

28<sup>th</sup> ANNUAL REPORT  
2012-13



**COMPETENT AUTOMOBILES CO. LTD.**

**Board of Directors**

Mr. Raj Chopra	Chairman & Managing Director
Mrs. Kavita Ahuja	Whole Time Director
Mr. K. K. Mehta	Whole Time Director
Mr. S. L. Tandon	Director
Mr. Gopi Dargan	Director
Mr. R. C. Murada	Director
Mr. Rohit Gogia	Director
Mr. O. P. Tandon	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
- Khasra No. 11/5/1, Opp. Furniture Market, Phirni Road, South - West Distt., Najafgarh, New Delhi - 110043
- 21, 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)
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Vill. Bamta Near I.T.I. Bilaspur, Distt. Bilaspur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh

**Workshops**

- 895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi 110030
- Plot No. 3, Gazipur, Delhi 110096
- B-83, Maya Puri Industrial Area, Phase - 1, New Delhi 110064
- 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)
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Opp. S.S.B. Training Centre, Shamshi, Kullu, H.P.

**Share Transfer Agent**

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

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## **NOTICE OF ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 28<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 Monday, the 29<sup>th</sup> day of July, 2013 at 9.30 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, 2013 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. R C Murada, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. S L Tandon, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

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

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2013**

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

**Sd/-**  
**Yadvinder Goyal**  
**Company Secretary**

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. 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. Shareholders are requested to bring their copy of Annual Report to the meeting, as no separate copy would be provided at the venue of the Annual General Meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23<sup>rd</sup> July, 2013 to Monday, the 29<sup>th</sup> July, 2013 (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting.
6. 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.
7. 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.
8. The members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents i.e. **M/s. Skyline Financial Services Pvt. Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi-110020.**



9. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
10. 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.:
    - Account type, whether Savings (SB) or Current Account (CA)
    - Account number allotted by the Bank.
    - Name of the Bank
    - Name of Branch
    - Complete address of the bank with Pin Code Number
11. 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.

## **12. 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 downloaded from Company's website (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)). Requests for payment of dividend through ECS for the year 2012-13 should be lodged with M/s Skyline Financial Services Pvt. Limited.

13. Pursuant to provisions of Section 205A of the Companies Act, 1956, all unpaid or unclaimed dividends upto the year ended 31st March, 2005 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
14. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 2006 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>Date at which amount becoming due for credit to IEP Fund</b>
2005-06	Final Dividend	29-09-2006	06-11-2013
2006-07	Final Dividend	28-09-2007	05-11-2014
2007-08	Final Dividend	29-09-2008	06-11-2015
2008-09	Final Dividend	30-09-2009	07-11-2016
2009-10	Final Dividend	29-09-2010	06-11-2017
2010-11	Final Dividend	30-09-2011	07-11-2018
2011-12	Final Dividend	29-09-2012	06-11-2019

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

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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.**

15. 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.
16. As mandated by the Securities and Exchange Board of India (SEBI), members are requested to send copy of the 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 & Share Transfer Agent of the Company.
17. 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 i.e. M/s Skyline Financial Services Pvt. Limited.
18. 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. 16.

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

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

**Place: New Delhi  
Date: 30<sup>th</sup> May, 2013**

**Sd/-  
Yadvinder Goyal  
Company Secretary**

**DIRECTORS' REPORT**
**Dear Members,**

Your directors have pleasure in presenting this 28<sup>th</sup> Annual Report together with Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

**FINANCIAL HIGHLIGHTS**

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2013 is summarised below:

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>Year ended 31-03-2013</b>	<b>Year ended 31-03-2012</b>
Gross Income	80,712.49	70,957.55
<b>Profit before Dep. &amp; Tax</b>	<b>1,540.12</b>	<b>1,433.25</b>
Less : Depreciation	391.84	359.98
Less : Provision for Taxation including deferred tax	369.31	343.77
<b>Profit after tax</b>	<b>778.97</b>	<b>729.50</b>
Add: Profits from Previous year	2,789.55	2,283.60
Profits available for appropriation	3,568.52	3,013.10
<b>Less Appropriations</b>		
Proposed Dividend including tax	71.43	71.43
Tax Adjustments	-	2.12
Transfer to General Reserves	150.00	150.00
Closing Balance	3,347.09	2,789.55

**OPERATIONAL AND FINANCIAL PERFORMANCE**

2012-13 was a tough year. Besides slowing down of economy, factors such as tight liquidity and generally weak sentiments led to reduced consumption. Demand growth in your Company's product also slowed down in 2012-13 thus limiting top line development. In this challenging environment, the company kept its focus on improving operational efficiencies to remain competitive in existing business.

Your Company has reported a turnover of Rs. 80712.49 lacs in the year under review against the turnover of Rs. 70957.55 lacs in the previous year.

The Company's profit before tax (PBT) is Rs. 1148.28 lacs as compared to profit before tax of Rs. 1073.27 lacs of previous year.

During the year 2012-13, your company sold 17,233 Maruti Vehicles (including 200 Vehicles under Direct Billing) as compared with 17,655 Maruti Vehicles (including 721 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, 2013, which if approved by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

**ACHIEVEMENTS**

Since the last directors report, your Company has received an award for 'Best Performance in Corporate Sales – Category-A' from Maruti Suzuki India Limited.

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## **DIRECTORS**

In accordance with the provisions of Articles of Association of the Company, Mr. R C Murada and Mr. S L Tandon, directors of the Company, retire by rotation and being eligible offer themselves for re-appointment at the forthcoming Annual General Meeting.

## **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, 2013, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) They 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, 2013 and of the profit for the year ended on that date;
- c) They 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) They have prepared the annual accounts for financial year ended 31<sup>st</sup> March, 2013 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 BSE 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 BSE Limited (BSE) and Listing Fee for the financial year 2013-14 has been paid in advance by the Company.

## **AUDITORS**

The Statutory Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, retire at the forthcoming 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. 10.35 lacs as compared to Rs. NIL and Rs. 16.05 lacs in the previous year respectively.



**PARTICULARS OF EMPLOYEES**

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- 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, Banks, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

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

**Sd/-  
RAJ CHOPRA  
Chairman & Managing Director  
DIN – 00036705**

**Date: 30<sup>th</sup> May, 2013  
Place: New Delhi**



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## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

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

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

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

The Board of Directors comprise of an optimum combination of Executive and Non-executive Independent directors headed by the Chairman. 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 exchange. The independent directors do not have any pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgment of the directors in any manner.

The composition and structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31<sup>st</sup> March, 2013 is as under:

Name of the Director	Category	Designation	Inter-se relationship among directors	No. of other Director ships Held**	Total No. of Chairmanships / Memberships of Board Committees***		
					Chairman-ship	Member-ship	Total
Mr. Raj Chopra	Promoter Director	Chairman & Managing Director	Father of Mrs. Kavita Ahuja	8	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	1	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. S. L. Tandon	Independent Director	Director	*	Nil	Nil	Nil	Nil
Mr. Gopi Dargan	Independent Director	Director	*	2	Nil	1	1
Mr. R. C. Murada	Independent Director	Director	*	2	2	Nil	2
Mr. Rohit Gogia	Independent Director	Director	*	2	Nil	2	2
Mr. O P Tandon#	Non Executive and Non-Independent Director	Director	*	Nil	Nil	Nil	Nil

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

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

\*\*\* 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. As per disclosure(s) received from the Directors, none of the Directors hold memberships in more than 10 Committees or Chairmanship in more than 5 Committees.

# Mr. O P Tandon was appointed as an additional director of the company w.e.f. 14.8.2012 and subsequently appointed as director of the Company by shareholders at previous AGM of the Company held on 29.09.2012.

**B. BOARD MEETINGS:**
**1. Schedule of Board Meetings**

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

**2. Number of Board Meetings**

The Company's Board met six (6) times – on 11<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 29<sup>th</sup> August, 2012, 12<sup>th</sup> November, 2012, 28<sup>th</sup> January, 2013 and 13<sup>th</sup> February, 2013 during the financial year ended 31<sup>st</sup> March, 2013. The maximum time gap between any two meetings was not more than four months.

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

Name of the Director	Number of Board Meetings held during his/her tenure attended by him/her		Attendance at last AGM held on 29 <sup>th</sup> September, 2012
	Held	Attended	
Mr. Raj Chopra	6	6	Yes
Mrs. Kavita Ahuja	6	6	Yes
Mr. K K Mehta	6	6	No
Mr. S. L. Tandon	6	6	Yes
Mr. Gopi Dargan	6	6	No
Mr. R. C. Murada	6	6	Yes
Mr. Rohit Gogia	6	6	No
Mr. O P Tandon	5	5	No

**C. BOARD LEVEL COMMITTEES**

In accordance with listing agreement with the stock exchange on Corporate Governance, the following committees are 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 supervisory responsibilities, an Audit Committee has been constituted, headed by an independent director. Majority of its members are Independent Directors and each member has rich experience in financial sector.

