Agents to attend to 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 -1, New Delhi-110020

Ph: + 91 11 26812682 / 83 / 84

Fax: + 91 11 26812681

Contact Person: Mr. Virender Rana / Mr. Ashok

**Email :** admin@skylinerta.com

## 14. Outstanding Stock Options

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on March 31, 2010.

## 15. Plant Locations

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

## 16. Address For Correspondence:

**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

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PURSUANT TO THE REQUIREMENTS OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, 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>	Mr. Gopi Dargan	Mr. Harish Mahajan	Mrs. Kavita Ahuja
<b>Date of Birth</b>	15/07/1942	02/08/1958	22/01/1972
<b>Qualification</b>	B.E.-Mechanical	Diploma in Management & Administration – London University	Bachelor of Arts
<b>Expertise in Specific functional area</b>	He is a leading Businessmen and had held various prominent positions in various organizations like Banks, Educational Institutions and Companies	He has rich experience in running Electronics Assembly Facility (EOU); Involved in building solutions for GSM & CDMA mobile services on a neutral host concept; Set up one of the first Controlled Environment Cold Storage in India; Retail of LED lighting solutions based on in house manufacture and Imports	Automobile industry with specialisation in Auto Finance
<b>Date of Appointment</b>	25/04/2005	06/06/2008	01/04/1991
<b>Name of the other Companies in which he/she holds Directorship</b>	M/s Dargan Properties Pvt. Ltd. M/s Taksal Theatres Pvt. Ltd.	M/s Competent International Resorts & Hotels Ltd. M/s Treasure Tech Electronics Pvt. Ltd. M/s Venketeswara Industrial Co. Pvt. Ltd. M/s UBICO Networks Pvt. Ltd. M/s LECA Storage Pvt. Ltd. M/s eAge Electronics Pvt. Ltd.	M/s Competent International Resorts & Hotels Ltd.
<b>Name of the Committees* of the Companies of which he/she holds Memberships / Chairmanships</b>	Investor Grievance Committee – Member	NIL	Audit Committee - Member
<b>Shareholding in the Company</b>	NIL	NIL	2,61,900

\* For this purpose, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies have been considered

**AUDITOR'S CERTIFICATE  
AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

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

We have examined the compliance of conditions of corporate governance by Competent Automobiles Co. Limited for the year ended on 31<sup>st</sup> March 2010 as stipulated in clause 49 of the listing agreement of the said Company with stock exchange.

The compliance of conditions 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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

We state that no investor grievance(s) is / are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

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.,  
Chartered Accountants**

**Place : New Delhi  
Date : 30<sup>th</sup> August, 2010**

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

# ANNUAL REPORT & ACCOUNTS 2009-2010

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERALL VIEW

The year began with great uncertainty with regard to the likely impact of the global financial crisis. Governments around the world acted quickly and decisively, and in a coordinated manner, which helped prevent the situation slipping into a full scale depression.

The various stimulus measures which were introduced by the government and Reserve Bank of India played an important role in maintaining liquidity in the financial system, limiting the spill over impact on the real economy.

The parliamentary elections in India in 2009 resulted in a renewed mandate for the incumbent government, which is now in a favourable position to carry out much needed economic reforms and provide the impetus for a major thrust in infrastructure development.

India's automobile industry reported a 26.41 % growth in sales in Financial Year 2009-10 riding on the government's stimulus packages that perked demand, making it the second fastest growing market in the world after China.

Buoyed by the robust performance, Society of Indian Automobile Manufacturers (SIAM) has forecasted 10-14 % growth for the automobile industry during 2010-11.

### INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT

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

The sales of most of automobiles and vans that operate on the road 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. Aftermarket 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. Because sales of automobiles fluctuate significantly, automotive dealers offer generous incentives, rebates, and financing deals during slow periods to maintain high sales volumes and to reduce inventories.

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. Although most service departments perform repairs only, some dealers also have body shops to do collision repair, refinishing, and painting. 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 cargo vans. 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**

Prior to liberalisation of Indian Economy there were only three players in the Automobile Industry and Maruti was dominating the numbers by a fair margin. Cars were on the waiting list as the Demand far exceeded the Supply and choice was limited for the customers. Liberalisation of the Indian economy in 1991 had put the Indian automobile industry on a new growth trajectory. It attracted international giants to set up their production facilities in the country. In the present times, we have 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 aftermarket services, such as financing and vehicle maintenance and repair, at both new and used car dealers. These services typically provide better profit margins for dealers, and 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 a major source of profits for many new car dealers in the wake of shrinking margins on new cars. To make them acceptable to more customers, some 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.

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**

Amid the gloom, however, the good news is that automakers have not yet postponed the new car launches lined up for this year. The introduction of fresh models is likely to act as yet another incentive for buyers, as it gives them a wider choice.

Sales incentives, introduction of new models as well as variants coupled with easy availability of low cost finance with comfortable repayment options continued to drive demand and sales of automobiles during the current year.

Today manufacturers are offering customers with more value in the form of features that usually one associates with sedans (airbags, ABS) at an entry price point. The customer today is spoilt for choice and the growing income levels has only increased his purchasing power which additionally results into more demand and many manufacturers wanting to differentiate their products, they offer various things which could potentially pull the customer.

Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets/supply sources participating in the overall economic growth. Improvement in road infrastructure will facilitate & create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same.

A growing middle income level population, rise in their average income levels, increasing the income tax slab rates and increase in compensation for government employees, all augur well for the automotive industry.

The Company, with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels in passenger cars. This growing consumerism is expected to lead to an increase in car penetration.

### **Threats**

The rising cost of inputs in the automobile industry has started pushing the sale price upwards, which is adversely affecting the buyer's sentiment.

Available now to the customers in India are all major manufacturers of the world and thus the buyer's are spoilt for choice. This makes it difficult for the dealer to attract buyers for its vehicles.

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In the automobile dealer industry, vehicles cannot be kept in the store for long unlike consumer durables, 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.

