



Way of Life!

34th
ANNUAL
REPORT
2018-19



COMPETENT AUTOMOBILES CO. LTD.



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. R. C. Murada	Director
Mr. Rohit Gogia	Director

Company Secretary

Mr. Ravi Arora

Auditors

Ambani & Associates LLP
New Delhi

Regd. Office

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

Bankers

HDFC Bank Ltd.
State Bank of India
Vijaya Bank (Now Bank of Baroda)

Showrooms

- Competent House, F-14, Connaught Place, New Delhi - 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi -110024
- Plot No. 63-70, Mohit Nagar, Dwarka Road, Dwarka, New Delhi (NEXA)
- A-24 & 25, Madhu Vihar, Rajapuri, New Delhi - 110059
- Plot No. 3, Gazipur, Delhi - 110096
- 29, Shivaji Marg, New Delhi - 110015
- Khasra No. 11/5/1, Opp. Furniture Market, Phirni Road, South - West Distt., Najafgarh, New Delhi - 110043
- B-95, Wazirpur Industrial Area, New Delhi - 110052 (NEXA)
- 18/19, Hind Pocket Book, G. T. Road, Shahdara – 110032 (NEXA)
- Khasra No. 33-14,17, CN-35, Main Bawana Road, Sameypur, North East Delhi-110042 (TRUE VALUE)
- 407, Village Islampur, Near Subhash Chowk, Sohna Road, Gurugram - 122001
- Vasant Aptt. Complex, Old Delhi Gurgaon Road, Sector – 12, Gurugram -122001
- Khasra No.- 17/21/1/1&22/1/1/1, Opp. Fortune Hotel, Main Sohna Road, Village Tikri, Gurugram - 122018 (NEXA)
- Khasra No. 152/1153/1911/154/1913/155, 156/1, Moja Gutkar/208, Tehsil Balh, District, Mandi, Himachal Pradesh (NEXA)
- Shimla Road, (NH 74) Khasra No. 492,493,494 Vill Chatter P.O Bhira Teh & Distt. Hamirpur, Himachal Pradesh (NEXA)
- NH 21, Chandigarh Manali Highway, P. O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post – Didwin, Hamirpur, Himachal Pradesh
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Vill Kothi, P. O. – Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh
- Vill. Dhelu P.O Dohag Tehsil & Distt. Joginder Nagar, Himachal Pradesh
- Vill. Kothi P.O Chandpur Tehsil Sadar Distt. Bilaspur, Himachal Pradesh

Workshops

- Plot No. 3, Gazipur, Delhi - 110096
- B-83, Maya Puri Industrial Area, Phase - I, New Delhi - 110064
- 650/1A, 14, Shivaji Marg, New Delhi - 110015
- Khasra No. 30-14-2, Plot No.1 Village Matiala, West Delhi- 110059
- A-25, Sector-33/34, Infocity, Gurugram - 122001
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post – Didwin, Hamirpur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Opp. S.S.B. Training Centre, Shamshi, Kullu, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Near UCO Bank, Jawalaji Road, Tehsil Nadaun, Distt. Hamirpur, Himachal Pradesh
- Village Dohaga, P.O. Dhalu, Tehsil - Joginder Nagar, Distt. Mandi, Himachal Pradesh
- Vill Kothi, P. O. – Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh

Share Transfer Agent

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the members of Competent Automobiles Co. Limited will be held at Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 on Wednesday, the 4th day of September, 2019 at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2019 together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mrs. Kavita Ahuja, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESSES

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

“RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder and read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Raj Chopra as the Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st September, 2019, on following terms and conditions and that he shall be key Managerial Personnel of the Company:

- 1) Subject to superintendence, control and direction of the Board, he shall have general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts, on behalf of the Company, in ordinary course of the Company and to do and perform all other acts, deeds and things, which are in ordinary course of business.

- 2) Remuneration:

a) Salary

Basic Salary: Rs. 3,50,000/- p.m.

b) Commission

Commission, as may be decided by the Board of Directors, based on the net profits of the company in each financial year, subject to the overall limits laid down in Section 197 read with Schedule V of the Companies Act, 2013.

c) Perquisites

- a. Housing: The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to him in case of Metropolitan cities, otherwise 50% of the salary over and above 10% payable to him
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Personal Accident Insurance Premium not to exceed Rs. 25,000/- p.a.
- g. Company's contribution towards pension / superannuation funds as and when introduced as per rules

of the Company for the time being in force.

- h. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- i. Gratuity not exceeding $\frac{1}{2}$ month salary for each completed year of service.
- j. Free use of Company's car with driver for both personal & business use of the Company.
- k. Free use of mobile/telephone at residence
- l. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 Months of service with encashment benefits.

FURTHER RESOLVED THAT the Board of Directors shall have right to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force."

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder and read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Kanwal Krishan Mehta as the Whole-Time Director of the Company for a period of 5 years w.e.f. 23rd August, 2019, on following terms and conditions:

- 1) Subject to superintendence, control and direction of the Board, he shall have general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts, on behalf of the Company, in ordinary course of the Company and to do and perform all other acts, deeds and things, which are in ordinary course of business.

2) Remuneration:

a) Salary

Basic Salary: Rs. 1,00,000/- p.m.

b) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall limits laid down in Section 197 read with Schedule V of the Companies Act, 2013.

c) Perquisites

- a. Housing: The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to him in case of Metropolitan cities, otherwise 50% of the salary over and above 10% payable to him
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- g. Company's contribution towards P.F. as per rules of the Company for the time being in force.

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- h. Gratuity not exceeding $\frac{1}{2}$ month salary for each completed year of service.
- i. Free use of Company's car with driver for business of the Company.
- j. Free use of mobile/telephone at residence
- k. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 Months of service with encashment benefits.
- l. His office will be liable to be determine to retire by rotation.

FURTHER RESOLVED THAT the Board of Directors shall have right to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force."

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. R. C. Murada, Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 04th September, 2019."

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Rohit Gogia, Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 04th September, 2019."

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

"RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Raman Sehgal, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 04th September, 2019."

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

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

**Ravi Arora
Company Secretary**

**Place: New Delhi
Date: 31.07.2019**

Explanatory statement pursuant to section 102 of the Companies Act, 2013**Item No. 4**

Mr. Raj Chopra, aged 75 years, is the promoter and Chairman & Managing Director of the Company and having more than 30 years of industry experience in the field of automobiles dealership. Under his leadership the company has grown from mere start in 1983 to one of the leading Maruti Suzuki dealer. He has excellent grasp and thorough knowledge and experience of general management and various aspects relating to the Company's affairs and has long business experience. The Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Raj Chopra should be available to the Company for a further period of Five years with effect from September 01, 2019. In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on July 31, 2019, has recommended his re-appointment as Chairman & Managing Director of the Company for a further period of Five years with effect from September 01, 2019 on the remuneration of Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand only) per month plus various other perquisite as enumerated hereinunder. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Raj Chopra, Chairman & Managing Director: -

a) Salary

Basic Salary: Rs. 3,50,000/- p.m.

b) Commission

Commission, as may be decided by the Board of Directors, based on the net profits of the company in each financial year, subject to the overall limits laid down in Section 197 readwith Schedule V of the Companies Act, 2013.

c) Perquisites

- a. Housing: The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to him in case of Metropolitan cities, otherwise 50% of the salary over and above 10% payable to him
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Personal Accident Insurance Premium not to exceed Rs.25,000/- p.a.
- g. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- h. Company's contribution towards PF. as per rules of the Company for the time being in force.
- i. Gratuity not exceeding $\frac{1}{2}$ month salary for each completed year of service.
- j. Free use of Company's car with driver for both personal & business use of the Company.
- k. Free use of mobile/telephone at residence
- l. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 Months of service with encashment benefits.

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Save and except Mr. Raj Chopra, being appointee, Mrs. Kavita Ahuja and Mr. K. K. Mehta, Whole-Time Directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 4 of the Notice.

Item No. 5

Mr. K. K. Mehta, aged 73 years, working as Whole-time Director of the Company and having more than 20 years of industry experience in the field of automobiles dealership. Under his leadership the company has grown in Himachal Pradesh state and is one of the leading Maruti Suzuki dealer in the state. He has excellent grasp and thorough knowledge and experience of general management and various aspects relating to the Company's affairs and has long business experience. The Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. K. K. Mehta should be available to the Company for a further period of Five years with effect from August 23, 2019. In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on July 31, 2019, has recommended him for re-appointment as Whole-Time Director of the Company for a further period of Five years with effect from August 23, 2019 on the current remuneration of Rs. 1,00,000/- (Rupees One Lac only) per month plus various other perquisite as enumerated hereinunder. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Kanwal Krishan Mehta, Whole-Time Director: -

a) Salary

Basic Salary: Rs. 1,00,000/- p.m.

a) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall limits laid down in Section 197 read with Schedule V of the Companies Act, 2013.

b) Perquisites

- a. Housing: The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to him in case of Metropolitan cities, otherwise 50% of the salary over and above 10% payable to him
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- g. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- h. Gratuity not exceeding $\frac{1}{2}$ month salary for each completed year of service.
- i. Free use of Company's car with driver for business of the Company.

- j. Free use of mobile/telephone at residence
- k. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 Months of service with encashment benefits.
- l. His office will be liable to be determine to retire by rotation.

Save and except Mr. K. K. Mehta, being appointee, Mrs. Kavita Ahuja, Whole-Time Directors and Mr. Raj Chopra, Chairman and Managing Director of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 5 of the Notice.