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

**➤ Composition and names of members**

The Audit Committee, as on 31<sup>st</sup> March, 2013, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

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

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### ➤ Meetings and attendance during the year

The Audit Committee met five times during the financial year from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 on the following dates:

1	11 <sup>th</sup> May, 2012	4	12 <sup>th</sup> November, 2012
2	14 <sup>th</sup> August, 2012	5	13 <sup>th</sup> February, 2013
3	29 <sup>th</sup> August, 2012		

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

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

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

## 2. INVESTORS' GRIEVANCE COMMITTEE (IGC)

### ➤ 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 inter-alia include looking into the investors complaints on transfer of shares, non receipt of dividends etc. and redressal thereof.

### ➤ Composition and names of members

The Investor Grievance Committee (i.e. IGC) as on 31<sup>st</sup> March, 2013 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mr. Rohit Gogia and Mr. Gopi Dargan

### ➤ Meetings and attendance during the year

The Investor Grievance Committee met four (4) times during the financial year from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 on the following dates:

1	11 <sup>th</sup> May, 2012	3	12 <sup>th</sup> November, 2012
2	14 <sup>th</sup> August, 2012	4	13 <sup>th</sup> February, 2013

The attendance record of the Investor Grievance Committee members is as follows:

Names of the IGC members	Number of IGC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Gopi Dargan	4	4
Mr. Rohit Gogia	4	4

### ➤ Compliance Officer

The Compliance Officer for this committee is Mr. Yadvinder Goyal, Company Secretary of the Company.

**Shareholders' Complaints etc. received during the FY-2012-13**

During the year from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 the Company has received one complaint from Investor / Shareholder of the Company in the last week of March, 2013. The same was resolved within 1<sup>st</sup> week of April, 2013.

All requests received for change of address/ change of bank account details, dividend related queries etc. were replied well with in time. However, as informed above, as at 31<sup>st</sup> March, 2013, one complaint was pending for redressal.

**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, Schedule XIII and all other applicable provisions of the Companies Act, 1956. Following table give 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 Directors for the year ended 31<sup>st</sup> March, 2013****(In Rs.)**

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	30,00,000	48,00,000
Mrs. Kavita Ahuja	11,00,000	-	11,00,000
Mr. K. K. Mehta	7,20,000	-	7,20,000

**D. GENERAL BODY MEETINGS:****1. Date, Venue and Time of previous three Annual General Meetings:**

Financial Year ended	Date	Venue	Time
March 31, 2012	29-09-2012	Plot No. 3, Gazipur, Delhi 110096	9:00 a.m.
March 31, 2011	30-09-2011	Plot No. 3, Gazipur, Delhi 110096	9:00 a.m.
March 31, 2010	29-09-2010	Plot No. 3, Gazipur, Delhi 110096	10:00 a.m.

- Details of special resolutions passed in the previous three Annual General Meetings : No Special Resolution was proposed or passed in the previous three Annual General Meetings of the Company.
- No Special Resolution requiring a postal ballot was placed before the last Annual General Meeting. No special resolution requiring postal ballot is being proposed at the forthcoming Annual General Meeting.

**E. DISCLOSURES:**

- 1. Related Party Transactions:** For related party transactions please refer to note no. 36 in the notes to financial statement forming part of the annual accounts on page No. 39 & 40.
- The Company has complied with the requirements of stock exchange or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
- 3. 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, 2013.

**Sd/-****Raj Chopra****Chairman & Managing Director****New Delhi  
30<sup>th</sup> May, 2013**

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**4. 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.

**5. Compliance with Non-Mandatory requirements of clause 49 of the listing agreement**

The Company has not adopted any of the non-mandatory requirements of clause 49 of the listing agreement.

- 6.** The necessary certificate from Mr. Raj Chopra, Chairman and Managing Director and Mr. Vijay Sharma, DGM-Finance & Accounts of the Company, pursuant to clause 49(V) of the listing agreement with stock exchange, was placed before the Board.

- 7. Management Discussion and Analysis Report -** The Management Discussion and Analysis has been discussed in detail separately in this Annual Report on page no. 18.

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

- a) Mr. S L Tandon and Mr. R C Murada, directors of the Company, retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting;

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 enclosed to this report on page No. 16.

- 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:** As on 31<sup>st</sup> March, 2013, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

**i. Executive Directors:**

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

**ii. Non - Executive Directors:**

Name of the Director	Number of Shares Held
Mr. S. L. Tandon	Nil
Mr. Gopi Dargan	Nil
Mr. R. C. Murada	Nil
Mr. Rohit Gogia	15,000
Mr. O P Tandon	500

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

### F MEANS OF COMMUNICATION

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

**G. INFORMATION TO SHAREHOLDERS****1. REGISTERED OFFICE**

Competent House, F-14, Connaught Place, New Delhi – 110001  
Phone: +91 11 45700000, 45800000  
Fax : +91 11 23327640

**2. ANNUAL GENERAL MEETING**

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

**3. FINANCIAL 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, 2013	August, 2013
Un-audited Financial results for the 2 <sup>nd</sup> quarter and half year ending September 30, 2013	November, 2013
Un-audited Financial results for the 3 <sup>rd</sup> quarter ending December 31, 2013	February, 2014
Audited Financial results for the last quarter and whole year ending March 31, 2014	May, 2014

**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 Lacs.

Dividend on equity shares as recommended by the Board of directors for the year ended 31<sup>st</sup> March, 2013, if approved at the forthcoming Annual General Meeting, will be paid within the specified time period.

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

<b>Year</b>	<b>Dividend (%)</b>
2011-12	10
2010-11	10
2009-10	10

**6. LISTING ON STOCK EXCHANGE**

As on 31<sup>st</sup> March, 2013, the Company's shares are listed on BSE Limited and Scrip Code is **531041**.

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

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

**8. ANNUAL LISTING FEE**

Annual Listing Fee for the financial year 2013-14 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

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### 9. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2013

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

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

Particulars	31 <sup>st</sup> March, 2013	
	No. of Shares	% (Holding)
<b>Promoter and Promoter Group</b>		
Individuals	46,04,305	74.92
<b>Total (A)</b>	<b>46,04,305</b>	<b>74.92</b>
<b>Public Shareholding</b>		
Mutual Funds	100	0.00
Bodies Corporate	3,98,951	6.49
Individuals	11,10,289	18.06
Others (NRIs/HUF/Clearing Member / House etc.)	32,355	0.53
<b>Total (B)</b>	<b>15,41,695</b>	<b>25.08</b>
<b>Grand Total (C=A+B)</b>	<b>61,46,000</b>	<b>100</b>

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

No. of Equity Shares held	31 <sup>st</sup> March, 2013			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Share Capital
Upto 500	1981	90.46	2,37,434	3.86
501-1000	96	4.38	81,922	1.33
1001-2000	39	1.78	62,034	1.01
2001-3000	20	0.91	56,405	0.92
3001-4000	7	0.32	25,223	0.41
4001-5000	10	0.46	48,229	0.78
5001-10000	15	0.68	1,04,722	1.70
10001 and above	22	1.00	55,30,031	89.98
<b>TOTAL</b>	<b>2,190</b>	<b>100</b>	<b>61,46,000</b>	<b>100.00</b>

### 10. MARKET PRICE DATA

Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2012-13 are given below:

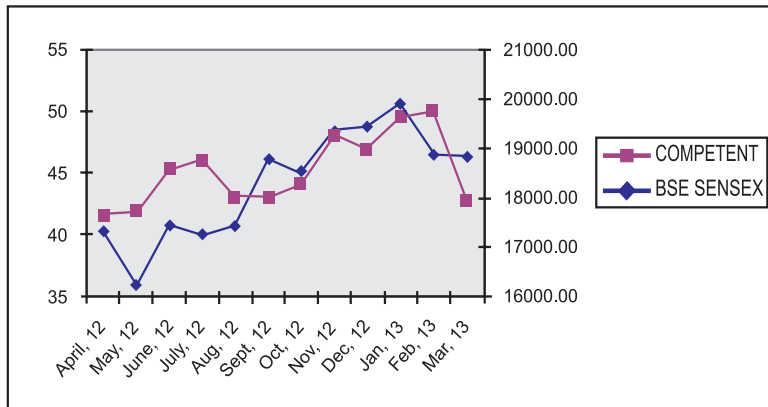
Month	BSE	
	High (Rs.)	Low (Rs.)
April, 12	46.90	40.00
May, 12	42.40	36.30
June, 12	50.20	39.00
July, 12	49.45	44.00
Aug, 12	46.00	40.10
Sept, 12	48.20	42.90

Month	BSE	
	High (Rs.)	Low (Rs.)
Oct, 12	51.50	44.05
Nov, 12	57.50	44.50
Dec, 12	50.00	42.90
Jan, 13	55.55	47.55
Feb, 13	50.50	44.25
Mar, 13	50.45	39.90



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

**a. 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, 2013, 89.58 % (i.e. 55,05,314 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

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

The Company has appointed a common Registrar & Share Transfer Agent i.e. Skyline Financial Services Private Limited for share transfer and dematerialisation of shares. 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. Their contact details are as follows:

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

**14. OUTSTANDING STOCK OPTIONS**

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31<sup>st</sup> March, 2013.