Further, there is a limit to the amount of discounts and freebies that can be offered by dealers. Margins on vehicles are very thin.

Increase in fuel prices has an adverse impact on automobile demand as consumers think of alternative solutions and postpone purchases.

In India, almost 85% of vehicles are purchased using loans from banks or financial institutions. Private sector banks lend to nearly 70% of these borrowers. The risk of an increase in the interest rates is the major threat to the players in the industry.

### OUTLOOK

India is the most sought after destination by the global automobile majors. Ease of raw material availability, reasonably well established auto ancillary industry, abundance of low cost labour and 100% FDI in the sector over and above the low penetration level has made India, a fast growing economy, an attractive market for producing and selling passenger vehicles.

There have been quite a few fundamental changes in the Indian Auto Industry. The auto industry try in the wake of global meltdown streamlined its operations making them more competitive. There has been increasing trend of entering newer markets. The major manufacturers started entering tier 2 and tier 3 markets with aggressive rural promotions and activities. A significant change in auto segment has also come in the auto financing domain, where manufacturers have tied up with the Govt. Banks and financial institutions which have a greater penetration across the country. Auto financing has eased significantly in order to widen the customer base.

Indian economy has surfaced out of global economic crisis faster than expected. In automobile sector in particular, though SIAM have predicted a single digit growth, the robust sales encouraged by festival seasons have forced it to revise growth prediction to low double digit figure.

Indian Automotive sector is poised to grow healthy in the next few years. The sector is going to become more customer friendly with the continuation of new launches and new players entering the Indian market.

Also stricter environment norms will come into play in the coming years. Given the fast rate with which the Govt. is expecting the infrastructure, in near future, India will have pollution commuting solution in means of vehicles with alternate fuel gradually replacing conventional ones.

### RISKS AND CONCERNS

The risk of an increase in the interest rates & fuel prices, the impact of delayed monsoons on rural demand and increase in the costs of inputs such as steel are the key concerns for the players in the industry. The commodity prices have started climbing up on the back of global economic recovery and this uptrend is expected to continue. Thus, the cost of inputs like steel, aluminium, natural rubber, plastics etc. is set to go up. However, stiff competition would not allow complete pass-through of rising input costs.

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 and Spares. The 'Showroom' segment deals with purchase and sale of new vehicles of Maruti Suzuki India Limited. The 'Service and Spares' segment includes servicing of vehicles and sale of spare parts of Maruti Suzuki India Limited. Segment wise business performance of the Company during the year is as follows:

(Rs. In Lacs)

<b>PARTICULARS</b>	<b>Year ended 31-03-2010</b>	<b>Year ended 31-03-2009</b>
<b>Segment Revenue</b>		
(a) Showroom	<b>57,714.95</b>	51,146.88
(b) Service & Spares	<b>5,643.52</b>	5351.55
<b>Total</b>	<b>63,358.47</b>	56,498.43
<b>Segment Results</b>		
Profit before tax & Interest		
(a) Showroom	<b>345.95</b>	313.34
(b) Service & Spares	<b>650.87</b>	571.10
<b>Total</b>	<b>996.82</b>	884.44
Less: Interest and financial charges	<b>245.18</b>	277.44
Add: Unallocable Income	<b>97.13</b>	129.72
<b>Total Profit before tax</b>	<b>848.77</b>	736.72
Taxation expenses including deferred tax	<b>305.57</b>	273.45
<b>Profit after Tax</b>	<b>543.20</b>	463.27
<b>Total Capital Employed*</b>	<b>6,766.03</b>	6,194.13

\*Capital Employed in the company business are common in nature and can not be attributed to a specific segment (i.e. Showroom and Services & Spares). It is not practical to provide segmental distribution of the capital employed since segregation of available data could be erroneous.

#### **OPERATIONAL & FINANCIAL PERFORMANCE**

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

#### **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. Company is in the process of Implementing 'Enterprise Resource Planning' (ERP) package, which will enhance the internal control mechanism.

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.

#### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT**

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, 2010, there were 970 employees on the roll of the company.

#### **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.

# ANNUAL REPORT & ACCOUNTS 2009-2010

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## AUDITOR'S REPORT

To  
The Shareholders of  
**COMPETENT AUTOMOBILES COMPANY LIMITED.**

We have audited the attached Balance sheet of **COMPETENT AUTOMOBILES COMPANY LIMITED** as at 31<sup>st</sup> March, 2010 and the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act 1956, we give in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.

1. Further to our comments in the Annexure referred to in paragraph above, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of the books;
  - c. The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
2. In our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to the significant accounting policies & notes thereon, give the information required by the Companies Act 1956, in the manner so required and present a true and fair view:-
  - a. In the case of Balance Sheet of the state of affairs of the Company, as at 31<sup>st</sup> March 2010;
  - b. In the case of Profit & Loss Account of the profit of the Company for the year ended on that date;
  - c. In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

**For DINESH MEHTA & CO.**  
**Chartered Accountants**

Place : New Delhi  
Date : 30/08/2010

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



**ANNEXURE TO AUDITOR'S REPORT**

**(Referred to in Paragraph-3 of our report of even date  
on the accounts for the year ended on 31<sup>st</sup> March, 2010  
of COMPETENT AUTOMOBILES COMPANY LIMITED)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.  
(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 nature of its fixed assets. We are informed that no material discrepancy has been noticed by the management on such verification.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material. Discrepancies noted on such verification have been properly dealt with in the books of account.
3. The Company has not granted/taken any loans secured or unsecured to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 except a loan amounting to Rs. 150.00 Lacs taken from one of the directors of the company Sh. Raj Chopra. The rate of interest and other terms and conditions of the loan taken are not prima facie prejudicial to the interest of the company. The principal amount outstanding as on 31<sup>st</sup> March 2010 under this account is Rs. 150.00 lacs.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions that need to be entered into the register maintained under section 301 have taken place during the year.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act 1956, and the rules framed there under.
7. In our opinion, the Company has an internal audit system, commensurate with its size and nature of the business.
8. Cost records under Section 209(1)(d) of the Companies Act, 1956 are not required to be maintained.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, ESIC contribution, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, cess, service tax and other statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.  
(c) According to the records of the Company, there are no dues of income tax, custom duty/wealth-tax, excise duty/cess, which have not been deposited on account of any dispute except disputed sales tax demand of Rs. 287.56 lacs in respect of financial year 1991-92. Against this, the Company has filed an appeal before Additional Commissioner of Sales Tax (Appeals) -I, New Delhi.