Item No. 6 & 7

The Members of the Company in their meeting held on July 30, 2014, had appointed Mr. Ramesh Chander Murada and Mr. Rohit Gogia as Independent Directors of the Company for the period of Five years. Their term is set to expire in this Annual General Meeting. As per the provisions of Section 149 of the Companies Act, 2013, the Independent Director can be appointment for two consecutive term of Five years each. Their performance as Independent Directors has been satisfactory during their tenure. Further, Nomination and Remuneration Committee has recommended their appointment as an Independent Directors. In the Opinion of the Board, Mr. R. C. Murada and & Mr. Rohit Gogia fulfills the criteria of Independent Directors.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 6 & 7 of the Notice.

Save and except Mr. Ramesh Chander Murada and Mr. Rohit Gogia and their relatives, being appointee, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 & 7 of the Notice.

Item No. 8

As per Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, atleast half of the Board of Directors shall be Independent Directors. Since, Mr. S. L. Tandon, Independent Director has expressed his desire to resign from the Board after expiry of his term in this Annual General Meeting, the company needs to appoint new Independent Director in his place to comply with SEBI regulations. The Nomination and Remuneration has recommended Mr. Raman Sehgal, to be appointed as Independent Director. Mr. Raman Sehgal fulfills the criteria of Independent Director.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 8 of the Notice.

Save and except Mr. Raman Sehgal and their relatives, being appointee, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

NOTES:

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

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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 Thursday, August 29, 2019 to Wednesday September 04, 2019 (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting as to those Members whose names appear in the Register of Members of the Company as on the book closure dates.
6. Details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report.
7. Electronic copy of the Annual Report is being sent to all the members whose email ids are registered with Company/ Depository Participants for communication purposes unless the member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
10. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
11. The members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents i.e. **M/s. Skyline Financial Services Pvt. Limited, D-153/A, 1st Floor Okhla Industrial Area Phase -I, New Delhi-110020.**
12. Members/Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
13. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
 - i. Name of the Sole / First joint holder and the Folio Number.
 - ii. Particulars of Bank Account, viz.:
 - Account type, whether Savings (SB) or Current Account (CA)
 - Account number allotted by the Bank.
 - Name of the Bank
 - Name of Branch
 - Complete address of the bank with Pin Code Number
14. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their depositories to the Company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical

form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such changes, with complete details of Bank Account.

15. Electronic Clearing Service(ECS) Facility

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

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

16. Pursuant to provisions of Section 124 of Companies Act, 2013, all unpaid or unclaimed dividends upto the year ended 31st March, 2011 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
17. Pursuant to the provisions of Section 124 of Companies Act, 2013, dividend for the financial year ended March 31, 2012 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

Financial Year	Type of dividend	Date of Declaration of Dividend	Date at which amount becoming due for credit to IEPF
2011-12	Final Dividend	29-09-2012	06-11-2019
2012-13	Final Dividend	29-07-2013	06-09-2020
2013-14	Final Dividend	30-07-2014	07-09-2021
2014-15	Final Dividend	31-07-2015	08-09-2022
2015-16	Final Dividend	31-08-2016	08-10-2023
2016-17	Final Dividend	29-08-2017	06-10-2024
2017-18	Final Dividend	31-08-2018	08-10-2025

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

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

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

23. Voting Through Electronic Means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 01, 2019 (9:00 am) and ends on September 03, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 28, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- VI. The Company has taken e-Voting facility from National Securities Depository Limited.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

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2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to fcs.ppa@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 28, 2019.
- VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 28, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Mr. Pramod Prasad Agarwal, Company Secretary, Proprietor of M/s P. P. Agarwal & Co., Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated



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scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

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

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

**Ravi Arora
Company Secretary**

**Place: New Delhi
Date: 31.07.2019**

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this 34th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2019 is summarised below:

Particulars	(Rs. in Lacs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Gross Income	124423.81	133110.68
Profit before Dep. & Tax	3311.95	10896.44
Less : Depreciation	864.00	759.18
Less: Provision for Taxation including deferred tax	866.95	1925.54
Profit after tax	1581.00	8211.72
Add: Surplus from Previous year	14541.04	6653.29
Add: Other Comprehensive income	85.00	-
Amount available for appropriation	16207.04	14865.01
Less Appropriations		
Transfer to General Reserves	250.00	250.00
Dividend & tax thereon paid during the year	73.97	73.97
Closing Balance	20582.23	14541.04

PERFORMANCE

Your Company has reported total Income from Operations of Rs. 123,997.27 Lacs in the Current Financial Year against total Income from Operations of Rs. 124,883.51 Lacs in the Previous Financial Year.

The Company's profit before tax is Rs. 2,447.95 Lacs as compared to profit before tax of Rs. 10137.26 Lacs of previous year. The previous year's profit includes a profit of Rs. 7,864.97 Lacs on account of sale of land situated at Goa.

During the year 2018-19, your company sold 25,698 Maruti Vehicles (including 325 Vehicles under Direct Billing) as compared with 26,793 Maruti Vehicles (including 1235 Vehicles under Direct Billing), sold during the previous year.

DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Rs. 1.00 per Equity Share of Rs. 10/- each for the year ended 31st March, 2019, which, if approved, by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

TRANSFER TO RESERVES

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

ACHIEVEMENTS

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

DELHI-NCR REGION

- 1 Highest Sales in DGS & D in Delhi & NCR
- 2 NEXA - ALFA Dealer Award in Delhi / NCR

HIMACHAL PRADESH REGION

- 1 NEXA - ALFA Dealer Award in Himachal Pradesh
- 2 Best NEXA Showroom in Hamirpur
- 3 ARENA - Royal Platinum Awards in Himachal Pradesh

DIRECTORS AND KEY MANAGERIAL PERSONS

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

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

On January 06, 2019, there was sudden and sad demise of Mr. O. P. Tandon, Independent Director, further, Mr. S. L. Tandon, has expressed his desire to retire from his directorship after his tenure is completed in ensuing Annual General Meeting.

Mr. Raj Chopra, Chairman & Managing Director and Mr. K. K. Mehta, Whole-Time Director whose terms expires on August 31, 2019 and August 22, 2019 respectively, seeks to be re-appointed for another term of Five years in the ensuing Annual General Meeting. Also, Term of existing Independent Directors, namely Mr. Ramesh Chander Murada & Mr. Rohit Gogia expires in ensuing Annual General Meeting.

The Nomination and Remuneration Committee has approved and recommended all of above re-appointments.

Also, the Nomination and Remuneration Committee has shortlisted and recommended Mr. Raman Sehgal for appointment as Independent Director in place of Mr. S. L. Tandon, who has expressed his desire to retire from the Directorship after his tenure is completed in ensuing Annual General Meeting.

The Board recommends the above appointment and reappointments of Directors in the ensuing Annual General Meeting. Brief resume of the Directors seeking appointment and re-appointment is given in Corporate Governance Report Annexed to this Report.

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

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

CODE OF CONDUCT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with provisions of the Companies Act, 2013 and the Listing Regulations in the preparation of the annual accounts for the year ended on March 31, 2019 and state that:

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

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

During the year, the CSR has been implemented by the Company. The Company has made contribution to HR Education & Charitable Foundaiton. The total contribution made to the implementing agency is Rs. 44,00,000/- (Rupees Forty Four Lakhs only). Annual Report on CSR is enclosed herewith as **Annexure E**.

VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations. Protected Disclosures by a whistle blower should be addressed to the MD at the Registered Office of the Company.

The MD shall submit a report about all PD cases annually to the Audit Committee of the Company. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website: www.competent-maruti.com.

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

MEETINGS OF THE BOARD

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

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES

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

INVESTOR EDUCATION AND PROTECTION FUND

In compliance with provisions of Section 124 of Companies Act, 2013, the Company has transferred Rs. 79,217/- to IEPF, being unpaid and unclaimed dividend for the FY 2010-11.

LISTING FEE OF SHARES

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2019-20 has been paid in advance by the Company.

AUDITORS

As per section 139 of the Companies Act, 2013 read with Rules made thereunder, the Statutory Auditors of the Company, M/s Ambani & Associates LLP (FRN 016923N), Chartered Accountants, New Delhi, has been appointed for the five years period and subject to the ratification by the members in every Annual Meeting.

Consequent to Commencement of the Companies (Amendment) Act, 2017, it is not necessary to place ratification of Auditors to the members of the Company; therefore, the Auditors are appointment for the period of 5 yrs. without the ratification by the members.

AUDITORS' REPORT

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

SECRETARIAL AUDITOR

The Board has appointed M/s P. P. Agarwal & Co., Practicing Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure G** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

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

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The foreign exchange earnings and expenditure of the Company during the year under review were Nil and Rs. 12.11 Lacs respectively as compared to Rs. Nil and Rs. 10.40 lacs in the previous year respectively.

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

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is available at Company's website www.competent-maruti.com and is also enclosed herewith as **Annexure I**.

DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

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

INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT

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

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

DETAILS OF SUBSIDIARIES AND THEIR PERFORMANCE

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

Your Directors draw attention of the members to Note no. 41 a, b & c to the financial statement which sets out related party disclosures.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

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

ACKNOWLEDGEMENT

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

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

**Place: New Delhi
Date: 31.07.2019**

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

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'Annexure A'

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, RECORD OF OTHER DIRECTORSHIPS HELD AND OTHER INFORMATION

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

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

The composition and structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31st March, 2019 is as under:

Name of the Director	Category	Designation	Inter-se relationship among directors	No. of other Directorships Held**	Total No. of Chairmanships / Memberships of Board Committees***		
					Chairmanship	Membership	Total
Mr. Raj Chopra	Promoter Director	Chairman & Managing Director	Father of Mrs. Kavita Ahuja	12	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	4	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. S. L. Tandon	Independent Director	Director	*	Nil	Nil	1	1
Mr. R. C. Murada	Independent Director	Director	*	Nil	2	Nil	2
Mr. Rohit Gogia	Independent Director	Director	*	2	Nil	2	2

* There is no relationship between any of the Independent Directors

** Excluding directorship of Competent Automobiles Co. Ltd.

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

BOARD MEMBERSHIP CRITERIA

The Company inducts the individuals from the diverse fields as Directors on its Board. The Nomination and Remuneration Committee works with entire Board to determine the appropriate characteristics, skills and expertise required for the Board as a whole and for individual members. Members are expected to possess the required qualification, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company and ability to contribute to the Company's growth. Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013, and the Listing Regulations and are independent of the Management.

BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the company's board is in compliance with the highest standards of Corporate Governance.

The following are the key qualification, skills and attributes which are taken in consideration while nominating candidates to serve on the Board

1. Financial
2. Gender, ethnic, national or other diversity
3. Leadership
4. Board Service and Governance
5. Sales and Marketing

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of mark against a member's name does not necessarily mean that the member does not possess the corresponding skill or qualification.

Director(s)	Area of Expertise				
	Financial	Diversity	Leadership	Board Service & Governance	Sales & Marketing
Mr. Raj Chopra Chairman & Managing Director	✓	✓	✓	✓	✓
Mrs. Kavita Ahuja Whole-Time Director	✓	✓	✓	✓	✓
Mr. K. K. Mehta Whole-Time Director	✓	✓	✓	✓	✓
Mr. R C Murada Independent Director	✓	✓	✓	✓	✓
Mr. Rohit Gogia Independent Director	✓	✓	✓	✓	✓
Mr. S. L. Tandon Independent Director	✓	✓	✓	✓	✓

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CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pramod Prasad Agarwal of P. P. Agarwal & Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as **Annexure J**

B. BOARD MEETINGS:

1. Schedule of Board Meetings

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

2. Number of Board Meetings

The Company's Board met Twelve (12) times – on 2nd April, 2018; 21st April, 2018; 30th May, 2018; 23rd July, 2018; 13th August, 2018; 10th September, 2018; 13th October, 2018; 14th November, 2018; 2nd January, 2019; 11th January, 2019; 14th February, 2019 and 8th March, 2019 during the financial year ended 31st March, 2019. The maximum time gap between any two meetings was not more than four months.

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

Name of the Director	Number of Board Meetings held during his/her tenure and attended by him/her		Attendance at last AGM held on 31st August, 2018
	Held	Attended	
Mr. Raj Chopra	12	11	Yes
Mrs. Kavita Ahuja	12	12	Yes
Mr. K. K. Mehta	12	11	No
Mr. S. L. Tandon	12	12	No
Mr. R. C. Murada	12	12	Yes
Mr. Rohit Gogia	12	11	No
Mr. O. P. Tandon*	9	0	No

*Mr O.P. Tandon expired on 06.01.2019.

4. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarization programme can be excess at the Company's website www.competent-maruti.com

C. BOARD LEVEL COMMITTEES

1. AUDIT COMMITTEE

• Terms of reference

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

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

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

- **Composition and names of members**

The Audit Committee, as on 31st March, 2019, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

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

- **Meetings and attendance during the year**

The Audit Committee met Six (6) times during the financial year from 1st April, 2018 to 31st March, 2019 on the following dates:

1	30th May, 2018	4	2nd January, 2019
2	13th August, 2018	5	14th February, 2019
3	14th November, 2018	6	8th March, 2019

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	6	6
Mrs. Kavita Ahuja	6	6
Mr. Rohit Gogia	6	5

Mr. R. C. Murada, Chairman of the Audit Committee attended the last Annual General Meeting of the Company to answer the shareholders' queries.

2. **STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)**

- **Terms of reference**

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

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

- **Composition and names of members**

The Stakeholders' Relationship Committee (i.e. SRC) as on 31st March, 2019 is headed by an Independent director, and consists of the following three directors:

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

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- **Meetings and attendance during the year**

The Stakeholders' Relationship Committee met four (4) times during the financial year from 1st April, 2018 to 31st March, 2019 on the following dates:

1	30th May, 2018	4	14th November, 2018
2	13th August, 2018	5	14th February, 2019

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

Names of the SRC members	Number of SRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	3
Mr. S. L. Tandon	4	4

- **Compliance Officer**

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

Shareholders' Complaints etc. received during the FY 2018-19:

During the year from 1st April, 2018 to 31st March, 2019, the Company has 0(zero) complaint from Investors / Shareholders of the Company.

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

3. NOMINATION AND REMUNERATION COMMITTEE

- **Terms of reference**

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

- **Composition and names of members**

The Nomination and Remuneration Committee (i.e. NRC) as on 31st March, 2019 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada

Members : Mr. S. L. Tandon and Mr. Rohit Gogia

- **Meetings and attendance during the year**

The Nomination and Remuneration Committee met Four (4) times during the financial year from 1st April, 2018 to 31st March, 2019 on the following dates:

1	30th May, 2018	4	14th November, 2018
2	13th August, 2018	5	14th February, 2019

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

Names of the NRC members	Number of NRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	3
Mr. S. L. Tandon	4	4

Remuneration Policy

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

The Details of Remuneration paid to Directors for the year ended 31st March, 2019

(In Rs.)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	30,00,000	48,00,000
Mrs. Kavita Ahuja	12,00,000	-	12,00,000
Mr. K. K. Mehta	12,00,000	5,00,000	17,00,000

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

• Terms of reference

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

• Composition and names of members

The Corporate Social Responsibility Committee (i.e. CSR) as on 31st March, 2019 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada

Members : Mrs. Kavita Ahuja and Mr. Rohit Gogia

• Meetings and attendance during the year

The Corporate Social Responsibility Committee met Four (4) times during the financial year from 1st April, 2018 to 31st March, 2019 on the following dates:

1	30th May, 2018	3	14th November, 2018
2	13th August, 2018	4	14th February, 2019

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

Names of the CSR members	Number of CSR meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	3
Mr. S. L. Tandon	4	4

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D. GENERAL BODY MEETINGS:

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

Financial Year Year ended	Date	Venue	Time
March 31, 2018	31.08.2018	Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030	10:00 a.m.
March 31, 2017	29.08.2017	Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030	10:00 a.m.
March 31, 2016	31.08.2016	Avalon Hall, Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074	10:00 a.m.

1. No special resolutions were passed by the shareholders at the 33rd Annual General Meeting on 31st August, 2018.
2. Postal Ballot was conducted during the year seeking approval of members for purchase of property from Related Party, Mr. Raj Chopra, Chairman & Managing Director. The Members has accorded their consent for such transaction and results of the postal ballot was declared on April 18, 2019.
3. Re-Appointment of Mr. Raj Chopra, Mr. K. K. Mehta, Mr. Ramesh Chander Murada and Mr. Rohit Gogia at their specific designation, and appointment of Mr. Raman Sehgal as Director are being proposed to be passed by special resolution at the forthcoming Annual General Meeting.

E. DISCLOSURES:

1. **Related Party Transactions:** For related party transactions please refer to note no. 41 a, b & c in the notes to financial statement forming part of the annual accounts.
2. The Company has complied with the requirements of stock exchange or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. The Company has in place Whistle Blower-cum-Vigil Mechanism Policy which is also available on the Company's website www.competent-maruti.com. No personnel has been denied access to the Audit Committee to lodge their grievances.
4. **MD/CEO & CFO CERTIFICATION:** The Chairman and Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2019.
5. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The code of conduct is displayed on the website of the Company.

To

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

Annual Declaration of compliance of Code of Conduct by MD

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board members and senior management personnel has been duly complied by all Board members and senior management personnel of the Company for the year ended 31st March, 2019.

Raj Chopra
Chairman & Managing Director

6. Compliance with Mandatory requirements of Listing Regulations

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

7. Compliance with Non-Mandatory requirements of Regulation 27 of the listing Regulation

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

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

- 9. Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.

10. Disclosure regarding appointment or re-appointment of directors:

- a) Mr. Raj Chopra, Chairman & Managing Director of the Company whose term expire on August 31, 2019, shall is re-appointed for another term of Five years
- b) Mr. Kanwal Krishan Mehta, Whole-Time Director of the Company whose term expire on August 22, 2019, shall is re-appointed for another term of Five years
- c) Mr. Kavita Ahuja, Whole-Time Director, shall retire by rotation and being eligible offer himself for re-appointment at the forthcoming Annual General Meeting
- d) Mr. Ramesh Chander Murada, shall be re-appointment as Independent Director for another term of Five years
- e) Mr. Rohit Gogia, shall be re-appointed as Independent Director for another term of Five years
- f) Mr. Raman Sehgal is proposed to be appointed as Independent Director of the Company for a period of Five years.

Brief resume of all the proposed appointee is enclosed with this Report.

- 11. Compliance Certificate from Statutory Auditors:** Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in Part C of Schedule V of Listing Regulations, is annexed to this report.