**15. PLANT LOCATIONS**

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

**16. ADDRESS FOR CORRESPONDENCE:**

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

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

**OR**

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



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

<b>Name of the Director</b>	Mr. R C Murada	Mr. S L Tandon
<b>Date of Birth</b>	11/08/1941	01/02/1930
<b>Qualification</b>	B.A. Diploma in Marketing from NSIC, Delhi Diploma in PCC (Personal Contract Campaign) from Times of India Diploma in Times Management from Times Education	B.Sc
<b>Expertise in Specific functional area</b>	Mr. Murada has expertise in fields of sales and marketing. He has more than three decades of experience in the Print Media and Newspaper industry. He has worked at many senior positions in big corporate such as Times of India, Amar Ujala and Reliance Group (The Observer) and has played important roles thereat.	Group Captain S L Tandon is a retired Indian Air Force Officer. He has immense experience of more than two decades in the Technical (Automobile) field.
<b>Date of Appointment</b>	02/11/2006	25/04/2005
<b>Name of the other Companies in which he holds Directorship</b>	M/s Competent Hotels Pvt. Limited M/s Competent Films Pvt. Ltd.	NIL
<b>Name of the Committees* of the Companies of which he holds Membership / Chairmanship</b>	<b>Competent Automobiles Co. Ltd.</b> Audit Committee- Chairman Investor Grievance Committee – Chairman	NIL
<b>Shareholding in the Company</b>	NIL	NIL

\* 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.



**AUDITORS' 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 2013 as stipulated in clause 49 of the listing agreement of the said Company with BSE Limited.

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.,  
Firm Registration No.-000220N  
Chartered Accountants**

**Place: New Delhi  
Date: 30.05.2013**

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

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERALL VIEW

Year 2012-13 began with slow economic growth of India because of a tight monetary policy, intended to address persistent inflation, and a decline in investment caused by investor pessimism about domestic economic reforms and about the global situation. The economic environment was tough and the growth in India moderated for a year. There were various internal and external factors that played a role. High international crude prices have exacerbated the government's fuel subsidy expenditures, contributing to a higher fiscal deficit and a worsening current account deficit. The effect of the uncertainty and recession trends in the global economies was compounded by the complexities in the domestic environment. The economic sentiment remained subdued as government policy and measures were keenly watched for their impact on fiscal deficit and interest rates.

The Indian automotive industry has emerged as a 'sunrise sector' in the Indian economy. India is emerging as one of the world's fastest growing passenger car markets. After a slump during the economic crisis of 2008-09, Automobile Industry had a dream run for the next two years. But, stubborn inflation, rising finance and fuel costs and a slowdown in industrial activity have taken a toll on domestic automobile sales since then. In the immediate term these are areas of serious concern but despite that the general consensus remains optimistic about medium and long term growth.

Faced by slowdown in growth and risk of credit down rating, the Government of India announced some reforms over the last few months to revive investments and sentiments. These reforms though are unlikely to lead to the sharp economic recovery in short term but will have positive effect in medium and long term.

### INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT

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

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

The sales of most of automobiles today are subject to changing consumer tastes, the popularity of the manufacturer's vehicle models, and the intensity of competition with other dealers. Along with the sale of the car, most dealers also sell additional automobile-related services to potential buyers. These services include extended warranties, undercoating, insurance and financing. After market sales departments sell these services and other merchandise after vehicle salespersons have closed a deal. Sales of these packages greatly increase the revenue generated for each vehicle sold. 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 almost all major manufacturers of the world here in India and the numbers are only increasing. Customers are spoiled for choice and dealerships are willing to go that extra mile to make that ever so crucial “sale”. From a seller’s market it has turned into a buyers’ market. Today, India has one of the fastest growing automobile industries in the world.

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

In recent years, the sale of used cars has become another useful business area for many new car dealers in the wake of shrinking margins on new cars. To make them acceptable to more customers, 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**

Over the last few months, Indian Government has taken some measures to stabilise the economy by containing fiscal and current account deficit. These stability measures will ensure that economic growth will slowly yet steadily return. We thus expect year 2013-14 to be a year of economic stability with growth at higher rates may return in the years coming afterwards.

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

Further, there has been continuing shift in rural spending in terms of its growth and it is less dependent on farm income. Income remittances from migrant rural population, increase in land prices and increase in non-farm activities and increased government spending in rural areas, have helped to reduce rural under-employment and raised rural income levels. This indicates a potential growth opportunity in this market. The Company is poised to benefit from the same.

### **Threats**

In developed markets, engine capacity and wheel base are the basis of segmentation of passenger cars, price does play a role but only upto a point. Since affordability is the most important demand driver in India, the domestic car market has until now been segmented on the basis of vehicle price. Price based competition also takes place in a continuum than in segments since nearly all the models are launched in multiple versions at different price points. As a result higher end variant compete with lower-end-variant of a car in a segment above it.

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

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

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

### **OUTLOOK**

The financial year 2012-13 sales figures are not enthralling, to say the least, and the auto market may once again face with the prospect of slowdown. Automobile dealer fraternity was banking a lot on the advent of 2013-14 to bring the much needed buoyancy back in the market.

Despite offering various schemes, the showroom traffic has come down drastically and enquiry conversions are also not taking place. Customers shying away from the showrooms and whatever footfalls are there in the showrooms are not getting fully converted into sales. The market sentiment continues to remain subdued due to poor economic conditions and various other factors. The issues, such as, depressed economic environment, inflation and high fuel prices & interest rates continue to dog the auto market. The external factors, particularly, slowdown and subdued economic activity in Europe, leading to India's widening trade gap, are not helping either.

The long term outlook for the automobile industry is bright and robust, though outlook for the Indian auto industry in near term is expected to remain stable and a muted growth in both passenger vehicles segments is expected due to structural weaknesses and over-capacity among other factors.

### **RISKS AND CONCERNS**

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

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

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

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

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

### **SEGMENT WISE BUSINESS PERFORMANCE**

Competent Automobiles Co. Ltd. is mainly in the business of trading and servicing of Maruti Suzuki vehicles. The Company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with purchase and sales of vehicles manufactured by Maruti Suzuki India Limited. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. For Segment wise business performance of the Company, please refer to note no. 35 in the notes to financial statement forming part of the annual accounts at page no. 39.



**OPERATIONAL & FINANCIAL PERFORMANCE**

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

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

**HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31<sup>st</sup> March, 2013, there were 1175 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.

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## AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **COMPETENT AUTOMOBILES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 and the statement of Profit and Loss Account for the period ended 31<sup>st</sup> March, 2013 and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) In the case of the Profit and Loss Account, of the Profit for the Period ended on that date, and;
  - c) In the case of the Cash flow Statement, of the Cash Flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) order, 2003 ("the order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraph's 4 and 5 of the Order.
  2. As required by section 227 (3) of the Act, 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 our audit;
    - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
    - c) The Balance Sheet, Statement of Profit and Loss Account dealt with by this Report are in agreement with the books of account;
    - d) In our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
    - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
    - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For DINESH MEHTA & Co.  
(Chartered Accountants)  
Firm No. : 000220N**

**Place: New Delhi  
Date: 30.05.2013**

**Sd/-  
HIREN MEHTA  
(Partner)  
M. NO. : 90772**



**ANNEXURE TO AUDITOR'S REPORT**

**(Referred to in paragraph – 1 of our report of even date  
on the accounts for the year ended on 31st March, 2013  
of COMPETENT AUTOMOBILES COMPANY LIMITED.**