## ANNUAL REPORT & ACCOUNTS 2009-2010

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10. The Company does not have any accumulated losses at the end of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. 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 any financial institution during the year except vehicle and term loan.
12. The Company has not granted loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit fund/Nidhi/Mutual benefit fund/Societies are not applicable to the Company.
14. In our opinion the Company is not a dealer or trader in shares, securities, debentures or other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the Company had taken term loans for purchase of land at GOA for hotel project and vehicles for test drive purpose.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. The Company has availed cash credit facility from the bank, which is used for working capital requirement.
18. Based on our examination of records and the information provided to us by management, we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no fraud on or by the company has been noticed or reported during the year.

**For DINESH MEHTA & CO.**  
**Chartered Accountants**

Place: New Delhi  
Dated: 30/08/2010

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

**BALANCE SHEET AS AT 31ST MARCH, 2010**

( In Rs.)

PARTICULARS	SCH. NO.	AS AT 31.03.2010	AS AT 31.03.2009
<b>I SOURCES OF FUNDS</b>			
<b>A. SHAREHOLDER'S FUNDS</b>			
SHARE CAPITAL	A	6,27,84,500	6,27,84,500
RESERVES AND SURPLUS	B	46,14,49,180	41,48,16,843
<b>B. LOAN FUNDS</b>			
SECURED LOANS	C	13,74,39,301	12,68,12,063
UNSECURED LOANS	D	1,50,00,000	1,50,00,000
<b>C. DEFERRED TAX LIABILITY (ASSET)</b>		<b>(11,03,342)</b>	<b>(21,60,072)</b>
<b>T O T A L</b>		<b>67,55,69,639</b>	<b>61,72,53,335</b>
<b>II APPLICATION OF FUNDS</b>			
<b>D. FIXED ASSETS</b>			
GROSS BLOCK	E	50,88,43,678	48,11,70,678
LESS: DEPRECIATION		21,07,52,307	18,71,34,067
NET BLOCK		29,80,91,371	29,40,36,611
CAPITAL WORK-IN-PROGRESS	F	4,72,50,691	4,27,59,784
		<b>34,53,42,062</b>	<b>33,67,96,395</b>
<b>E. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
i) INVENTORIES	G	21,49,63,956	27,81,80,809
ii) SUNDRY DEBTORS	H	17,24,19,780	14,36,93,283
iii) CASH AND BANK BALANCES	I	9,46,97,528	6,08,80,310
iv) OTHER CURRENT ASSETS	J	84,08,612	82,24,811
v) LOANS AND ADVANCES	K	20,91,22,260	18,83,21,385
		<b>69,96,12,136</b>	<b>67,93,00,598</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
i) CURRENT LIABILITIES	L	27,80,17,708	31,48,03,146
ii) PROVISIONS	M	9,13,66,851	8,40,40,513
		<b>36,93,84,559</b>	<b>39,88,43,659</b>
NET CURRENT ASSETS		<b>33,02,27,577</b>	<b>28,04,56,939</b>
<b>T O T A L</b>		<b>67,55,69,639</b>	<b>61,72,53,335</b>
NOTES ON ACCOUNTS	T		
ABSTRACT OF BALANCE SHEET	U		
CASH FLOW STATEMENT	V		

As per our report of even date annexed

For and on behalf of Board of Directors

**For DINESH MEHTA & CO.**

Chartered Accountants

**(HIREN MEHTA)**

Partner

M.NO.90772

**Place : New Delhi**

**Date : 30.08.2010**

**RAJ CHOPRA**  
Chairman & Mg. Director

**KAVITA AHUJA**  
Whole Time Director

**YADVINDER GOYAL**  
Company Secretary

# ANNUAL REPORT & ACCOUNTS 2009-2010

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(In Rs.)

PARTICULARS	SCH. NO.	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>I. INCOME</b>			
SALES & OPERATIONAL INCOME	N	<b>6,33,58,47,568</b>	5,64,98,43,280
OTHER INCOME	O	<b>97,13,133</b>	1,29,71,815
VARIATION IN STOCK	P	<b>(6,32,16,853)</b>	(6,45,71,149)
<b>T O T A L</b>		<b><u>6,28,23,43,848</u></b>	<u>5,59,82,43,946</u>
<b>II. EXPENDITURE</b>			
PURCHASES	Q	<b>5,55,74,57,651</b>	4,86,94,14,461
SERVICING & OTHER EXPENSES	R	<b>58,71,21,328</b>	60,08,78,168
INTEREST AND FINANCIAL CHARGES	S	<b>2,45,18,281</b>	2,77,43,509
DEPRECIATION	E	<b>2,83,69,673</b>	2,65,35,625
<b>T O T A L</b>		<b><u>6,19,74,66,933</u></b>	<u>5,52,45,71,763</u>
<b>PROFIT BEFORE TAX</b>		<b>8,48,76,915</b>	7,36,72,183
PROVISION FOR TAXATION		<b>2,95,00,000</b>	2,70,00,000
PROVISION FOR DEFERRED TAX		<b>10,56,730</b>	(15,54,655)
PROVISION FOR FRINGE BENEFIT TAX		-	19,00,000
<b>PROFIT AFTER TAX</b>		<b><u>5,43,20,185</u></b>	<u>4,63,26,838</u>
BALANCE BROUGHT FORWARD FROM LAST YEAR		<b>14,99,00,648</b>	12,42,77,392
AMOUNT AVAILABLE FOR APPROPRIATIONS		<b><u>20,42,20,833</u></b>	<u>17,06,04,230</u>
<b>III. APPROPRIATIONS</b>			
PROPOSED DIVIDEND		<b>61,46,000</b>	61,46,000
DIVIDEND TAX		<b>10,20,851</b>	10,44,513
TAX ADJUSTMENTS		<b>5,20,997</b>	5,13,068
GENERAL RESERVE		<b>1,50,00,000</b>	1,30,00,000
		<b><u>2,26,87,848</u></b>	<u>2,07,03,581</u>
SURPLUS CARRIED TO BALANCE SHEET		<b><u>18,15,32,985</u></b>	<u>14,99,00,648</u>
EARNING PER SHARE (in Rs.) (Refer Sl. No. 15 of Part B of Schedule T)		<b>8.84</b>	7.54