- 12. Shareholding of Directors:** As on 31st March, 2019, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

i. Executive Directors:

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

ii. Non – Executive Independent Directors:

Name of the Director	Number of Shares Held
Mr. S. L. Tandon	Nil
Mr. R. C. Murada	Nil
Mr. Rohit Gogia	64,900

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

F MEANS OF COMMUNICATION

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

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G. INFORMATION TO SHAREHOLDERS

1. REGISTERED OFFICE

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

2. ANNUAL GENERAL MEETING

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

3. FINANCIAL CALENDER

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

Particulars	Month (Tentative and subject to change)
Un-audited Financial results for the 1st quarter ended June 30, 2019	August, 2019
Un-audited Financial results for the 2nd quarter and half year ending September 30, 2019	November, 2019
Un-audited Financial results for the 3rd quarter ending December 31, 2019	February, 2020
Audited Financial results for the last quarter and whole year ending March 31, 2020	May, 2020

4. WEBSITE

The Company's website is www.competent-maruti.com

5. DIVIDEND PAYMENT DATE

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

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2019, 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:

Year	Dividend (%)
2017-18	10
2016-17	10
2015-16	10

6. LISTING ON STOCK EXCHANGE

As on 31st March, 2019, 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 2019-20 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

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

Distribution of the shareholdings according to type of shareholders

Particulars	31st March, 2019	
	No. of Shares	% (Holding)
Promoter and Promoter Group		
Individuals	46,04,305	74.92
Total (A)	46,04,305	74.92
Public Shareholding		
Mutual Funds	0.00	0.00
Bodies Corporate	1,56,436	2.55
NBFC	1,80,520	2.94
Individuals	10,96,937	17.85
Others (NRIs/HUF/Clearing Member / House etc.)	1,07,802	1.76
Total (B)	15,41,695	25.08
Grand Total (C=A+B)	61,46,000	100.00

Distribution of shareholding according to the number of shares

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	2470	90.71	2618180	4.26
5001 To 10,000	129	4.74	1055920	1.72
10001 To 20,000	46	1.69	674650	1.10
20001 To 30,000	25	0.92	650630	1.06
30001 To 40,000	10	0.37	349980	0.57
40001 To 50,000	10	0.37	475330	0.77
50001 To 1,00,000	14	0.51	953760	1.55
1,00,000 and Above	19	0.70	54681550	88.97
Total	2723	100	61460000	100

10. MARKET PRICE DATA

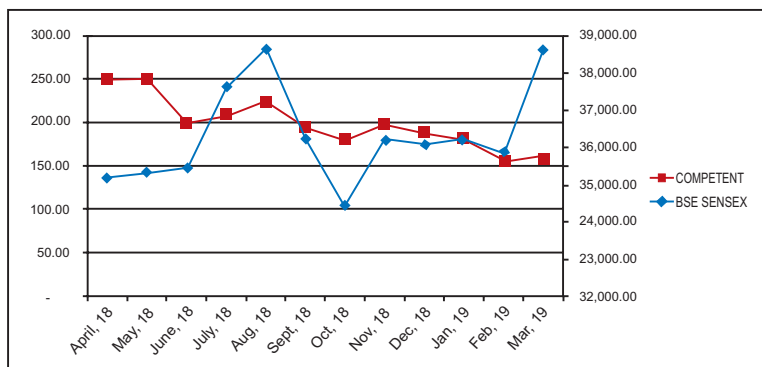
Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2018-19 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-18	310.00	251.00
May-18	293.00	251.00
Jun-18	289.00	200.00
Jul-18	265.20	209.20
Aug-18	288.70	226.05
Sep-18	258.00	195.00
Oct-18	235.00	181.60
Nov-18	242.75	198.50
Dec-18	230.00	189.40
Jan-19	217.90	181.00
Feb-19	196.00	157.00
Mar-19	190.90	160.15

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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 31st March, 2019, 97.34% (i.e. 59,83,036 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

13. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

Skyline Financial Services Private Limited
Unit: M/s Competent Automobiles Co. Limited
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020
Ph: +91 11 40450193 to 97
Contact Person: Mr. Virender Rana
Email: admin@skylinerta.com

14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31st March, 2019.

15. PLANT LOCATIONS

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

16. ADDRESS FOR CORRESPONDENCE:

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

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

OR

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

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:

Name of the Director	Mr. Raj Chopra	Mr. K. K. Mehta	Mrs. Kavita Ahuja
Date of Birth	17/03/1944	08/09/1947	22/01/1972
Qualification	B.A.	B.Sc	B.A.
Expertise in Specific functional area	Mr. Raj Chopra is a pioneer in the field of Construction, Automobile, Hospitality and Entertainment industry.	Mr. K. K. Mehta is an expert in day to day operations of automobiles industry.	Mrs. Kavita Ahuja have a rich experience in automobile industry with specialization in auto finance and day to day operations.
Date of Appointment	11/04/1985	15/03/1999	01/04/1991
Name of the other Companies in which he holds Directorship	<ul style="list-style-type: none"> - Competent Films (P) Limited - Servensure Solutions (India) Limited - Competent Leasing (P) Limited - Competent Builders (P) Limited - Competent International Resorts & Hotels Limited - Competent International Tradex Co. Pvt. Limited - Competent Infrapromoters (P) Limited - Raj Chopra & Company Pvt. Limited - Enchanted Properties Private Limited - Competent Wellness Ventures Private Limited - Belvedere Hotels (P) Limited - Competent Car Care Pvt. Ltd. 	Nil	<ul style="list-style-type: none"> - Raj Chopra & Company Pvt. Limited - Competent International Resorts & Hotels Limited - Competent Wellness Ventures Private Limited - Competent Car Care Pvt. Ltd.
Name of the Committees* of the Companies of which he holds Membership / Chairmanship	Nil	Nil	a) Audit Committee - member b) Corporate Social Responsibility Committee-member
Shareholding in the Company	Nil	Nil	61.48%

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

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Name of the Director	Mr. Rohit Gogia	Mr. R C Murada	Mr. Raman Sehgal
Date of Birth	27/04/1972	11/08/1941	03/03/1953
Qualification	B.Com	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.A.
Expertise in Specific functional area	He is an entrepreneur having rich business experience and profound knowledge about the food flavours and fragrances Industry.	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.	Mr. Raman Sehgal has over 30 years of experience in Purchase and procurement of equipments.
Date of Appointment	31/10/2011	02/11/2006	N.A.
Name of the other Companies in which he holds Directorship	M/s Gogia Chemical Ind. Pvt. Ltd. M/s Gogia Flavour & Fragrances Pvt. Ltd.	NIL	NIL
Name of the Committees* of the Companies of which he holds Membership / Chairmanship	Competent Automobiles Co. Ltd.: Audit Committee – Member Stakeholders' Relationship Committee – Member	Competent Automobiles Co. Ltd.: Audit Committee – Chairman Stakeholders' Relationship Committee – Chairman	NIL
Shareholding in the Company	1.06%	NIL	1.64%

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

**AUDITORS' CERTIFICATE
ON CORPORATE GOVERNANCE**

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

1. We have examined the compliance of regulations of Corporate Governance by Competent Automobiles Co. Limited for the year ended March 31, 2019, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ambani & Associates LLP,
Firm Registration No.- 016923N
Chartered Accountants**

**Hitesh Ambani
Partner
Membership No. - 506267**

**Place: New Delhi
Date: May 30, 2019**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL VIEW

Auto industry body, Society of Indian Automobile Manufacturers (SIAM), has projected single digit growth for FY 2019-20. The Automotive sector contributes more than 7% to India's GDP and the Automotive Mission Plan 2016-2020 sets an aspiration to the contribution to 12%. Through Automotive Mission Plan and the National Electric Mobility Mission Plan and other initiatives, the government seeks to achieve two objectives – facilitate long term growth in the industry and reduce emissions and oil dependence. We expect FY 2019-20 to bring positive sentiments back into the market and rev up overall vehicles sales.

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 multi-national players, with varying degree of presence in different segments.

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

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

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

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

Developments

The Indian auto industry is set to witness major changes in form of Electric Vehicles, shared mobility, Bharat Emission-VI emission and safety norms. The Government of India has shown an increased interest towards electric vehicles and has set for an ambitious target of all electric cars by 2030. There is an increasing buzz for e-mobility and all the companies in the sector are preparing themselves for the future.

Historically, the Indian Passenger Car Market has been skewed towards small passenger cars. However, there is a structural change taking place in the industry with demand for UVs taking over the passenger car. This shift is paving a way towards new avenues of the growth and will results in a more profitable growth for the sector.

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

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

cles 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

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

Threats

Demand is linked to economic growth and rise in income levels. Further, it is inversely related to the interest and fuel prices as 85% of the total are bought on credit.

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

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

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

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

OUTLOOK

India is expected to emerge as the Third Largest passenger Vehicle market by 2021, however Auto industry body, Society of Indian Automobile Manufacturers (SIAM), has projected single digit growth in FY 2020. The World Economic Forum ranks India 30th on Global Manufacturing Index together with Government of India's initiative "Make in India" has played an important role in elevating country's position. Companies in Automotive sector are embracing this opportunity to leverage India as a hub for low-cost, high quality products. After creating a strong value proposition in mini cars, India is gaining global recognition in the compact Sedan and SUV category.

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

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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.

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

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

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

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

SEGMENT WISE BUSINESS PERFORMANCE

Competent Automobiles Co. Ltd. is mainly in the business of trading and servicing of Maruti Suzuki vehicles. The Company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with purchase and sales of vehicles manufactured by Maruti Suzuki India Limited. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. For Segment wise business performance of the Company, please refer to note no. 40 in the notes to financial statement forming part of the annual accounts.

OPERATIONAL & FINANCIAL PERFORMANCE

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

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2019, there were 2000 employees on the payroll of the Company.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

CAUTIONARY STATEMENT

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

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendments) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Ratios	2018-19	Remarks
Debtors Turnover Ratio	24.80	There was no significant change in the key Financial Ratios
Inventory Turnover Ratio	13.72	
Interest Coverage Ratio	3.42	
Current Ratio	1.80	
Debt Equity Ratio	1.63	
Operating Ratio	2.79	
Net Profit Ratio	1.27	
Return on Net Worth	11.53 %	

CORPORATE SOCIAL RESPONSIBILITY POLICY

PHILOSOPHY:

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

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

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

Purpose:

The key purpose of this policy is to:

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

CSR Committee:

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

The role/responsibilities of the CSR Committee include:

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

CSR Committee Members:

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

CSR Focus Area Projects/Programs/Activities:

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



- a) Old Age Homes
- b) Education of children, women and weaker section of society
- c) Health Care
- d) Development of Sports
- e) Any other activities as permissible under law as CSR activity

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

CSR Budget:

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

Treatment of Surpluses:

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

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'Annexure E'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

During the period under review, the company had made contribution to HR Education & Charitable Foundation, for promoting education including special education among children, women, elderly and differently abled people.