1. In respect to its Fixed Assets:
    - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
    - b) As explained to us, the management during the year has physically verified the fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. We are informed that, no material discrepancy has been noticed by the management on such verification.
    - c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
  2. In respect of its Inventories :
    - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
    - b) The procedure 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 inventory records, 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 are not material. The discrepancies noted on such verification have been properly dealt with in the books of accounts.
  3. The Company has not granted/taken any secured or unsecured loan to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 except loans taken from two directors ( Mr. Raj Chopra and Mrs. Kavita Ahuja) of the company. The rate of interest and other terms and conditions of the loans taken are not prima facie prejudicial to the interest of the company. The principal amount outstanding as on 31<sup>st</sup> March 2013 under both accounts is NIL. Maximum amount outstanding during the year were Rs. 75 lacs and Rs. 350 lacs in respect of loan taken from Mrs Kavita Ahuja and Mr. Raj Chopra respectively.
  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 for the sale of goods and services. 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 u/s 301 have taken place during the year.
  6. According to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
  7. In our opinion the company has internal audit system, commensurate with its size and nature of the business.
  8. The provision of maintaining Cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
  9. In respect of statutory dues:
    - a) According to the records of the company, the company has been regular in depositing with the 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. According to the information and explanation given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales Tax, Service Tax, Excise Duty & Custom Duty were outstanding as at March 31<sup>st</sup> 2013, for a period of more than six months from the date they became payable.
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## **ANNUAL REPORT & ACCOUNTS 2012-2013**

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- b) According to the records of the Company, the disputed sales tax demand of Rs.287.56 lacs in respect of financial year 1991-92 under Central Sales Tax Act,1956 has not been deposited on account of disputed matters pending before appropriate authorities. Against this, the Company has filed an appeal before Additional Commissioner of Sales Tax (Appeals) –I, New Delhi.
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 in 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 institutions except vehicle and term loans.
  12. The Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures, and other securities.
  13. The Provision 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 explanation 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 explanation given to us, the company had taken term loans for purchase of land at Goa and Noida for business projects and Vehicles for test drive purpose. Loans have been utilised for the said purposes.
  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 information and explanation given to us, the company has not issued any debentures during the year.
  20. The Company has not raised any money by public issue.
  21. According to information and explanation 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.**  
**Firm Regn. No. 000220N**  
**Chartered Accountants**

**Sd/-**  
**(HIREN MEHTA)**  
**Partner**  
**MNo – 90772**

**Place: New Delhi**  
**Dated: 30.05.2013**



# COMPETENT AUTOMOBILES CO. LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

	Note No.	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	6,27,84,500	6,27,84,500
Reserves and Surplus	3	65,96,25,494	58,88,71,645
		<u>72,24,09,994</u>	<u>65,16,56,145</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	7,19,71,747	2,49,31,023
Other Long-Term Liabilities	5	24,53,446	26,69,895
		<u>7,44,25,193</u>	<u>2,76,00,918</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	14,96,68,248	18,79,56,004
Trade Payables	7	24,25,29,594	16,14,34,683
Other Current Liabilities	8	18,44,47,510	18,89,33,458
Short-Term Provisions	9	3,04,82,056	2,46,52,344
		<u>60,71,27,409</u>	<u>56,29,76,489</u>
<b>TOTAL</b>		<u><u>1,40,39,62,596</u></u>	<u><u>1,24,22,33,553</u></u>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
-Tangible Assets	10	44,38,15,408	35,48,69,700
-Capital Work-in-Progress	11	6,10,12,089	6,84,85,745
Deffered Tax Assets (Net)	12	57,65,732	41,97,103
Long-Term Loans and Advances	13	4,55,42,806	7,03,19,075
Other Non Current Assets	14	31,13,018	52,99,684
		<u>55,92,49,053</u>	<u>50,31,71,307</u>
<b>Current Assets</b>			
Inventories	15	53,88,69,024	46,01,29,818
Trade Receivables	16	19,93,89,435	14,18,83,965
Cash and Bank Balances	17	6,92,65,136	7,27,85,751
Short-Term Loans and Advances	18	3,46,98,179	5,98,82,008
Other Current Assets	19	24,91,768	43,80,702
		<u>84,47,13,542</u>	<u>73,90,62,244</u>
<b>TOTAL</b>		<u><u>1,40,39,62,596</u></u>	<u><u>1,24,22,33,553</u></u>

### Significant Accounting Policies and Notes to Accounts form part of Financial Statements.

As Per our report of even date attached.

**For Dinesh Mehta & Co.**

**Firm Registration No: 000220N**

**Chartered Accountants**

Sd/-

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 30-05-2013

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

Sd/-

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

Sd/-

(Yadvinder Goyal)

Company Secretary

Sd/-

(Kavita Ahuja)

Whole Time Director

DIN-00036803

# ANNUAL REPORT & ACCOUNTS 2012-2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Note No.	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
<b>A Revenue</b>			
I Revenue from Operations	20	<b>8,06,49,11,845</b>	7,08,81,00,221
II Other Income	21	<b>63,37,468</b>	76,54,441
<b>III Total Revenue (I+II)</b>		<b>8,07,12,49,313</b>	7,09,57,54,662
<b>IV Expenses</b>			
Purchases of Stock in Trade	22	<b>7,20,36,06,142</b>	6,26,57,31,882
Changes in Inventories of Stock in Trade	23	<b>(7,87,39,206)</b>	(4,06,04,892)
Employee Benefit Expenses	24	<b>19,19,85,067</b>	16,94,60,537
Finance Cost	25	<b>4,62,78,308</b>	3,84,31,836
Depreciation and Amortization Expense	26	<b>3,91,83,985</b>	3,59,98,156
Other Expenses	27	<b>55,41,06,760</b>	51,94,09,742
<b>Total Expenses</b>		<b>7,95,64,21,056</b>	6,98,84,27,261
<b>V Profit before exceptional &amp; extraordinary items and Tax (III)-(IV)</b>		<b>11,48,28,257</b>	10,73,27,401
VI Exceptional Items		-	-
<b>VII Profit / (Loss) before extraordinary items and Taxes (V)-(VI)</b>		<b>11,48,28,257</b>	10,73,27,401
VIII Extraordinary items		-	-
<b>IX Profit / (Loss) before Tax (VII)-(VIII)</b>		<b>11,48,28,257</b>	10,73,27,401
<b>X Tax Expenses</b>			
- Current Tax		<b>3,85,00,000</b>	3,60,00,000
- Deferred Tax		<b>(15,68,629)</b>	(16,22,654)
- (Excess)/Short provision for taxation and tax payments		-	-
<b>Profit after Tax (IX)-(X)</b>		<b>7,78,96,886</b>	7,29,50,055
<b>Earnings per Equity share (In Rs.)</b>			
<b>(Nominal Value per Share Rs. 10/-)</b>		<b>12.67</b>	11.87
Basic and Diluted			
<b>Significant Accounting Policies and Notes to Accounts form part of Financial Statements.</b>			

As Per our report of even date attached.

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

**Sd/-**  
**(Hiren Mehta)**  
**Partner**  
**Membership Number-90772**

**Place: New Delhi**  
**Date : 30-05-2013**

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

**Sd/-**  
**(Raj Chopra)**  
**Chairman & Managing Director**  
**DIN-00036705**

**Sd/-**  
**(Yadvinder Goyal)**  
**Company Secretary**

**Sd/-**  
**(Kavita Ahuja)**  
**Whole Time Director**  
**DIN-00036803**



# COMPETENT AUTOMOBILES CO. LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(All Figures in Rs.)

	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>11,48,28,256</b>	10,73,27,402
Adjustments for:		
Depreciation and Amortisation	<b>3,91,83,985</b>	3,59,98,156
Profit on Sale of Tangible Assets	<b>(5,93,521)</b>	(16,192)
Provisions no longer required written back		
Provision for Gratuity		
Provision for Doubtful Debts		
Financial Expenses	<b>4,62,78,308</b>	3,84,31,836
Interest Income		
	<b>8,48,68,772</b>	7,44,13,800
<b>Operating gain before working capital changes</b>	<b>19,96,97,028</b>	18,17,41,202
Changes in working capital		
(Increase)/Decrease in Inventories	<b>(7,87,39,206)</b>	(4,06,04,892)
(Increase)/Decrease in Trade Receivables	<b>(5,56,16,535)</b>	1,33,05,610
(Increase)/Decrease in Loans and Advances	<b>4,99,60,098</b>	(5,89,33,160)
Increase in Current Liabilities and Provisions	<b>8,22,22,225</b>	1,43,32,219
	<b>(21,73,418)</b>	(7,19,00,223)
<b>Cash generated from Operating activities before Taxes</b>	<b>19,75,23,610</b>	10,98,40,979
Direct Taxes paid (net of refunds)	<b>(3,63,13,946)</b>	(3,70,38,208)
<b>Net cash generated from/ (used in) Operating activities</b>	<b>16,12,09,664</b>	7,28,02,771
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(12,59,10,035)</b>	(7,97,71,228)
Purchase of Investments		
Proceeds from Sale of Investments		
Proceeds from Sale of Tangible Assets	<b>58,47,978</b>	80,65,622
Interest received		
<b>Net cash generated from / (used in) investing activities</b>	<b>(12,00,62,057)</b>	(7,17,05,606)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Bank Borrowings		
Proceeds from Long Term Bank Borrowings		
Repayment of Long Term Borrowings	<b>87,52,968</b>	1,04,56,349
Financial expenses paid	<b>(4,62,78,308)</b>	(3,84,31,836)
Dividend paid	<b>(71,42,881)</b>	(71,66,851)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(4,46,68,221)</b>	(3,51,42,338)
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(35,20,615)</b>	(3,40,45,174)
<b>Cash and Bank balance at the beginning of the year</b>	<b>7,27,85,751</b>	10,68,30,924
<b>Effect of exchange gain on cash and cash equivalents</b>		
<b>Cash and Bank balance at the end of the year</b>	<b>6,92,65,136</b>	7,27,85,751
<b>Component of Cash and Bank balance</b>		
Cash and cash equivalents include:		
Cash on hand	<b>2,71,03,462</b>	1,83,43,944
Cheques on hand	<b>97,09,764</b>	72,90,330
Balances with Banks:		
Deposit accounts		
Current accounts	<b>2,25,01,654</b>	1,82,11,934
<b>Cash and cash equivalents at the end of the year</b>	<b>5,93,14,880</b>	4,38,46,208
<b>Add:</b>		
Fixed deposits pledged (restricted cash)		
Fixed deposits with original maturity of more than 90 days	<b>99,50,256</b>	2,89,39,542
<b>Cash and Bank balances at the end of the year</b>	<b>6,92,65,136</b>	7,27,85,751