As per our report of even date annexed

For and on behalf of Board of Directors

**For DINESH MEHTA & CO.**

Chartered Accountants

**(HIREN MEHTA)**

Partner  
M.NO.90772

**RAJ CHOPRA**  
Chairman & Mg. Director

**KAVITA AHUJA**  
Whole Time Director

**Place : New Delhi**  
**Date : 30.08.2010**

**YADVINDER GOYAL**  
Company Secretary

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE - A : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH (PREVIOUS YEAR 1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH)	<b>10,00,00,000</b>	10,00,00,000
<b>ISSUED, SUBSCRIBED</b>		
64,09,500 EQUITY SHARES OF Rs. 10/- EACH (Previous year 64,09,500 Equity Shares) (OUT OF THE ABOVE 15,00,000 EQUITY SHARES ARE ALLOTTED AS FULLY PAID UP BONUS SHARES BY CAPITALISATION OF FREE RESERVES)	<b>6,40,95,000</b>	6,40,95,000
<b>PAID UP</b>		
61,46,000 EQUITY SHARES OF RS. 10/- EACH (Previous year 61,46,000 Equity Shares)	<b>6,14,60,000</b>	6,14,60,000
ADD : FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP ON 2,63,500 SHARES)	<b>13,24,500</b>	13,24,500
	<b>6,27,84,500</b>	6,27,84,500
<b>SCHEDULE - B : RESERVE AND SURPLUS</b>		
GENERAL RESERVE BROUGHT FORWARD	<b>12,17,51,195</b>	
ADD: TRANSFER DURING THE YEAR	<b>1,50,00,000</b>	12,17,51,195
SHARE PREMIUM ACCOUNT	<b>14,31,65,000</b>	14,31,65,000
SURPLUS IN PROFIT & LOSS ACCOUNT	<b>18,15,32,985</b>	14,99,00,648
	<b>46,14,49,180</b>	41,48,16,843
<b>SCHEDULE - C : SECURED LOANS</b>		
<b>TERM LOANS:</b>		
FROM BANKS	<b>7,08,01,354</b>	5,66,07,613
FROM OTHERS(MARUTI SUZUKI INDIA LTD)	<b>15,94,349</b>	32,41,796
<b>CASH CREDIT:</b>		
FROM BANKS	<b>6,50,43,598</b>	6,69,62,654
	<b>13,74,39,301</b>	12,68,12,063
<b>SCHEDULE - D : UNSECURED LOANS</b>		
FROM DIRECTORS	<b>1,50,00,000</b>	1,50,00,000
	<b>1,50,00,000</b>	1,50,00,000

# ANNUAL REPORT & ACCOUNTS 2009-2010

**SCHEDULE - E : FIXED ASSETS**  
(In Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	ASON 01.04.2009	ADDITIONS	SALE/TRF.	ASON 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.2010	ASON 31.03.2009	ASON 31.03.2010
LAND	14,84,25,775	-	7,44,200	14,76,81,575	-	-	-	-	14,84,25,775	14,76,81,575
BUILDING	9,95,50,917	8,17,573	-	10,03,68,490	5,95,08,612	34,44,125	-	6,29,52,737	4,00,42,305	3,74,15,753
PLANT & MACHINERIES	7,97,12,334	95,32,538	-	8,92,44,872	4,33,56,717	79,15,817	-	5,12,72,534	3,63,55,617	3,79,72,338
ELECTRIC INSTALLATIONS	1,12,93,258	-	-	1,12,93,258	70,19,512	6,29,976	-	76,49,488	42,73,746	36,43,770
OFFICE EQUIPMENTS	5,08,25,353	27,01,892	-	5,35,27,245	3,02,54,726	30,85,262	-	3,33,39,988	2,05,70,627	2,01,87,257
FURNITURE & FIXTURE	3,29,55,813	47,08,83	-	3,34,26,696	2,00,56,521	23,27,844	-	2,23,84,365	1,28,99,292	1,10,42,331
VEHICLE	5,84,07,228	239,57,684	90,63,370	7,33,01,542	2,69,37,979	1,09,66,650	47,51,434	3,31,53,195	3,14,69,249	4,01,48,347
<b>TOTAL</b>	<b>48,11,70,678</b>	<b>3,74,80,570</b>	<b>98,07,570</b>	<b>50,88,43,678</b>	<b>18,71,34,067</b>	<b>2,83,69,674</b>	<b>47,51,434</b>	<b>21,07,52,307</b>	<b>29,80,91,371</b>	<b>29,40,36,611</b>
PREVIOUS YEAR	46,21,57,330	2,74,90,224	84,76,876	48,11,70,678	16,47,00,518	2,65,35,625	41,02,076	18,71,34,067	29,40,36,611	29,74,56,813