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

2. Composition of CSR committee:

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

3. Average net profit (Rs. in Lakhs) of the company for last three financial years: Rs. 2152.69 Lakhs.
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)(Rs in Lakhs): Rs. 43.05 Lakhs
5. Details of CSR spend for the financial year
 - a) Total amount spent for the financial year : Rs. 44,00,000/-
 - b) Amount unspent if any : Nil
 - c) Manner in which the amount spent during the financial year is detailed below:

S. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programwise*	Amount spend on the projects or programs sub-heads*: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spend Direct or through implementing agency
1	promoting education including special education among children, women, elderly and differently abled people	Cl (i) & (ii)	Haryana			Rs. 44,00,000/-	HR Education & Charitable Foundation#

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

implementing agencies

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

RESPONSIBILITY STATEMENT

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

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

Raj Chopra
Chairman & Managing Director

Ramesh Chander Murada
Chairman of the CSR Committee

NOMINATION AND REMUNERATION POLICY

Introduction:

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

Objectives of the Committee:

The Committee shall:

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

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

Definitions:

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

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

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

Applicability:-

The Policy is applicable to

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

Constitution of the Nomination and Remuneration Committee:

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

General Appointment Criteria:

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

enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

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

Term / Tenure:

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

Removal:

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

Criteria for Evaluation of Independent Director and the Board:

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

1. Executive Directors:

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

2. Non - Executive Director:

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

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

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Policy on Board diversity:

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

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

Remuneration:

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

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

1. Director/ Managing Director

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

2. Non-executive Independent Directors

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

3. KMPs / Senior Management Personnel etc.

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

4. Directors and Officers' Insurance

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To,

The Members,

Competent Automobiles Company Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Securities and Exchange Board of India Act, 1992;
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following applicable regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- (vii) As confirmed and certified by the management, there is no law specifically applicable to the Company on their sector/ businesses in which it operates.

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

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

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Disclosure Requirements) Regulations, 2015 entered by the Company with the BSE Ltd.

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

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

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

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

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

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

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

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

Place: New Delhi
Date: 29.05.2019

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

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



To,

The Members,

Competent Automobiles Company Limited

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

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

For **P. P. Agarwal & Co.**

Company Secretaries

U. C. No. S2012DE174200

Place: New Delhi

Date: 29.05.2019

Pramod P. Agarwal

FCS No. 4955; CoP No.: 10566

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'Annexure H'

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (Amt. in INR)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Raj Chopra Chairman & Managing Director	48,00,000 (includes commission of INR 30,00,000/-)	Nil	23.73
2	Mrs. Kavita Ahuja Whole-Time Director	12,00,000	Nil	5.93
3	Mr. K. K. Mehta Whole-Time Director	17,00,000 (includes commission of INR 5,00,000/-)	NIL	8.90
4	Mr. Vijay Kumar Sharma CFO	23,65,000	5.95	Not Applicable
5	Mr. Ravi Arora Company Secretary	13,51,000	10.10	Not Applicable

- ii) The median remuneration of employees of the Company during the financial year was Rs. 2,02,296/-
- iii) In the financial year, there was an increase of 24.87% in the median remuneration of employees;
- iv) There were 2000 permanent employees on the rolls of Company as on March 31, 2019;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 8.03 % (approx.) whereas the increase in the managerial remuneration for the same financial year was NIL
- vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**
as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L34102DL1985PLC020668
- ii) Registration Date: April 11, 1985
- iii) Name of the Company: Competent Automobiles Company Limited
- iv) Category / Sub-Category of the Company: Indian Non – Government Company
- v) Address of the Registered office and contact details: Competent House, F-14, Connaught Place, New Delhi – 110001. Phone: +91 11 45700000
- vi) Whether listed company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Skyline Financial Services Private Limited
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110020
Ph: +91 11 40450193 to 97

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Vehicles	501	91.37

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

A) Category-wise Share Holding		Shares Held at the End of the Year 31/03/2018				Shares Held at the End of the Year 31/03/2019				% Change During The Year
S. No.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
1	Indian									
a)	Individual Huf	4604305	0	4604305	74.92	4604305	0	4604305	74.92	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Government	0	0	0	0	0	0	0	0	0
d)	Bodies Corporate	0	0	0	0	0	0	0	0	0
e)	Banks/FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0

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	Sub-Total (A)(1)	4604305	0	4604305	74.92	4604305	0	4604305	74.92	0
2	Foreign									
a)	NRI Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks /FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoters [A]=(A1) + (A2)	4604305	0	4604305	74.92	4604305	0	4604305	74.92	0
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks/FI	0	0	0	0	0	0	0	0	0
c)	Central Government	0	0	0	0	0	0	0	0	0
d)	State Government	0	0	0	0	0	0	0	0	0
e)	Venture Capital Fund	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i)	Any Other	0	0	0	0	0	0	0	0	0
i)	Any Other Foreign	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
2	Non-Institutions									
a)	Bodies Corporate									
1)	Indian	64724	103300	168024	2.73	133436	23000	156436	2.55	-0.18
2)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
1)	Individual shares holders having nominal share capital uptoRs. 1,00,000	550070	115513	665583	10.83	514071	73083	587154	9.55	-1.28
2)	Individual Shareholders Holding Nominal Share Capital Above Rs. 1 Lac	363207	64900	428107	6.97	444883	64900	509783	8.29	1.32
c)	Others									
a)	HUF	73599	0	73599	1.2	86366	0	86366	1.41	0.21

b)	Non Resident Indian	13387	1400	14787	0.24	18711	1400	20111	0.33	0.09
c)	Foreign National	0	0	0	0	0	0	0	0	0
d)	Clearing Members	12075	0	12075	0.2	1325	0	1325	0.02	-0.18
e)	Trust	0	0	0	0	0	0	0	0	0
e)	Foreing Bodies-DR	0	0	0	0	0	0	0	0	0
f)	NBFC Registered With RBI	179520	0	179520	2.92	180520	0	180520	2.94	0.02
	Sub-Total (B)(2)	1256582	285113	1541695	25.08	1379312	162383	1541695	25.08	
	Total Public Shareholding (B)=(B1)+(B2)	1256582	285113	1541695	25.08	1379312	162383	1541695	25.08	
C)	Shares Held By Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	5860887	285113	6146000	100	5983617	162383	6146000	100	

(ii) Shareholding of Promoters

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

* There was no change in the shareholding.

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/2018 to 31/03/2019	
		No. of shares at the beginning (01/04/2018) / end of year (31/03/2019)	% of total shares of the company				No. of shares	% of total shares of the company
----	-----	-----	-----	No Change	-----	-----	-----	-----

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

Sl. No.	Name & Type of Transaction	Shareholding as on 31/03/2018		Transactions during the year - 2018 - 19		Cumulative Shareholding as on 31/03/2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	GUJARAT LEASE FINANCING LIMITED	179520	2.92			179520	2.92
	Balance					179520	2.92

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2	RISHI CHOPRA	116900	1.90			116900	1.90
	Sale			27-04-2018	-2738	114162	1.86
	Sale			04-05-2018	-236	113926	1.85
	Sale			01-06-2018	-1760	112166	1.83
	Balance					112166	1.83
3	RAMAN SEHGAL	101100	1.64			101100	1.64
	Balance					101100	1.64
4	COMPETENT LEASING P LTD	80300	1.31			80300	1.31
	Balance					80300	1.31
5	RAKESH KUMAR JAIN	67900	1.10			67900	1.10
	Sale			31-08-2018	-160	67740	1.10
	Purchase			19-10-2018	800	68540	1.12
	Purchase			28-12-2018	3	68543	1.12
	Purchase			01-03-2019	657	69200	1.13
	Balance					69200	1.13
6	ROHIT GOGIA	15000	0.24			15000	0.24
	Purchase			03-12-2018	49900	64900	1.06
	Balance					64900	1.06
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	31923	0.52			31923	0.52
	Purchase			22-03-2019	28931	60854	0.99
	Balance					60854	0.99
8	ABHEER AHUJA U/G. ASHISH AHUJA	49900	0.81			49900	0.81
	Sale			03-12-2018	-49900	0	0.00
	Balance					0	0
9	MOHAN LALL GO-LECHHA	150	0.00			150	0.00
	Sale			06-04-2018	-114	36	0.00
	Purchase			20-04-2018	1934	1970	0.03
	Purchase			27-04-2018	137	2107	0.03
	Purchase			11-05-2018	437	2544	0.04
	Purchase			18-05-2018	985	3529	0.06
	Purchase			25-05-2018	535	4064	0.07
	Sale			01-06-2018	-1218	2846	0.05
	Purchase			08-06-2018	2412	5258	0.09
	Purchase			15-06-2018	3482	8740	0.14
	Purchase			22-06-2018	749	9489	0.15
	Purchase			29-06-2018	1667	11156	0.18
	Purchase			06-07-2018	401	11557	0.19
	Purchase			13-07-2018	2440	13997	0.23
	Purchase			20-07-2018	14	14011	0.23