- Notes**
- The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified under Section 211(3C) of the Companies Act, 1956.
  - Figures in brackets represents cash out flow.

As Per our report of even date attached.

**For Dinesh Mehta & Co.**

**Firm Registration No: 000220N**

**Chartered Accountants**

Sd/-

(Hiren Mehta)

**Partner Chairman & Managing Director**

**DIN-00036705**

Sd/-

(Raj Chopra)

**Whole Time Director**

**DIN-00036803**

Sd/-

(Yadvinder Goyal)

**Company Secretary**

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

Sd/-

(Kavita Ahuja)

**Membership Number-90772**

**Place: New Delhi**

**Date : 30-05-2013**

# ANNUAL REPORT & ACCOUNTS 2012-2013

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## SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with generally accepted accounting principles in India and applicable statutes and comply with the Accounting Standards referred in Section 211 (3C) Companies (Accounting Standards) Rules 2006, as amended and the other relevant provisions of The Companies Act, 1956.

All Assets and liabilities have been classified as Current and Non Current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI of The Companies Act, 1956.

#### 1.1 Tangible Assets

- a) Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets. The amount of capital expenditure which has not been attributed to the assets and pending for capitalization are shown as Capital Work in progress.
- b) Depreciation on fixed assets is provided 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 is charged accordingly.

#### 1.2 Inventories

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

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

#### 1.3 Investments

Investments are valued at cost of acquisition, less provisions for diminution, as necessary, if any.

#### 1.4 Segment Accounting

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

#### 1.5 Taxation

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

#### 1.6 Foreign Exchange Transactions

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



## **1.7 Employee Benefits**

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

## **1.8 Revenue Recognition**

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

## **1.9 Impairment of Assets**

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

## **1.10 Borrowing Cost**

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

## **1.11 Earning per Share**

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

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

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

# ANNUAL REPORT & ACCOUNTS 2012-2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>2 Share capital</b>		
<b>Authorized</b>		
1,00,00,000 Equity shares of Rs. 10/- each (Previous Year 1,00,00,000 Equity shares of Rs. 10/- each)	<u>10,00,00,000</u>	<u>10,00,00,000</u>
<b>Issued, Subscribed</b>		
64,09,500 Equity shares of Rs.10/- each (Previous Year 64,09,500 Equity shares of Rs.10/- each )	<u>6,40,95,000</u>	<u>6,40,95,000</u>
<b>Paid-Up</b>		
61,46,000 Equity Shares of Rs. 10/- each (Previous Year 61,46,000 Equity Shares of Rs. 10/- each)	<u>6,14,60,000</u>	<u>6,14,60,000</u>
Add : Amount paid up on Forfeited 2,63,500 Equity Shares (Previous year : Amount Paid up on forfeited 2,63,500 Equity Shares)	<u>13,24,500</u>	<u>13,24,500</u>
	<u><b>6,27,84,500</b></u>	<u><b>6,27,84,500</b></u>
<b>A Reconciliation of the number of shares outstanding :</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
Equity Shares outstanding at the beginning of the year	<u>61,46,000</u>	<u>61,46,000</u>
Add: issued during the year	-	-
less : Bought back during the year	-	-
Equity Shares Outstanding at the End of the year	<u>61,46,000</u>	<u>61,46,000</u>
<b>B Shareholders holding more than 5% of the Equity Shares.</b>	<b>%</b>	<b>%</b>
<b>Name of the Share Holder</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
Mrs. Kavita Ahuja	<b>61.48%</b>	<b>37,78,680</b>
Mrs. Geeta Chopra	<b>9.02%</b>	<b>5,54,525</b>
	<b>58.47%</b>	<b>35,93,680</b>
	<b>9.02%</b>	<b>5,54,525</b>
<b>3 Reserves and Surplus</b>		
i. <b>General Reserve</b>		
As per last Balance Sheet	<u>16,67,51,195</u>	<u>15,17,51,195</u>
Add : Balance Transferred from Profit and Loss Account	<u>1,50,00,000</u>	<u>1,50,00,000</u>
	<u><b>18,17,51,195</b></u>	<u><b>16,67,51,195</b></u>
ii <b>Securities Premium Account</b>		
As per last Balance Sheet	<u>14,31,65,000</u>	<u>14,31,65,000</u>
iii <b>Surplus in Statement of Profit and Loss</b>		
As per last Balance Sheet	<u>27,89,55,450</u>	<u>22,83,60,649</u>
Add : Net Profit for the Year	<u>7,78,96,884</u>	<u>7,29,50,057</u>
<b>Amount available for Appropriations</b>	<u><b>35,68,52,334</b></u>	<u><b>30,13,10,706</b></u>
<b>Less:</b>		
Proposed Dividend on Equity Shares	<u>61,46,000</u>	<u>61,46,000</u>
Dividend tax	<u>9,97,035</u>	<u>9,96,881</u>
Tax adjustments for earlier years	-	<u>2,12,375</u>
Transferred to General Reserve	<u>1,50,00,000</u>	<u>1,50,00,000</u>
	<u><b>33,47,09,299</b></u>	<u><b>27,89,55,450</b></u>
<b>Total</b>	<u><b>65,96,25,494</b></u>	<u><b>58,88,71,645</b></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in Rs.)

	Figures as at the end of Current Reporting Period		Figures as at the end of Previous Reporting Period	
	Non - Current	Current	Non - Current	Current
<b>4 Long Term Borrowings</b>				
<b>Term Loan</b>				
<b>Secured Loans:</b>				
From Vijaya Bank- Goa *	1,77,21,747	74,00,000	2,49,31,023	72,00,000
From Vijaya Bank- Noida **	5,42,50,000			
	<b>7,19,71,747</b>	<b>74,00,000</b>	2,49,31,023	72,00,000
*The above loan is secured against first charge on immovable property situated at Goa. The loan is repayable in 120 Equated Monthly Installments starting from 30-01-2006 along with interest rate of BPLR-2.5% i.e. 12.25% .Last 12 months installments has been classified under Note no. 8 “ other current Liabilities”.				
** The Repayment Schedule of the said loan is not yet started.				
<b>5 Other long-Term Liabilities</b>				
Others:		-		-
Security Deposits		24,53,446		26,69,895
		<b>24,53,446</b>		26,69,895
<b>6 Short Term Borrowings</b>				
<b>i) Loans repayable on Demand</b>				
<b>From Banks</b>				
<b>Secured</b>				
- Cash Credit Facility From Vijaya Bank *		81,28,990		6,13,22,313
- Cash Credit Facility From State Bank of India *		4,61,30,096		4,97,03,118
- Inventory Funding From HDFC **		8,74,63,721		5,99,07,664
- Short Term Loan -Vijay Bank , Himachal Pradesh		-		27,09,987
<b>From Others</b>				
<b>Unsecured</b>				
Due to Directors ***		-		75,00,000
<b>ii) Other Loans</b>				
- Vehicle Loan		79,45,441		68,12,922
		<b>14,96,68,248</b>		18,79,56,004

\* Cash credit from Banks is secured by hypothecation of stock in trade, mortgage of immovable property and personal guarantees of Directors. The cash credit is repayable on demand and carries interest at Base rate + 2.5% P.A.

\*\*Inventory funding is repayable on demand and carries interest of 12% P.A.

\*\*\*Loans from Directors is repayable on demand and carries interest rate of 10% P.A.