<b>PARTICULARS</b>	<b>(In Rs.)</b>	
	<b>AS AT 31.03.2010</b>	<b>AS AT 31.03.2009</b>
<b>SCHEDULE - F : CAPITAL WORK-IN-PROGRESS</b>		
ADVANCE FOR CAPITAL GOODS	<b>4,72,50,691</b>	4,27,59,784
	<b>4,72,50,691</b>	4,27,59,784
<b>SCHEDULE - G : INVENTORIES</b>		
<i>(AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)</i>		
VEHICLES	<b>16,45,31,999</b>	21,01,99,211
SPARE PARTS, ACCESSORIES, OILS & LUBRICANTS	<b>5,04,31,957</b>	6,79,81,598
	<b>21,49,63,956</b>	27,81,80,809
<b>SCHEDULE - H : SUNDRY DEBTORS</b>		
<i>(UNSECURED, CONSIDERED GOODS)</i>		
DEBT OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	<b>11,85,872</b>	5,51,378
OTHER DEBTS	<b>17,12,33,908</b>	14,31,41,905
	<b>17,24,19,780</b>	14,36,93,283
<b>SCHEDULE - I : CASH &amp; BANK BALANCES</b>		
CASH IN HAND	<b>1,46,35,084</b>	93,00,008
BALANCES WITH SCHEDULED BANKS :		
IN CURRENT ACCOUNT	<b>4,11,60,241</b>	3,03,99,219
IN FIXED DEPOSIT ACCOUNT	<b>3,31,56,407</b>	1,38,94,194
CHEQUES IN HAND	<b>57,45,796</b>	72,86,889
	<b>9,46,97,528</b>	6,08,80,310
<b>SCHEDULE - J : OTHER CURRENT ASSETS</b>		
INCENTIVE & COMMISSION RECEIVABLE	<b>39,55,802</b>	46,77,531
INTEREST RECEIVABLE	<b>44,52,810</b>	35,47,280
	<b>84,08,612</b>	82,24,811
<b>SCHEDULE - K : LOANS AND ADVANCES</b>		
<i>(UNSECURED, CONSIDERED GOODS)</i>		
ADVANCE RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED	<b>22,17,151</b>	1,14,07,351
ADVANCE TAX & T.D.S.	<b>8,85,29,205</b>	8,00,02,750
ADVANCE & IMPREST TO STAFF	<b>20,61,434</b>	28,78,243
RECEIVABLE FROM MARUTI SUZUKI INDIA LTD	<b>5,55,00,607</b>	4,46,51,630
SECURITY DEPOSIT :		
WITH MARUTI SUZUKI INDIA LTD.	<b>3,33,14,261</b>	2,91,97,371
FOR SHOWROOM AND WORKSHOP	<b>1,61,00,000</b>	1,39,00,550
WITH OTHERS	<b>1,13,99,602</b>	62,83,490
	<b>20,91,22,260</b>	18,83,21,385

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PARTICULARS	(In Rs.)	
	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE - L : CURRENT LIABILITIES</b>		
SUNDRY CREDITORS	<b>1,22,71,719</b>	1,68,45,066
OTHER CREDITORS	<b>1,81,24,809</b>	2,27,56,079
ADVANCE FROM CUSTOMERS	<b>13,52,45,767</b>	8,63,55,756
PAYABLE TO MARUTI SUZUKI INDIA LTD	<b>2,55,27,294</b>	11,88,23,952
EXPENSES PAYABLE	<b>1,95,69,456</b>	1,51,85,170
TAXES PAYABLE (VAT & SERVICE TAX)	<b>6,18,58,075</b>	4,94,15,823
T.D.S. PAYABLE	<b>8,52,842</b>	7,34,509
SECURITY DEPOSIT	<b>25,00,167</b>	26,05,350
UNCLAIMED & UNPAID EXPENSES	<b>20,67,579</b>	20,81,441
	<b>27,80,17,708</b>	31,48,03,146
<b>SCHEDULE - M : PROVISIONS</b>		
INCOME TAX	<b>8,42,00,000</b>	7,14,50,000
PROPOSED DIVIDEND	<b>61,46,000</b>	61,46,000
DIVIDEND TAX	<b>10,20,851</b>	10,44,513
FRINGE BENEFIT TAX	-	54,00,000
	<b>9,13,66,851</b>	8,40,40,513



**SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT**

(In Rs.)

PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>SCHEDULE - N : SALES &amp; OPERATIONAL INCOME</b>		
VEHICLES	5,60,39,05,526	4,96,41,23,789
SPARE PARTS, TOOL KITS, JACK AND ACCESSORIES	37,10,78,754	33,28,83,299
NUMBER PLATES	23,66,024	19,35,605
STOCK SHORT & EXCESS	4,28,297	1,09,506
INCENTIVES, INTEREST & COMMISSION	11,61,09,900	11,28,09,925
SERVICE & LABOUR CHARGES	19,14,75,663	19,90,22,477
DELIVERY CHARGES	4,39,94,964	1,37,31,488
SOURCING FEES	64,88,440	2,52,27,191
	<u>6,33,58,47,568</u>	<u>5,64,98,43,280</u>
<b>SCHEDULE - O : OTHER INCOME</b>		
PROFIT ON SALES OF ASSETS	13,90,917	13,71,748
MISCELLANEOUS RECEIPTS	83,22,216	1,16,00,067
	<u>97,13,133</u>	<u>1,29,71,815</u>
<b>SCHEDULE - P : VARIATION IN STOCK</b>		
<b>CLOSING STOCK</b>		
VEHICLES	16,45,31,999	20,97,10,689
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	5,04,31,957	6,84,70,120
	<u>21,49,63,956</u>	<u>27,81,80,809</u>
<b>LESS : OPENING STOCK</b>		
VEHICLES	20,97,10,689	26,35,12,685
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	6,84,70,120	7,92,39,273
	<u>27,81,80,809</u>	<u>34,27,51,958</u>
	<u>(6,32,16,853)</u>	<u>(6,45,71,149)</u>
<b>SCHEDULE - Q : PURCHASES</b>		
VEHICLES	5,28,53,94,262	4,62,08,48,177
SPARE PARTS, TOOLS KITS, JACK & ACCESSORIES	27,61,84,091	25,57,03,591
NUMBER PLATES	5,93,743	5,73,749
STOCK ISSUED AGAINST WARRANTY	(47,14,445)	(77,11,056)
	<u>5,55,74,57,651</u>	<u>4,86,94,14,461</u>