	Purchase			27-07-2018	1353	15364	0.25
	Purchase			03-08-2018	1506	16870	0.27
	Purchase			10-08-2018	670	17540	0.29
	Purchase			17-08-2018	1596	19136	0.31
	Purchase			24-08-2018	1756	20892	0.34
	Purchase			31-08-2018	2630	23522	0.38
	Purchase			07-09-2018	2327	25849	0.42
	Purchase			26-10-2018	1123	26972	0.44
	Purchase			02-11-2018	4327	31299	0.51
	Purchase			09-11-2018	1151	32450	0.53
	Purchase			16-11-2018	734	33184	0.54
	Purchase			23-11-2018	1028	34212	0.56
	Purchase			30-11-2018	101	34313	0.56
	Purchase			07-12-2018	842	35155	0.57
	Purchase			08-03-2019	1100	36255	0.59
	Purchase			15-03-2019	802	37057	0.60
	Purchase			22-03-2019	158	37215	0.61
	Purchase			29-03-2019	778	37993	0.62
	Balance					37993	0.62
10	ANAND MISHRILAL JAJU	25000	0.41			25000	0.41
	Purchase			06-07-2018	1000	26000	0.42
	Sale			21-09-2018	-1000	25000	0.41
	Sale			26-10-2018	-1000	24000	0.39
	Balance					24000	0.39
11	REKHA ROHIT SHETH	18956	0.31			18956	0.31
	Purchase			06-04-2018	320	19276	0.31
	Purchase			13-04-2018	685	19961	0.32
	Purchase			20-04-2018	289	20250	0.33
	Purchase			11-05-2018	500	20750	0.34
	Purchase			18-05-2018	500	21250	0.35
	Purchase			25-05-2018	132	21382	0.35
	Purchase			01-06-2018	223	21605	0.35
	Purchase			08-06-2018	45	21650	0.35
	Purchase			06-07-2018	303	21953	0.36
	Purchase			13-07-2018	42	21995	0.36
	Purchase			10-08-2018	5	22000	0.36
	Sale			31-08-2018	-500	21500	0.35
	Purchase			28-09-2018	26	21526	0.35
	Purchase			05-10-2018	446	21972	0.36
	Purchase			12-10-2018	37	22009	0.36
	Purchase			19-10-2018	491	22500	0.37
	Balance					22500	0.37

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12	DARGAN PROPERTIES PVT LTD	18393	0.30			18393	0.30
	Balance					18393	0.30

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares the beginning (01/04/2018) / end of year (31/03/2019)	% of total shares of the company				No. of shares	% of total shares of the company
1	Raj Chopra Chairman & Managing Director	0		01/04/2018 & 31/03/2019	Nil			
2	Kavita Ahuja Whole-Time Director	3778680	61.48	01/04/2018 & 31/03/2019	Nil			
3	K. K. Mehta Whole-Time Director	0		01/04/2018 & 31/03/2019	Nil			
4	R C Murada Independent Director	0		01/04/2018 & 31/03/2019	Nil			
5	S L Tandon Independent Director	0		01/04/2018 & 31/03/2019	Nil			
6	Rohit Gogia Independent Director	64900	1.06	01/04/2018 & 31/03/2019	0.82			
7	O P Tandon* Independent Director	0		01/04/2018 & 31/03/2018	Nil			
8	Vijay Kumar Sharma Chief Financial Officer	0		01/04/2018 & 31/03/2019	Nil			
9	Ravi Arora Company Secretary	0		01/04/2018 & 31/03/2019	Nil			

* Mr. O. P. Tandon expired on 06.01.2019

V. INDEBTEDNESS

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

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5360.58	1700.21	-	7060.79
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	5360.58	1700.21	-	7060.79
Change in Indebtedness during the financial year				
• Addition	42.02	---	-	42.02
• Reduction	4108.55	293.90		4402.45

Indebtedness at the end of the financial year				
i) Principal Amount	9511.15	1406.31	-	10917.46
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	9511.15	1406.31	-	10917.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Raj Chopra	Kavita Ahuja	K K Mehta	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18.00	12.00	12.00	42.00
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others (Ex-gratia)	30.00	-	5.00	35.00
5.	Others, please specify	-	-	-	-
	Total (A)	48.00	12.00	17.00	77.00
	Ceiling as per the Act	248.46 (being 10% of the net profit of the company calculated as per 198 of the Companies Act, 2013)			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		S. L. Tandon	R. C. Murada	O. P. Tandon	Rohit Gogia	
3.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	NIL	NIL	NIL	NIL	NIL
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration					77.00*
	Overall Ceiling as per the Act	273.30 (being 11% of the net profit of the company calculated as per 198 of the Companies Act, 2013)				

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

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

(Rs. In Lacs)

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	13.51	23.65	37.16
2.	Stock Option	-	-	-	-
-	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
	Total	-	13.51	23.65	37.16

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
Competent Automobiles Company Limited
F-14, Connaught Place,
New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Competent Automobiles Company Limited having CIN L34102DL1985PLC020668 and having registered office at F-14, Connaught Place, New Delhi – 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para- C sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / Continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: New Delhi
Date: 28.05.2019

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

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INDEPENDENT AUDITOR'S REPORT

To,

The Members of

COMPETENT AUTOMOBILES COMPANY LIMITED

Opinion

We have audited the accompanying financial statements of **COMPETENT AUTOMOBILES COMPANY LIMITED** which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit & Loss Account (including other Comprehensive Income), the Statement of Changes of Equity and the Statement of Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, its Profit/Loss, Total Comprehensive Income/Loss, its cash flows and changes in the equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in view of adoption of Ind AS 115 "revenue from contracts with customers". The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Note No. C1 & 25 to the Standalone Financial Statements.

Auditor's response

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification

of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.

- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Selected a sample of contracts and performed the following procedures:

- Read, analysed and identified the distinct performance obligations in these contracts.
- Compared these performance obligations with that identified and recorded by the Company.
- Tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.
- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
- In respect of sample Fixed-Price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
- Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
- Conclusion Our procedures did not identify any material exceptions.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our Knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from

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material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- I. As required by section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
 - h) In our opinion and to the best of our information and according to the explanations given to us , we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 33 to the Financial Statements.
 - (ii) The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.
- II. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we enclose in the "Annexure I", a statement on the matters specified in Clause's 3 and 4 of the Order.

For Ambani & Associates LLP
Chartered Accountants
Firm Regn. No. 016923N

Place: New Delhi
Dated: May 30, 2019

(HITESH AMBANI)
Designated Partner
M. No – 506267

ANNUAL REPORT & ACCOUNTS 2018-2019

Annexure-I to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2019, we report that:

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

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, income tax, sales tax, duty of customs, value added tax, service tax, Goods and Service Act, cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or value added tax or Goods and Services Tax which have not been deposited with the appropriate authority on account of any disputes;
8. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from government or from any financial institutions except vehicle loans.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the order is not applicable.
10. According to the information and explanation given to us by management, we have neither come across any instances

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

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

For Ambani & Associates LLP
Chartered Accountants
Firm Regn. No. 016923N

Place: New Delhi
Dated: May 30, 2019

(HITESH AMBANI)
Designated Partner
M. No – 506267

ANNUAL REPORT & ACCOUNTS 2018-2019

Annexure – II to the Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **COMPETENT AUTOMOBILES COMPANY LIMITED** as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ambani & Associates LLP
Chartered Accountants
Firm Regn. No. 016923N

Place: New Delhi
Dated: May 30, 2019

(HITESH AMBANI)
Designated Partner
M.No.: 506267

ANNUAL REPORT & ACCOUNTS 2018-2019

BALANCE SHEET AS AT 31ST MARCH 2019

(Rs. In lacs)			
Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	2	6,392.39	5,595.58
b Capital work in progress	3	574.79	248.02
c Financial Assets			
i) Investments	4	3,485.00	3,400.00
ii) Other financial assets	5	625.76	564.26
d Deferred Tax Assets (Net)	6	309.07	251.02
e Other non-current assets	7	508.96	670.96
Total Non-Current assets		11,895.97	10,729.85
2 Current assets			
a Inventories	8	10,517.71	5,299.26
b Financial Assets			
i) Trade receivables	9	6,192.56	3,807.73
ii) Cash and cash equivalents	10	1,475.01	1,143.36
iii) Bank balances other than (ii) above	10	1,336.24	5,177.72
iv) Loans	11	15.00	19.61
vi) Other financial assets			
c Other current assets	12	3,225.23	3,063.95
Total Current assets		22,761.75	18,511.63
3 Assets Classified as Held for Sale	13	43.43	-
Total Assets		34,701.14	29,241.48
II EQUITY AND LIABILITIES			
1 Equity			
a Equity Share Capital	14	627.85	627.85
b Other Equity	15	20,582.23	18,990.21
Total equity		21,210.08	19,618.06
LIABILITIES			
2 Non-current liabilities			
a Financial Liabilities			
i) Borrowings	16	167.62	248.56
ii) Other financial liabilities	17	92.38	67.07
b Deferred tax liabilities (Net)		-	-
c Other non-current liabilities		-	-
Total non-current liabilities		260.01	315.63
3 Current liabilities			
a Financial Liabilities			
i) Borrowings	18	10,654.86	6,701.69
ii) Trade payables	19	603.17	1,210.31
iii) Other financial liabilities	20	257.57	281.03
b Provisions for Employee Benefits	21	608.25	575.01
c Other current liabilities	22	508.24	539.74
Total current liabilities		12,632.09	9,307.78
4 Liability Directly Associated with Asset classified as held for sale	23	598.97	-
Total Equity and Liabilities		34,701.14	29,241.48

Significant Accounting policies and Notes to Accounts are forming part of Financial Statements (1 to 44)

As Per our report of even date attached
For Ambani & Associates LLP
 Firm Registration No: 016923N
 Chartered Accountants

(Hitesh Ambani)
 Partner
 Membership Number-506267

Place: New Delhi
 Date : 30-05-2019

For and on behalf of the Board of Directors

(Raj Chopra)
 Chairman & Managing Director
 DIN-00036705

(Ravi Arora)
 Company Secretary

(Kavita Ahuja)
 Whole Time Director
 DIN-00036803

(Vijay Kumar Sharma)
 Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. In lacs)