# ANNUAL REPORT & ACCOUNTS 2012-2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>7 Trade Payables</b>		
Micro, Small and Medium Enterprises	-	-
Others	<b>24,25,29,594</b>	16,14,34,683
	<b><u>24,25,29,594</u></b>	<u>16,14,34,683</u>

The Company has not received any intimation from its Vendors regarding the status under the Micro & Small Enterprise Development Act, 2006 and hence disclosures under the said Act have not been made.

### 8 Other Current Liabilities

Current Maturities of Long Term Debts	<b>74,00,000</b>	72,00,000
Advance from Customers	<b>8,42,82,716</b>	9,48,11,686
<b>Other Payables:</b>		
- Expenses Payable	<b>86,99,291</b>	1,04,56,648
- Sales Tax Payable	<b>8,26,53,611</b>	7,47,20,630
- T.D.S. Payable	<b>14,11,892</b>	17,44,494
	<b><u>18,44,47,510</u></b>	<u>18,89,33,458</u>

### 9 Short-Term Provisions

#### Provision for Employees Benefits :

Salary and Bonus	<b>2,33,39,021</b>	1,75,09,463
<b>Other :</b>		
Proposed Dividend	<b>61,46,000</b>	61,46,000
Provision for Tax on Dividend	<b>9,97,035</b>	9,96,881
	<b><u>3,04,82,056</u></b>	<u>2,46,52,344</u>

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.



**10 FIXED ASSETS**

(All Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	ASAT 01.04.2012	ADDITIONS	SALE/TRF	ASAT 31.03.2013	UPTO 31.03.2012	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.2013	AS AT 31.03.2013	ASAT 31.03.2012
<b>Tangible Assets</b>										
<b>LAND</b>	16,04,87,096	8,31,28,643	-	24,36,15,739	-	-	-	-	24,36,15,739	16,04,87,096
<b>BUILDING</b>	13,37,04,569	31,38,981	-	13,68,43,550	7,15,21,585	60,15,696	-	7,75,37,281	5,93,06,269	6,21,82,984
<b>PLANT &amp; MACHINERIES</b>	10,95,70,318	1,34,69,080	-	12,30,39,398	6,81,78,365	82,56,813	-	7,64,35,178	4,66,04,220	4,13,91,953
<b>ELECTRIC INSTALLATIONS</b>	1,16,41,115	24,98,186	-	1,41,39,301	86,60,310	6,62,866	-	93,23,176	48,16,125	29,80,805
<b>OFFICE EQUIPMENTS</b>	5,26,82,514	52,94,241	-	5,79,76,755	3,67,96,907	34,02,736	-	4,01,99,643	1,77,77,112	1,58,85,607
<b>FURNITURE &amp; FIXTURES</b>	3,70,59,527	26,61,400	-	3,97,20,927	2,64,15,703	22,12,348	-	2,86,28,051	1,10,92,876	1,06,43,824
<b>VEHICLES</b>	10,81,81,654	2,31,93,160	1,29,67,905	11,84,06,909	4,68,84,175	1,86,33,526	77,13,448	5,78,04,253	6,06,02,656	6,12,97,479
<b>TOTAL</b>	<b>61,33,26,793</b>	<b>13,33,88,691</b>	<b>1,29,67,905</b>	<b>73,37,42,579</b>	<b>25,84,57,045</b>	<b>3,91,88,987</b>	<b>77,13,448</b>	<b>28,99,27,582</b>	<b>44,38,15,408</b>	<b>35,48,69,700</b>
PREVIOUS YEAR	55,10,36,746	8,05,98,377	1,83,08,330	61,33,26,793	23,27,17,791	3,59,98,156	1,02,58,900	25,84,57,045	35,48,69,700	31,83,18,955

# ANNUAL REPORT & ACCOUNTS 2012-2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>11 Capital Work in progress</b>	<b>6,10,12,089</b>	6,84,85,745
	<u>6,10,12,089</u>	<u>6,84,85,745</u>
As Stipulated in AS-28 of the ICAI, the Company assessed potential generation of economic benefits from its business units and is of the opinion 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.		
<b>12 Deferred tax Liability/Assets (net)</b>		
Deferred Tax Assets	<b>57,65,732</b>	41,97,103
(on account of timing difference of depreciation on Fixed Assets )	<b>57,65,732</b>	41,97,103
<b>Deferred tax Assets (Net)</b>	<b>57,65,732</b>	41,97,103
	<u>57,65,732</u>	<u>41,97,103</u>
<b>13 Term Loans and Advances (Unsecured considered Good)</b>		
<b>i) Capital Advances</b>	<b>10,20,000</b>	2,54,78,430
<b>ii) Security Deposits</b>		
-Security Deposit to MSIL	<b>1,52,50,000</b>	1,27,50,000
-Security Deposits for Showrooms	<b>1,97,62,940</b>	2,04,55,160
-Other Security Deposits	<b>94,88,166</b>	1,13,66,048
<b>iii) Others Loans and advances</b>		
-Vehicle Loan to Employees	<b>21,700</b>	2,69,437
	<b>4,55,42,806</b>	7,03,19,075
	<u>4,55,42,806</u>	<u>7,03,19,075</u>
<b>14 Other Non -Current Assets</b>		
Advance Income Tax and Taxes Deducted at Source (Net of Provision)	<b>31,13,018</b>	52,99,684
	<b>31,13,018</b>	52,99,684
	<u>31,13,018</u>	<u>52,99,684</u>
<b>15 Stock in Trade</b>		
Vehicles	<b>48,68,07,479</b>	41,63,51,702
(at cost or Net realisable value whichever is lower)		
Spare Parts, Accessories, Oil & Lubricants	<b>5,20,61,545</b>	4,37,78,116
(at cost on FIFO method)		
	<b>53,88,69,024</b>	46,01,29,818
	<u>53,88,69,024</u>	<u>46,01,29,818</u>
<b>16 Trade Receivables</b>		
<b>Debts outstanding for a period exceeding six months from the date they are due for payment.</b>		
- Unsecured and considered good	-	4,24,734
- Unsecured and considered doubtful	-	-
	-	4,24,734
<b>Other Debts</b>		
considered good	<b>19,93,89,435</b>	14,14,59,231
considered doubtful	-	-
	<b>19,93,89,435</b>	14,14,59,231
	<u>19,93,89,435</u>	<u>14,14,59,231</u>
Less: Provision for Doubtful Debts	-	-
	<b>19,93,89,435</b>	14,18,83,965
	<u>19,93,89,435</u>	<u>14,18,83,965</u>

Some of the outstanding balances as at 31st March, 2013 in respect of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation.



# COMPETENT AUTOMOBILES CO. LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>17 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents:</b>		
Cash on hand	2,71,03,462	1,83,43,944
<b>Balances with banks</b>		
- In Current Accounts	2,25,01,654	1,82,11,934
- In Fixed Deposits (More than 3 months & less than 12 months maturity)	99,50,256	2,89,39,542
-Cheque in Hand	97,09,764	72,90,330
	<u>6,92,65,136</u>	<u>7,27,85,751</u>
<b>18 Short Term Loans and Advances (Unsecured and considered good)</b>		
Advance Recoverable in Cash or in Kind	3,28,24,724	5,83,20,914
<b>Others:</b>		
Advance For Expenses	71,389	2,37,811
Staff Advances	4,30,714	5,26,354
Staff Imprest	13,71,352	7,96,929
	<u>3,46,98,179</u>	<u>5,98,82,008</u>
<b>19 Other Current Assets</b>		
Interest accrued but not due on Fixed Deposits	12,57,634	10,26,823
Interest Recoverable from MSIL	2,76,079	2,77,408
Incentive Receivable	-	20,49,549
Prepaid Expenses	9,58,055	10,26,922
	<u>24,91,768</u>	<u>43,80,702</u>