# ANNUAL REPORT & ACCOUNTS 2009-2010

PARTICULARS	(In Rs.)	
	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>SCHEDULE - R : SERVICING &amp; OTHER EXPENSES</b>		
<b>SERVICE EXPENSES</b>		
CONSUMABLE STORES	2,32,03,486	2,64,36,885
JOB WORK AND LABOUR CHARGES	2,88,36,961	3,23,32,469
SECURITY SERVICE CHARGES	74,19,409	67,14,180
SERVICE CHARGES PAID	1,89,06,078	1,77,56,085
PETROL FOR NEW CARS	53,53,214	55,05,943
DELIVERY CHARGES	38,20,827	27,60,427
SHOWROOM/WORKSHOP MAINTENANCE	2,34,91,134	1,57,04,911
	<b>11,10,31,109</b>	<b>10,72,10,900</b>
<b>PAYMENT &amp; PROVISIONS FOR EMPLOYEES</b>		
SALARY, WAGES AND BONUS	9,53,84,830	8,31,19,980
DIRECTOR'S REMUNERATION	28,10,000	27,48,000
COMMISSION PAID TO DIRECTORS	-	73,600
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	1,00,03,370	1,17,50,462
WELFARE EXPENSES	92,50,960	1,10,41,419
	<b>11,74,49,160</b>	<b>10,87,33,461</b>
<b>ESTABLISHMENT EXP.</b>		
INSURANCE	25,69,347	16,15,864
REPAIR & MAINTENANCE	2,35,24,609	2,33,23,496
LEGAL & PROFESSIONAL CHARGES	48,02,441	43,28,341
RENT	3,40,70,303	3,06,93,845
RATES & TAXES	54,65,296	82,38,083
FACILITIES & SERVICE CHARGES	88,34,000	88,63,500
COMMUNICATION EXPENSES	81,51,899	93,92,787
CHARITY & DONATIONS	18,62,002	8,76,483
POWER & FUEL	1,19,47,785	1,27,52,926
PRINTING & STATIONARY	44,71,059	51,18,631
TRAVELLING & CONVEYANCE	98,04,929	83,24,773
AUDITOR'S REMUNERATION	14,25,000	12,50,000
OTHER EXPENSES	66,35,659	56,25,154
	<b>12,35,64,329</b>	<b>12,04,03,883</b>
<b>SALES &amp; DISTRIBUTION EXPENSES</b>		
ADVERTISEMENT & PUBLICITY	43,17,645	36,91,193
TRADE DISCOUNT	22,65,59,631	25,69,84,136
SALES PROMOTION	41,99,454	38,54,595
	<b>23,50,76,730</b>	<b>26,45,29,924</b>
	<b>58,71,21,328</b>	<b>60,08,78,168</b>
<b>SCHEDULE - S : INTEREST &amp; FINANCIAL CHARGES</b>		
INTEREST AND CHARGES TO BANK	99,15,230	87,05,525
INTEREST TO OTHERS	24,41,229	27,05,462
INTEREST ON DELAYED DELIVERY	1,86,783	1,79,670
INTEREST TO MSIL	1,19,75,039	1,61,52,852
	<b>2,45,18,281</b>	<b>2,77,43,509</b>

## **SCHEDULE T**

### **ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2010.**

#### **A. SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Accounting Convention**

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with the requirements of the Companies Act, 1956 and applicable statutes and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

##### **2. Fixed 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 on written down value method at the rates prescribed in the schedule XIV of the Companies Act, 1956 on pro rata basis.
- c) The vehicles purchased for the purpose of test drive are treated as an asset of the Company and depreciation charged accordingly.

##### **3. Inventories**

Items of the inventories are valued on the basis given below:

- (i) Finished Goods: At cost or market value whichever is lower.
- (ii) Consumable stores, Oils, Lubricants & Accessories: At cost on FIFO basis.
- (iii) Spare parts: At cost on FIFO basis.
- (iv) Work -in- progress: At estimated cost or realizable value, whichever is lower. Cost being determined on the basis of spare parts consumed/issued on vehicles under going repairs /service at the closing of the financial year.

##### **4. Investments**

Investments are stated at cost, if any.

##### **5. Segment Accounting**

The accounting policies adopted for segment reporting are in accordance with the Accounting Standard 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 or allocable on a reasonable basis.

##### **6. Taxation Accounting**

- a) Provision for income tax comprises of the current tax and deferred tax charge or release. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961. Deferred Tax is recognized subject to consideration of prudence, on timing differences, being difference between taxable and accounting Income / Expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realize.

##### **7. Foreign Exchange Transactions**

Transactions 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.

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## 8. Retirement 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 revenue.

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the Company by the end of the year and accounted for on actual payment basis. Ex-gratia is accounted for on actual payment basis.

## 9. Revenue Recognition

Income and expenditure are accounted for on accrual basis.

## 10. Impairment of Fixed Asset

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 Assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less cost to sell and value in use.

## 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 period in which they are incurred.

## 12. Earnings 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.

## B. NOTES TO ACCOUNTS

### 1 Contingent Liability

(Rs. In Lacs)

Particulars	2009-10	2008-09
(i) Bank Guarantee obtained from Banks	100.00	100.00
(ii) Disputed Sales Tax Demand (This demand pertains to F.Y. 1991-92, against which an appeal before Comm. Of Sales Tax (Appeals) - I has been filed and pending for disposal).	287.56	287.56
(iii) Letter of Credit obtained from Banks	1,600.00	1,600.00

- 2 a) The figures of term loans as reflected in Schedule -C are secured by Hypothecation of assets owned by the company.
- b) The Cash Credit Accounts as reflected in Schedule - C are secured by Hypothecation of inventories of the company and personal guarantees furnished by two Directors and collateral securities of premises owned by the Company situated at Mehrauli, Gazipur and Mandi (H.P.).

### 3 The C.I.F. Value of imports in respect of:

(Rs. In lacs)

Particulars	2009-2010	2008-2009
Stores & Spares	Nil	Nil

**4. a) Expenditure in Foreign Currency in respect of**

*(Rs. In lacs)*

Particulars	2009-2010	2008-2009
Tours & Traveling	12.15	8.46

5. Some of the outstanding balances as at 31<sup>st</sup> March, 2010 in respect of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.