	Note No.	For the Year ended 31st March 2019	For the Year ended 31st March, 2018
Revenue			
I Revenue from Operations	24	1,23,997.27	1,24,883.51
II Other Income	25	426.54	8,227.17
III Total Revenue (I+II)		1,24,423.81	1,33,110.68
Expenses			
Purchases of Stock in Trade	26	1,13,758.83	1,10,694.75
Changes in Inventories of Stock in Trade	27	(5,218.45)	(316.04)
Employee Benefit Expenses	28	4,538.41	4,062.79
Finance Cost	29	1,013.41	885.73
Depreciation and Amortization Expense	30	864.00	759.18
Other Expenses	31	7,019.65	6,887.02
Total Expenses		1,21,975.86	1,22,973.42
V Profit before Exceptional items and Tax (V)=(III)-(IV)		2,447.95	10,137.26
VI Exceptional items		-	-
VII Profit / (Loss) After Exceptional items and Taxes VI=(V-VI)		2,447.95	10,137.26
VIII Profit / (Loss) before Tax (VII-VIII)		2,447.95	10,137.26
IX Less :Tax Expenses			
- Current Tax		925.00	1,980.00
- Deferred Tax		(58.05)	(54.46)
Profit after Tax for the Year (VIII-IX)		1,581.00	8,211.72
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		85.00	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI Total Comprehensive Income (IX+X)		1,666.00	8,211.72
Earnings per Equity share			
Basic and Diluted		25.72	133.61

Significant Accounting policies and Notes to Accounts are forming part of Financial Statements (1 to 44)

As Per our report of even date attached
For Ambani & Associates LLP
 Firm Registration No: 016923N
 Chartered Accountants

For and on behalf of the Board of Directors

(Hitesh Ambani)
 Partner
 Membership Number-506267

(Raj Chopra)
 Chairman & Managing Director
 DIN-00036705

(Kavita Ahuja)
 Whole Time Director
 DIN-00036803

Place: New Delhi
 Date : 30-05-2019

(Ravi Arora)
 Company Secretary

(Vijay Kumar Sharma)
 Chief Financial Officer

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

a. Equity share capital	(Rs. In lacs)
Particulars	Amount
Balance at 31st March 2018	627.85
Changes in equity share capital during the year	0.00
Balance at the end of the reporting period	627.85

b. Other equity	(Rs. In lacs)					
Particulars	Reserves & Surplus			Items of other comprehensive income		
	General Reserve	Securities Premium Account	Retained earnings	Total	Equity Instrument through other comprehensive income	Total
Balance at March 31, 2018	3,017.51	1,431.65	14,541.05	18,990.21	-	18,990.21
-Profit or Loss during the year	-	-	1,581.00	1,581.00		1,581.00
-Other comprehensive income for the year	-	-	85.00	85.00		85.00
Total comprehensive income for the year	-	-	1,666.00	1,666.00	-	1,666.00
-Dividend paid during the year	-	-	-61.46	-61.46		-61.46
-Dividend Distribution Tax (DDT)	-	-	-12.51	-12.51		-12.51
-Transfer to General Reserve	250.00	-	-250.00	-		-
Balance at March 31, 2019	3,267.51	1,431.65	15,883.08	20,582.24	-	20,582.24

For Ambani & Associates LLP
Firm Registration No: 016923N
Chartered Accountants

(Hitesh Ambani)
Partner
Membership Number-506267

Place: New Delhi
Date : 30-05-2019

For and on behalf of the Board of Directors

(Raj Chopra)
Chairman & Managing Director
DIN-00036705

(Ravi Arora)
Company Secretary

(Kavita Ahuja)
Whole Time Director
DIN-00036803

(Vijay Kumar Sharma)
Chief Financial Officer

COMPETENT AUTOMOBILES CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	Year ended 31st March 2019	Year ended 31st March 2018
(Rs. In lacs)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2,447.95	10,137.26
Adjustments for :		
Depreciation and Amortisation	864.00	759.18
Profit on Sale of Tangible Assets	(40.39)	(7,902.81)
loss on sale of Tangible Assets	-	-
Provisions no longer required written back	-	-
Provision for Gratuity	-	-
Provision for Doubtful Debts	-	-
Financial Expenses	1,013.41	885.73
Interest Income	(230.35)	(159.60)
	<u>1,606.67</u>	<u>(6,417.50)</u>
Operating gain before working capital changes	<u>4,054.63</u>	<u>3,719.76</u>
Changes in working capital		
(Increase)/ Decrease in Inventories	(5,218.45)	(316.04)
(Increase)/Decrease in Trade Receivables	(2,546.11)	(1,544.42)
(Increase)/Decrease in Loans and Advances	193.09	106.94
Increase in Current Liabilities and Provisions	10.99	(3,403.81)
	<u>(7,560.48)</u>	<u>(5,157.33)</u>
Cash generated from Operating activities before Taxes	<u>(3,505.85)</u>	<u>(1,437.57)</u>
Direct Taxes paid (net of refunds)	(1,012.99)	(2,079.37)
Net cash generated from/ (used in) Operating activities	<u>(4,518.84)</u>	<u>(3,516.94)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,109.93)	(3,650.51)
Purchase of Investments	-	-
Proceeds from Sale of Investments	-	-
Proceeds from Sale of Tangible Assets	119.31	10,412.00
Interest received	230.35	159.60
Net cash generated from / (used in) investing activities	<u>(1,760.27)</u>	<u>6,921.09</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank and other Borrowings	4,167.23	514.38
Proceeds from Long Term Bank Borrowings	-	200.88
Repayment of Long Term Borrowings	(80.94)	-
Financial expenses paid	(1,013.41)	(885.73)
Dividend paid	(73.97)	(73.97)
Net cash generated from/ (used in) financing activities	<u>2,998.91</u>	<u>(244.44)</u>
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(3,280.20)</u>	<u>3,159.71</u>
Cash and Bank balance at the beginning of the year	5,734.94	2,575.23
Effect of exchange gain on cash and cash equivalents		
Cash and Bank balance at the end of the year	<u>2,454.74</u>	<u>5,734.94</u>
Component of Cash and Bank balance		
Cash and cash equivalents include :		
Cash on hand	180.37	96.45
Cheques on hand	41.26	21.90
Balances with Banks:		
Deposit accounts		
Current accounts	1,253.37	1,025.01
Bank Overdraft	(356.52)	(586.15)
Cash and cash equivalents at the end of the year	<u>1,118.48</u>	<u>557.21</u>
Add:		
Fixed deposits with original maturity of more than 90 days	1,328.63	5,169.97
Unpaid Dividend	7.61	7.75
Cash and Bank balances at the end of the year	<u>2,454.74</u>	<u>5,734.94</u>

Notes: 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as per Ind AS 7-Cash Flow Statement.
2 Figures in brackets represents cash out flow.

As per our report of even date
For Ambani & Associates LLP
 Firm Registration No: 016923N
 Chartered Accountants

(Hitesh Ambani)
 Partner
 Membership Number-506267

Place: New Delhi
 Date : 30/05/2019

For and on behalf of the Board of Directors

(Raj Chopra)
 Chairman & Managing Director
 DIN-00036705

(Ravi Arora)
 Company Secretary

(Kavita Ahuja)
 Whole Time Director
 DIN-00036803

(Vijay Kumar Sharma)
 Chief Financial Officer

ANNUAL REPORT & ACCOUNTS 2018-2019

Note No.1- SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Competent Automobiles Company Limited ("The Company") is a public limited company incorporated and domiciled in India and it is listed on the Bombay Stock Exchange (BSE Ltd.). The address of its registered office is F-14, Competent House, Connaught Place New Delhi – 110001. The Company is Authorized Dealer of Maruti Suzuki India Limited for Delhi, Haryana and Himachal Pradesh area.

B. (i) Statement of Compliance

The Financial Statements have been prepared as going concern in accordance with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Company has prepared the Financial Statements up to 31st March, 2017 in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is 1st April 2016.

(ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair market value at the end of each reporting period as explained in the accounting policies.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act.

C. Significant Accounting Policies

1. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from operations includes sales of goods/vehicles/Spares parts/Accessories and services and amounts disclosed as revenue are net of trade allowances. The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement and based on the general trade practice as prevailing in the market.

(i) Sale of Goods/Vehicles/Spare parts/Accessories

Sales are accounted on transfer of significant risks and rewards to the customer and as per prevailing trade practice once the good are invoiced the risk and rewards are considered to be transferred and revenue is recognized in the books of account of that period. The trade rebate received from the manufacturer in form of purchase discount is accounted for as and when it is received. The amounts of rebate/discount received on purchase invoice are shown net of basis and other amount of purchase discount/rebate received is shown separately in financial statements.

(ii) Income from services

Income from services are accounted over the period of rendering of services.

(iii) Dividend and interest income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is

probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2. Property, plant and equipment

- a. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.
- b. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.
- c. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- d. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

2.1 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Depreciation methods, estimated useful lives and residual value

- (i) Depreciation on property, Plant and Equipment is provided based on useful life of the assets as prescribed in the Schedule -II to the Companies Act 2013, and charged on the basis of written down Value Method.
- (ii) The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- (iii) Any Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.
- (iv) The vehicle purchased for the purpose of the test drive are treated as an asset of the Company and depreciation is charged accordingly.

3. Impairment of Assets

- (i) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
- (ii) An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not.

4. Borrowing costs

- (i) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale,

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are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

- (ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

5. Inventories

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

- (i) Cost of finishes goods are measured at cost or market value which ever is lower.
- (ii) Cost of Spares Parts and Accessories, Oils & Lubricants are measured at cost on FIFO basis.
- (iii) Vehicles and Spares parts has been taken into the stock in hand of the company as and when they are dispatched from Maruti Suzuki India Limited ("MSIL").

6. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

(i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(ii) Subsequent Measurement

1. Financial Assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

4. Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit or loss.

7. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown as a part of Cash and Cash Equivalents in the cash flow statement.