# ANNUAL REPORT & ACCOUNTS 2012-2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
<b>20 Revenue from Operations</b>		
<b>Sale of products</b>		
Vehicles	7,13,16,25,957	6,24,12,35,296
Spare Parts & Accessories	42,36,28,212	42,45,78,953
Number Plates	6,81,752	20,93,876
<b>Services Rendered</b>		
-Logistic Charges	7,45,00,915	5,34,36,817
-Services & Labour Charges	23,57,02,976	21,33,09,421
<b>Incentive Received :</b>		
From Maruti Suzuki India Ltd.	13,48,07,062	9,85,58,219
<b>Commission Received</b>		
- Extended Warranty	36,43,619	41,68,365
- Insurance Business	4,03,01,385	3,51,37,471
- Direct Billing	15,31,198	29,32,639
- Sourcing Fees	1,34,60,816	94,80,018
-Interest Income	50,27,952	31,69,146
	<u>8,06,49,11,845</u>	<u>7,08,81,00,221</u>
<b>21 Other income</b>		
Net Gain on Sale of Tangible Fixed Assets	5,93,521	16,192
Booking Cancellation Charges	7,29,086	7,46,645
Miscellaneous income	50,14,861	68,91,604
	<u>63,37,468</u>	<u>76,54,441</u>
<b>22 Purchase of Traded Goods</b>		
<b>Purchases during the year</b>		
- Vehicle	6,84,48,30,472	5,93,69,78,454
- Spare Parts & Accessories	36,23,53,288	33,52,44,695
- Number Plates	2,33,021	4,49,245
<b>Less:</b>		
- Spares issued against Warrenty	(38,10,639)	(68,25,613)
- Spares Short & Excess	-	(1,14,899)
	<u>7,20,36,06,142</u>	<u>6,26,57,31,882</u>
<b>23 Changes in Inventories of Stock in Trade</b>		
<b>Inventories at the end of the year:</b>		
- Vehicles	48,68,07,479	41,63,51,702
- Spare Parts & Accessories	5,20,61,545	4,37,78,116
	<u>53,88,69,024</u>	<u>46,01,29,818</u>
<b>Less:</b>		
<b>Inventories at the beginning of the year:</b>		
- Vehicles	41,63,51,702	37,49,55,942
- Spare Parts & Accessories	4,37,78,116	4,45,68,984
	<u>46,01,29,818</u>	<u>41,95,24,926</u>
	<u>(7,87,39,206)</u>	<u>(4,06,04,892)</u>



# COMPETENT AUTOMOBILES CO. LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
<b>24 Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	15,41,13,079	13,25,59,732
Directors Remuneration	36,20,000	31,10,000
Commission paid to Directors	30,00,000	25,00,000
Contribution to Provident Fund and Other Funds	1,64,36,681	1,58,57,356
Staff Welfare Expenses	1,48,15,307	1,54,33,449
	<u>19,19,85,067</u>	<u>16,94,60,537</u>
<b>25 Finance Cost</b>		
Interest on Term Loan	69,19,984	72,61,795
Interest on Working capital	1,28,42,939	93,94,936
Interest on Inventory Funding	66,31,797	24,34,725
Interest Paid To MSIL	1,90,28,202	1,68,45,837
Interest Paid to others	890	39,859
Finance Charges	8,54,496	24,54,684
	<u>4,62,78,308</u>	<u>3,84,31,836</u>
<b>26 Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	3,91,83,985	3,59,98,156
	<u>3,91,83,985</u>	<u>3,59,98,156</u>
<b>27 Other Expenses</b>		
Consumable Stores	2,42,64,317	2,25,56,785
Jobwork & Labour Charges	3,41,94,864	3,22,97,613
Security Services Charges	1,09,87,539	1,00,88,360
Services Charges	2,29,54,264	2,13,56,176
Petrol For New Car	73,77,346	73,22,492
Delivery Charges	80,93,737	75,53,019
Insurance	64,51,969	45,44,887
<b>Repair &amp; Maintainance</b>		
Building	3,85,50,463	2,72,19,703
Plant & Machinery	1,59,64,187	1,62,89,996
Others	26,72,909	28,81,643
Legal & Professional Charges	1,22,82,671	73,17,978
Rent	4,41,68,601	4,93,48,141
Rates & Taxes	52,50,482	25,50,543
Facilitiy Charges	72,00,000	72,34,000
Communication Expenses	82,13,052	76,71,189
Charity & Donation	1,41,502	6,26,024
Power & Fuel	1,73,54,951	1,47,13,602
Printing & Stationery	72,32,360	62,49,914
Travelling & Conveyance	1,09,53,020	1,08,34,912
Auditors Remuneration (Refer Note No. 29 )	8,50,000	8,50,000
Miscellaneous Expenses	41,27,701	10,54,159
Advertising & Publicity	54,07,381	50,72,646
Trade Discount	25,34,70,880	24,88,52,768
Sales Promotion	59,42,564	49,23,194
	<u>55,41,06,760</u>	<u>51,94,09,742</u>

# ANNUAL REPORT & ACCOUNTS 2012-2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>28 Contingent Liabilities</b>		
Particulars		
(i) Bank Guarantee obtained from Banks	2,50,00,000	2,50,00,000
(ii) Letter of Credit obtained from Banks	16,00,00,000	16,00,00,000
(iii) Disputed Sales Tax Demand (This demand pertains to F.Y. 1991-92 against which an appeal before Commissioner of Sales Tax (Appeals)-I has been filed and pending for disposal)	2,87,56,000	2,87,56,000
		(Amount in Rs.)
	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
<b>29 Auditors Remuneration*</b>		
(i) Audit Fees	5,00,000	5,00,000
(ii) Tax Audit Fees	50,000	50,000
(iii) Other Services	3,00,000	3,00,000
	<u>8,50,000</u>	<u>8,50,000</u>
*Excluding Service Tax		
<b>30 Expenditure in Foreign Currency</b>		
Tours and Travelling	10,34,820	16,05,002
<b>31 Managerial Remuneration</b>		
Salary	36,20,000	31,10,000
Commission on Net Profit	30,00,000	25,00,000
	<u>66,20,000</u>	<u>56,10,000</u>
<b>32 Computation of Net Profit in accordance with Section 349 and calculation of commission under Section 198 (1) of The Companies Act, 1956</b>		
Net Profit after Tax as per Profit and Loss Accounts	7,78,96,885	7,29,50,056
Add:		
Income Tax	3,69,31,371	3,43,77,346
Director Remuneration	66,20,000	56,10,000
Less:		
Profit on Sale of Fixed Assets	5,93,521	16,192
	<u>12,08,54,735</u>	<u>11,29,21,210</u>
<b>Maximum Remuneration payable including commission @ 11%</b>	<u>1,32,94,021</u>	<u>1,24,21,333</u>
<b>33 Other Payments to Directors</b>		
<b>Facility Charges</b>		
- Mr. Raj Chopra	-	42,34,000
- Ms. Kavita Ahuja	72,00,000	30,00,000
<b>Interest</b>		
- Mr. Raj Chopra	5,82,328	55,58,221
- Ms. Kavita Ahuja	3,49,316	8,29,863
<b>Rent</b>		
- Mr. Raj Chopra	1,54,85,400	1,60,50,000
- Ms. Kavita Ahuja	15,00,000	7,50,000
	<u>2,51,17,044</u>	<u>3,04,22,084</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**
**(Amount in Rs.)**

	<b>Figures for the Current Reporting Period</b>	<b>Figures for the Previous Reporting Period</b>
<b>34 Unclaimed /Unpaid Divided</b>		
Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 205 A of The Companies Act, 1956, will be transferred to the Investors Education and Protection Fund (IEPF) established by the Government of India. In terms of the provisions of Section 205 C of The Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer. Total amount of Rs. 7,05,694/- as on 31st March, 2013 is lying in unclaimed / unpaid dividend account.		
<b>35 Information about Business Segment</b>		
<b>Segment Revenue</b>		
(a) Showroom Revenue	<b>7,40,35,25,266</b>	6,45,46,17,305
(b) Service & Spares	<b>66,13,86,578</b>	63,34,82,917
<b>Total</b>	<b>8,06,49,11,844</b>	7,08,81,00,221
<b>Segment Results</b>		
(a) Showroom Revenue	<b>10,57,64,200</b>	7,48,66,178
(b) Service & Spares	<b>4,90,04,895</b>	6,32,38,620
<b>Total</b>	<b>15,47,69,095</b>	13,81,04,798
<b>Less:</b>		
Interest and Financial Charges	<b>4,62,78,308</b>	3,84,31,836
<b>Add:</b>		
Un-Allocated Income	<b>63,37,468</b>	76,54,440
<b>Profit before Tax</b>	<b>11,48,28,255</b>	10,73,27,402
Less :Taxation Expenses including Deferred Tax	<b>3,69,31,371</b>	3,43,77,346
<b>Profit after Tax</b>	<b>7,78,96,884</b>	7,29,50,056
<b>Total Capital Employed</b>	<b>94,65,03,435</b>	87,44,13,067

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

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

The segment wise revenue and result's figures related to the respective heads are directly identifiable to each of the segments. Un-allocable income includes income on common services at corporate level and relates to the Company as whole.

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

- (i) Showroom:- Purchase and sales of vehicles manufactured by Maruti Suzuki India Ltd.
- (ii) Service & Spares: Servicing of Maruti Vehicles and Sale of their Spare parts.