6. In the opinion of the Board, all Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of the business.

**7. In the opinion of the Board:**

- a) The Provision for all known liabilities and expenses has been made.
- b) There are no contingent liabilities other than those stated in Note no. 1.

**8. Auditor's Remuneration**

**(In Rs.)**

	2009-2010	2008-2009
(a) Audit Fees	<b>8,00,000</b>	7,50,000
(b) Tax Audit Fees	<b>1,00,000</b>	50,000
(c) Other Matters	<b>5,25,000</b>	4,50,000
	<b>14,25,000</b>	12,50,000

**9. (a) Managerial Remuneration:**

**(In Rs.)**

	2009-2010	2008-2009
(i) Salary	<b>28,10,000</b>	27,48,000
(ii) Commission on Net Profit	-	73,600
	<b>28,10,000</b>	28,21,600

(b) Computation of Net Profit in accordance with Section 349 and calculation of commission under Section 198(1) of the Companies Act, 1956.

	2009-2010	2008-2009
Net profit as per Profit & loss A/c	<b>543.20</b>	463.27
<b>Add:</b>		
i) Income Tax	<b>305.57</b>	273.45
ii) Director's Remuneration	<b>28.10</b>	28.22
	<b>876.87</b>	764.94
<b>Less:</b> Profit on sale of fixed asset	<b>13.91</b>	13.72
	<b>862.96</b>	751.22
Maximum remuneration payable including commission @ 11 %	<b>94.92</b>	82.63

## ANNUAL REPORT & ACCOUNTS 2009-2010

### 10. Other payments to Directors

(In Rs.)

	<u>2009-2010</u>	<u>2008-2009</u>
a) Facilities Charges	<b>88,34,000</b>	88,63,500
b) Interest	<b>14,59,726</b>	19,74,821
c) Rent	<b>1,54,20,000</b>	1,42,20,000
	<u><b>2,57,13,726</b></u>	<u>2,50,58,321</u>

11. The previous year's figures have been reworked, regrouped, rearranged and reclassified, where-ever deemed necessary, in order to make them comparable with the current year's figures.

12. Additional information pursuant to the provision of paragraph 3,4c and 4d of part II of schedule VI of the Companies Act, 1956 *(To the extent applicable to the company)*.

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	Qty. in Nos.	Amount	Qty. in Nos.	Amount
<b>Opening Stock</b>				
Vehicles	<b>703</b>	<b>2,097.11</b>	841	2,635.13
Spare parts, Accessories, Oil & Lubricants	--	<b>684.69</b>	--	781.36
	<u><b>703</b></u>	<u><b>2,781.80</b></u>	<u>841</u>	<u>3,416.49</u>
<b>Purchases</b>				
Vehicles	<b>16,363</b>	<b>52,853.94</b>	1,44,476	46,208.48
Spare parts, Accessories, Oil & Lubricants	--	<b>2,761.84</b>	--	2,557.04
	<u><b>16,363</b></u>	<u><b>55,615.78</b></u>	<u>1,44,476</u>	<u>48,765.52</u>
<b>Sales</b>				
Vehicles	<b>16,548</b>	<b>56,039.05</b>	14,614	49,641.24
Spare parts, Accessories, Oil & Lubricants	--	<b>3,710.79</b>	--	3,228.83
	<u><b>16,548</b></u>	<u><b>59,749.84</b></u>	<u>14,614</u>	<u>52,870.07</u>
<b>Closing Stock</b>				
Vehicles	<b>518</b>	<b>1,645.31</b>	703	2,097.11
Spare parts, Accessories, Oil & Lubricants	--	<b>504.32</b>	--	684.69
	<u><b>518</b></u>	<u><b>2,149.63</b></u>	<u>703</u>	<u>2,781.80</u>

Note: It is not possible to give quantitative details in the case of Spare parts, Accessories, Oil & Lubricants, because these are large in number and size and diverse in nature. (Notification No.781 (E), dt. 18/11/97 issued by the Deptt. Of Company Affairs F. NO. 1/11/96-CL-V)

### 13. Proposed Dividend

Dividend proposed by the board of directors amounting to Rs. 61,46,000/- is provided in the books of accounts, will be paid, subject to the approval in the Annual General Meeting.

14. (a) In accordance with the Accounting Standard -22 relating to 'Accounting for Taxes on Income' issued by The Institute of Chartered Accountants of India, the company has recorded the deferred tax liability of Rs.10,56,730/- for the year ended 31<sup>st</sup> March,2010. The same has been recognized in the books and financial statements accordingly.

(b) **Position of Deferred tax Asset (liability) is as under:**

	<b>Accumulated Deferred Tax Asset (liability)</b>	
	<b>As on 31.03.2010</b>	<b>As on 31.03.2009</b>
Deferred tax Asset ( liability) on Account of difference in Rates and method of Depreciation.	<b>11,03,342</b>	21,60,072

**15. Earning Per Share**

**(In Rs.)**

Particulars	As on 31.03.2010	As on 31.03.2009
Net Profit attributable to Shareholders (Profit After Tax)	5,43,20,185	4,63,26,838
Equivalent Number of Fully paid up Equity shares	61,46,000	61,46,000
Basic Earning per share of Rs. 10/- each	8.84	7.54

**Note: The Company does not have any outstanding Dilutive potential equity share. Consequently, the basic and diluted earning per share of the company remain the same**

**16. Information about Business Segments for the year ended 31<sup>st</sup> March, 2010**

**(Rs. In lacs)**

Particulars	Year Ended 31 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
<b>Segment Revenue</b>		
(a) Showroom	57,714.95	51,146.88
(b) Service & Spares	5,643.52	5,351.55
<b>Total</b>	<b>63,358.47</b>	56,498.43
<b>Segment Results</b>		
Profit(+)/Loss(-) before tax & Interest		
(a) Showroom	345.95	313.34
(b) Service & Spares	650.87	571.10
<b>Total</b>	<b>996.82</b>	884.44
Less : Interest and Financial Charges	245.18	277.44
Add : Unallocated Income	97.13	129.72
Total Profit before tax	848.77	736.72
Taxation expenses including deferred tax	305.57	273.45
<b>Profit after Tax</b>	<b>543.20</b>	463.27
<b>Total Capital Employed*</b>	<b>6,766.03</b>	6,194.13