## **ANNUAL REPORT & ACCOUNTS 2012-2013**

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### **36 Related party Disclosure (Accounting Standard AS-18)**

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

- Competent Hotels Private Limited
- Competent Builders Private Limited
- Competent Leasing Private Limited
- Competent Films Private Limited
- Competent International Tradex Company Private Limited
- Competent International Resorts and Hotels Limited
- Competent Film Enterprises
- Competent Construction Company
- Competent Exporters
- Competent Fabricators
- Servensure Solutions (India) Limited
- Competent Infrapromoters Private Limited

#### **(b) Key Managerial Personnel**

Mr. Raj Chopra	-	Chairman and Managing Director
Mrs. Kavita Ahuja	-	Whole Time Director
Mr. K K Mehta	-	Whole Time Director

#### **(c) For related party transactions - Please refer note No 31 & 33**

**37** The previous year figures have been regrouped, rearranged and reclassified, where-ever deemed necessary to make them comparable with current year figures.

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As Per our report of even date attached.

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

**Sd/-**  
**(Hiren Mehta)**  
**Partner**  
**Membership Number-90772**

**Place: New Delhi**  
**Date : 30-05-2013**

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

**Sd/-**  
**(Raj Chopra)**  
**Chairman & Managing Director**  
**DIN-00036705**

**Sd/-**  
**(Yadvinder Goyal)**  
**Company Secretary**

**Sd/-**  
**(Kavita Ahuja)**  
**Whole Time Director**  
**DIN-00036803**

## **COMPETENT AUTOMOBILES CO. LTD.**

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

Dear Investor,

### **Payment of dividend through Electronic Clearing Service (ECS)**

In order to provide the best of services to our valued investors, we have extended the ECS facility, so as to enable you to receive your dividend through electronic mode through credit in your bank account directly, without physical instrument/warrant. The ECS facility provides protection against fraudulent encashment of dividend warrants and eliminates loss/damage of dividend warrants in transit. Thus, ECS eliminates unwarranted correspondence for revalidation/issuance of duplicate dividend warrants. This facility is free to the recipient.

To avail the ECS facility, the shareholders are requested to fill and sign the enclosed ECS mandate form and send to:

In case of shareholder holding shares in Physical Mode to -

**Skyline Financial Services (P) Limited** (Unit - Competent Automobiles Co. Ltd.)  
D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020

In case of shareholder holding shares in Electronic Mode/ Dematerialised form to -

**The Depository Participant** with whom your account is maintained.

All information should be accurate and complete so that you get the credit of dividend in time. To verify accuracy of the MICR code no. indicated at the bottom of the cheque, kindly attach a photocopy of a cheque from your cheque book issued by your bank for verification. Please note that these instructions will supersede all your previous bank mandates/details including those that may have been incorporated at the time of opening a beneficiary account with the Depository Participant.

In view of the advantages of the ECS facility for payment of dividend, it is advised that the shareholders avail the facility.

**DULY COMPLETED & ACCURATELY FILLED ECS MANDATE FORMS RECEIVED BY THE REGISTRAR/ DP UPTO JULY 22, 2013 SHALL BE CONSIDERED FOR ECS CREDIT WHILE EFFECTING DIVIDEND PAYMENT FOR THE YEAR 2012-2013. ECS MANDATE FORMS RECEIVED AFTER JULY 22, 2013 SHALL BE PAID DIVIDEND THROUGH PHYSICAL WARRANTS FOR THE YEAR 2012-2013.**

Thanking You,

Yours truly,  
For **Competent Automobiles Co. Ltd.**

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

**Note : If you do not wish to change your instruction given earlier in this regard, please ignore this mail**

## Electronic Clearing Service Mandate Form

To Skyline Financial Services (P) Limited (Unit - Competent Automobiles Co. Ltd.) D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020 <b>(In case of Physical Holding)</b>	To The Depository Participant Concerned, <b>(In case of Electronic Holding)</b>
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Dear Sir,

### Form for Electronic Clearing Services for payment of dividend

Please fill in the information in CAPITAL LETTERS. Please TICK wherever is applicable.

**1. For shares held in physical form**

Registered Folio No. :-

**2. For shares held in electronic form**

(Shareholders holding shares in electronic form should forward this form to their respective Depository participant)

DP ID	I	N																	
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Client ID																			
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3. First Shareholder's Name: Shri / Smt. / Kum. / M/s. \_\_\_\_\_

4. First Shareholder's Address: \_\_\_\_\_

\_\_\_\_\_ Pin Code \_\_\_\_\_

5. Particulars of Bank:

Bank Name																				
Branch Name & Address																				
*Branch Code																				
(*9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank name, branch name and code number)																				
Account Type		Savings																		
Account no. (as appearing in the cheque book)																				

6. Date from which the mandate should be effective: \_\_\_\_\_

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for reasons beyond the control of the Company, I/We shall not hold Competent Automobiles Co. Ltd. or Skyline Financial Services (P) Limited responsible. I/We also undertake to advise any change in the particulars of my/our account to facilitate updation of records for purpose of credit of dividend amount through ECS.

PLACE : \_\_\_\_\_

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

DATE : \_\_\_\_\_

Certified that the particulars of the Bank account furnished above are correct as per our records.

Bank Stamp

Date

Signature of the authorised  
Official of the Bank

Note : Please attach a photocopy of cheque issued by your Bank relating to your above account for verifying the accuracy of the code number

## Nomination Request Form

(Only for the shares held in physical form)  
(To be filled in by individuals applying singly or jointly)

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

From: \_\_\_\_\_

Folio No \_\_\_\_\_

No. of Shares : \_\_\_\_\_

I am / we are holder(s) of Shares of the Competent Automobiles Co. Ltd. I / We nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my / our death.

Nominee's Name											Age												
Relation																							
To be furnished in case the nominee is minor	<b>Date of Birth</b>																						
Guardian's Name *																							
Occupation of Nominee Tick (✓)	1	Service		2	Business		3	Student		4	Household												
	5	Professional		6	Farmer		7	Others															
Nominee's Address																							
											Pin Code												
Telephone																							
Email Address											STD Code												
Specimen Signature of Nominee / Guardian (in case nominee is minor)																							
_____																							

\* To be filled in case of nominee is a minor.

Kindly take the aforesaid details on record.

Thanking you,  
Yours faithfully,

	Name of all the holder(s) (as appearing on the Certificate(s) )	Signature as per specimen recorded with Company
Sole/ 1st holder		
2nd holder		
3rd holder		
4th holder		

Signature of two Witnesses:

	Complete Name and Address	Signature with date
1.		
2		

## INSTRUCTIONS:

[Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.]

1. **The Nomination can be made by individuals only** applying/holding shares on their own behalf singly or jointly. Non-individual including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares/ debentures and witness.
2. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
4. Transfer of shares in favour of a nominee shall be a valid discharge by a company against the legal heir.
5. **Only one person can be nominated for a given folio.**
6. Details of all holders in a folio need to be filled; else the request will be rejected.
7. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
8. Whenever the Shares in the given folio are entirely transferred or transposed with some other folio, then this nomination will stand rescinded.
9. Upon receipt of a duly executed nomination form, the Registrar and Transfer Agent of the company will register the form and allot a registration number. This number and folio no. should be quoted by the nominee in all future correspondence.
10. The nomination can be varied or cancelled by executing fresh nomination form.
11. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
12. If any joint holder is deceased, then please attach a certified true copy of Death Certificate.

FOR OFFICE USE ONLY	
Nomination Registration Number	
Date of Registration	
Checked by and Signature of Employee	

## COMPETENT AUTOMOBILES CO. LTD.

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

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at Plot No. 3, Gazipur, Delhi-110096

<b>NAME OF MEMBER</b>			
<b>FOLIO NUMBER</b>		<b>NO. OF SHARES</b>	
<b>DP ID No.</b>		<b>CLIENT ID No.</b>	

I/We hereby record my/our presence at the **28<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 29<sup>th</sup> day of July 2013 at 9:30 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof

<b>NAME OF THE PROXY</b>		<b>SIGN. OF MEMBER/PROXY</b>	
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## COMPETENT AUTOMOBILES CO. LTD.

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

### PROXY FORM

<b>DP ID No.</b>		<b>CLIENT ID No.</b>	
<b>FOLIO NUMBER</b>		<b>NO. OF SHARES</b>	

I/We.....

R/o.....

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt.....

R/o.....

failing him, Sh./Smt.....

R/o.....

as my/our Proxy to attend and vote for me/us in the event of Poll on my/our behalf at the **28<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 29<sup>th</sup> day of July 2013 at 9:30 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof.

Signed this.....day of.....2013.

Signature.....

Affix Re 1/- Revenue Stamp
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#### NOTE :

- The Proxies must reach the Registered Office of the Company at least 48 hours before the time fixed for holding the aforesaid meeting.
- Proxy need not be a member.
- Proxy cannot speak at the meeting or vote on show of hands.



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*If undelivered, please return to :*



**COMPETENT AUTOMOBILES CO. LTD.**

**“Competent House”**

F-14, Connaught Place

New Delhi - 110001