\* **Capital Employed in the company business are common in nature and can not be attributed to a specific segment (i.e. Showroom and Services & Spares). It is not practical to provide segmental distribution of the capital employed since segregation of available data could be erroneous.**

# ANNUAL REPORT & ACCOUNTS 2009-2010

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## Notes to Segment-wise business performance:

- 1) 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 Chartered Accountants of India.
- 2) 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.
- 3) The definitions of the business segmentation and the activities encompassed therein are as follows:
  - a) Showroom :- Purchase and Sales of new Maruti Suzuki India Ltd. Vehicles;
  - b) Services & Spares :- Servicing and spares parts sale of Maruti Suzuki India Ltd.

## 17. Impairment of Assets

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 the 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.

## 18. Related Party Disclosure:

- a) Enterprises over which directors of the company were able to exercise significant influence during the year: -
  - Competent Hotels Private Limited.
  - Competent Builders Private Limited.
  - Competent Leasing Private Limited.
  - Competent Films Private Limited
  - Competent Uzprommashimpeks Trading Pvt. Ltd.
  - Competent International Resorts & Hotels Ltd.
  - Competent Film Enterprises
  - Competent Construction Co.
  - Competent Exporters
  - Competent Fabricators
- b) **Key Management Personnel :-**

Mr. Raj Chopra	:	Chairman & Managing Director
Mrs. Kavita Ahuja	:	Whole time Director
Mr. K.K. Mehta	:	Whole time Director
- c) **For related parties transactions – please refer note no. 10.**

As per our report of even date annexed

For **DINESH MEHTA & CO.**  
Chartered Accountants

for and on behalf of Board of Directors

**(HIREN MEHTA)**  
Partner  
M.NO.90772

**RAJ CHOPRA**  
Chairman & Mg. Director

**KAVITA AHUJA**  
Whole Time Director

**Place : New Delhi**  
**Date : 30.08.2010**

**YADVINDER GOYAL**  
Company Secretary



Information pursuant to part (IV) of the Companies Act, 1956

**SCHEDULE - U : BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**REGISTRATION DETAILS**

Registration No.	20668
State Code	55
Balance Sheet Date	31-03-2010

**CAPITAL RAISED DURING THE YEAR**

**(Amount Rs. In thousand)**

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

**(Amount Rs. In thousand)**

Total Liabilities	6,75,569
Total Assets	6,75,569

**Sources of Funds**

**(Amount Rs. In thousand)**

Paid-up Capital	62,784
Reserves and Surplus	4,61,449
Secured Loans	1,37,439
Unsecured Loans	15,000
Deferred Tax Liability (Asset)	(1103)

**Applications of Funds**

**(Amount Rs. In thousand)**

Net Fixed Assets	3,45,342
Investments	-
Net Current Assets	3,30,227
Miscellaneous Expenditure	-

**PERFORMANCE OF THE COMPANY**

**(Amount Rs. In thousand)**

Total Income	62,82,343
Total Expenditure	61,97,467
Profit Before Tax	84,876
Profit After Tax	54,320
Basic Earning per share (Rs.)	8.84
Dividend Rate (%)	10%

**GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY**

**(As per monetary terms)**

Item Code No.	-
Product Description	Trading and Servicing of Vehicles

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## SCHEDULE - V : CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Rs. In Lacs)

PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	848.77	736.72
Adjustments for :		
Depreciation	283.70	265.36
Foreign Exchange Fluctuation	-	-
Investments (Loss)	-	-
Interest paid	245.18	277.44
Misc. Expenditure written off	-	-
Profit On sale of Fixed Assets	(13.91)	(13.72)
<b>Operating Profit before Working Capital changes</b>	<b>1,363.74</b>	<b>1,265.80</b>
Adjustments for		
Trade and other receivables	(411.85)	441.42
Inventories	632.17	645.71
Trade Payables	(367.85)	(905.67)
Cash Generated from operations	1,216.21	1,447.26
Interest Paid	(245.18)	(277.44)
Direct Taxes paid	(311.97)	(269.47)
<b>Cash flow Before extraordinary items</b>	<b>659.05</b>	<b>900.35</b>
Extrodinary Items	-	-
<b>Net Cash from operating activities</b>	<b>659.05</b>	<b>900.35</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(419.71)	(382.08)
Sale of fixed assets	64.47	57.47
Acquisition of companies	-	-
Sale of investments	-	-
Purchase of investments	-	-
Interest received	-	-
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>(355.24)</b>	<b>(324.61)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from unpaid call money	-	132.34
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	106.27	(402.52)
Misc. Expenditure	-	-
Dividends paid	(71.91)	(71.91)
<b>Net cash used in financing activities</b>	<b>34.37</b>	<b>(342.09)</b>
<b>Net increase in cash and cash equivalents</b>	<b>338.18</b>	<b>233.65</b>
Cash and Cash equivalents as at 31.03.2009	608.80	375.16
Cash and Cash equivalents as at 31.03.2010	946.98	608.80

Note: All figures in brackets are outflows

Place : New Delhi

Dated : 30.08.2010

Yadvinder Goyal

Company Secretary

Raj Chopra

Chairman & Mg. Director

Kavita Ahuja

Whole Time Director

### AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of COMPETENT AUTOMOBILES CO. LTD. for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Stock Exchange and is based on and in accordance with corresponding Profit & Loss Account and Balance Sheet of the Company.

As per our report attached of even date

For DINESH MEHTA & CO.

Chartered Accountants

(HIREN MEHTA)

PARTNER

M.No. 90772

Place : New Delhi

Date : 30.08.2010