8. Leasing

- (i) Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- (ii) Lease rentals for operating lease are charged to the statement of profit and loss account in accordance with the respective lease agreement. The lease rental are estimated to increase periodically in line with expected general inflation cost.

9. Taxation**(i) Tax Expense**

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period

(iii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

- (iv) The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

10. Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies

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at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

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.

12. Employee benefits

(i) Short Term obligations

Liabilities for wages and salaries including other monetary benefits that expected to be settled within the period in which the employees render the related services are recognized in the period in which the related services and are measured at the undiscounted amount expected to be paid.

(ii) Other Long-term employee benefit

Liabilities of leave encashment is provided on the basis of earned leave standing to credit of employees and the same is discharged by the company the end of the year and accounted for the same accordingly.

(iii) Post-employment obligations

The company has defined contribution plan in respect of payment of gratuity to employees. The contributions are being made to the exclusive trust established under the Group Gratuity Scheme of Life Insurance Corporation of India (LIC). The premium and the contribution paid every year to the LIC are charged to revenue. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employee's State Insurance, Employee's Provident Fund Scheme and Employee's Pension Scheme are charged to the statement of profit and loss every year.

13. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.
- (ii) A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Indian Accounting Standard 37 – "Provisions, Contingent Liabilities and Contingent Assets" is made.
- (iii) Contingent Assets are not recognized in the Financial Statements.

14. Events occurring after Reporting Period

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

15. Segment Reporting

The accounting policies adopted for segment reporting are in accordance with the Ind AS -109" Segment Reporting" issued by The Institute of Chartered Accountants of India. Segment revenue and expenses include amounts which can be directly identifiable to the segment on reasonable basis.

16. Rounding of amounts

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs and two decimals thereof, as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2 Property, Plants & Equipments (Rs. In lacs)

Particulars	Land	Buildings	Plant & Machinery	Electric Installation	Office Equip-ments	Furniture & Fixtures	Vehicles	Total
Balance as at March 31, 2017	488.93	1,599.17	1,492.56	260.51	983.13	735.64	1,852.62	7,412.57
Additions	2,239.13	28.13	125.24	13.13	96.48	43.30	857.08	3,402.49
Disposals	-	-	-	-	(2.86)	-	(379.79)	(382.65)
Balance as at March 31, 2018	2,728.06	1,627.30	1,617.80	273.65	1,076.75	778.94	2,329.91	10,432.40
Additions	-	479.27	183.00	81.00	143.74	172.86	723.29	1,783.16
Disposals	-	-	(117.85)	(10.42)	(9.18)	(28.99)	(247.48)	(413.92)
Gross Carrying value As at March 31, 2019	2,684.63	2,106.57	1,682.95	344.23	1,211.31	922.81	2,805.73	11,801.65

Accumulated Depreciation as at 31st March 2017	-	977.33	1,003.16	151.09	808.12	422.01	1,020.56	4,382.28
Depreciation for the year	-	69.93	102.30	30.20	115.75	87.83	353.17	759.18
Disposals/adjustments during the year	-	-	-	-	(2.10)	-	(302.52)	(304.62)
Balance as at March 31, 2018	-	1,047.26	1,105.46	181.29	921.77	509.84	1,071.21	4,836.84

Depreciation for the year	83.57	104.88	30.88	99.70	86.80	458.17	864.00	
Disposals/adjustments during the year	-	(111.96)	(10.22)	(12.95)	(28.83)	(171.03)	(334.99)	
Accumulated Depreciation As at March 31, 2019	-	1,130.83	1,098.38	201.95	1,008.52	567.81	1,358.35	5,365.85

Net carrying value as at 31st March 2017	488.93	621.84	489.40	109.42	175.01	313.63	832.06	3,030.30
Net carrying value as at 31st March 2018	2,728.06	580.04	512.35	92.36	154.99	269.09	1,258.70	5,595.60
Net carrying value as at 31st March 2019	2,684.63	975.74	584.58	142.28	202.78	355.00	1,447.38	6,392.39

Note : Net Carrying value is calculated as (gross carrying value at the end of year - accumulated Depreciation at the end of year)

(Rs. In lacs)

Capital Work in Progress	
As at 31st March 2017	135.78
Additions	248.02
Less: Amount capitalized in Property, Plant & Equipment	135.78
Less: Amount disposal during the year	
Balance at March 31, 2018	248.02
Additions	571.92
Less: Amount capitalized in Property, Plant & Equipment	245.15
Less: Amount disposal during the year	
Balance at March 31, 2019	574.79

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

4 Investment	As at		As at	
	31st March 2019		31st March 2018	
Non current				
Investment in equity instruments				
- Equity Shares of Raj Chopra & Company Pvt Ltd.(RCCPL)		3,485.00		3,400.00
(85,00,000 equity shares @ 41 per share, Previous year @ 40 per share)				
		3,485.00		3,400.00
Investments in equity Instruments at Fair Value through other comprehensive income				
Particulars	Number	As at 31st March 2019 Amount	Number	As at 31st March 2018 Amount
Unquoted investment fully paid up				
- Equity Shares of Raj Chopra & Company Pvt Ltd.(RCCPL)	85,00,000	3,485.00	85,00,000	3,400.00
		3,485.00		3,400.00
5 Other Non Current Financial Assets		As at 31st March 2019		As at 31st March 2018
Financial Assets measured at amortised cost				
- Security Deposit to MSIL		221.50		212.50
- Security Deposits for Showrooms		160.53		119.00
- Amortised cost of Security deposits		206.95		190.27
- Other Security Deposits*		36.78		42.49
		625.76		564.26
* These includes deposits with Public/ Government Authorities for utilities .				
6 Deferred tax Liability/Assets (net)		As at 31st March 2019		As at 31st March 2018
Deferred Tax Assets		309.07		251.02
(on account of timing difference)		309.07		251.02
Deferred tax Assets (Net)		309.07		251.02
7 Others Non current Assets		As at 31st March 2019		As at 31st March 2018
Advance Income Tax and Tax Deducted at Source (Net of Provision)		415.80		327.82
Capital Advances		-		200.00
Prepaid Rent (SD)		72.04		74.77
-Other Security Deposits		21.12		68.37
		508.96		670.96

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

8 Inventories	As at 31st March 2019	As at 31st March 2018
(At cost or net realisable value whichever is lower)		
Vehicles *	9,319.81	4,223.97
Spare Parts, Accessories , Oil & Lubricants *	1,197.90	1,075.29
	<u>10,517.71</u>	<u>5,299.26</u>

*Refer to Point no 5 of Accounting policies

Inventories are valued and certified by the mangement .

9 Trade Receivables	As at 31st March 2019	As at 31st March 2018
Unsecured & Considered good	6,192.56	3,807.73
Unsecured & Considered doubtful	-	-
	<u>6,192.56</u>	<u>3,807.73</u>
Less: Provision for Doubtful Debts	-	-
	<u>6,192.56</u>	<u>3,807.73</u>

Considering the past trends of complete recoverability of dues from Trade Receivables, company decides not to provide for expected credit loss for trade receivables under simplified approach

10 Cash and Bank Balances	As at 31st March 2019	As at 31st March 2018
Cash and Cash Equivalents:		
Cash on hand	180.37	96.45
- Balance with Bank Accounts*	1,253.37	1,025.01
- Cheques in Hand	41.26	21.90
	<u>1,475.01</u>	<u>1,143.36</u>
Other Bank Balances		
- In Fixed Deposits (More than 3 months & less than 12 months marturity), and includes Fixed deposits with govt. authorities	1,328.63	5,169.97
Earmarked Balances with Banks		
Unpaid Dividend	7.61	7.75
	<u>1,336.24</u>	<u>5,177.72</u>
	<u>2,811.25</u>	<u>6,321.08</u>

Cash and Cash equivalent includes cash in hand, bank balances and deposits whereas for the purpose of cash flow statement bank overdraft is considered as component of Cash and cash equivalent.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

11 Loans	As at 31st March 2019	As at 31st March 2018
(Unsecured and considered good)		
Others:		
Staff Advances	15.00	19.61
	15.00	19.61
12 Other Current Assets	As at 31st March 2019	As at 31st March 2018
Interest accrued but not due on Fixed Deposits	159.89	95.46
Advance Recoverable in Cash or in Kind	156.34	281.21
Recoverable from MSIL	1,986.35	2,587.24
Staff Imprest	37.23	16.09
Prepaid Expenses	51.55	50.99
GST paid on Advance receipts	47.67	32.96
GST Input	786.20	-
	3,225.23	3,063.95
13 Assets Classified as Held for Sale	As at 31st March 2019	As at 31st March 2018
Land at Mehrauli	43.43	-
	43.43	-
Land at Mehrauli has been reclassified as : Assets classified as held for sale " at Lower of cost or Fair Market Value less cost of Sale. Land at Mehrauli has been reclassified as " Asset held for sale" as per Ind AS -105 in financial statement and the cost incurred on such project also reclassified with land cost . The company had received an advance amounting to Rs. 598.97 lacs.		
14 Equity Share Capital	As at 31st March 2019	As at 31st March 2018
Authorized		
1,00,00,000 Equity shares of ₹ 10 each	1,000.00	1,000.00
(As at 31st March 2018, 1,00,00,000 Equity shares of ₹ 10 each)		
Issued, Subscribed		
64,09,500 Equity shares of ₹ 10 each	640.95	640.95
(As at 31st March 2018, 64,09,500 Equity shares of ₹ 10 each)		
Paid -up		
61,46,000 Equity Shares of Rs. 10/ each	614.60	614.60
(As at 31st March 2018, 61,46,000 Equity Shares of Rs. 10/ each)		
Add : Amount paid up on Forfeited 2,63,500 Equity Shares	13.25	13.25
(As at 31st March 2018: Amount Paid up on forfeited 2,63,500 Equity Shares)		
	627.85	627.85

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares outstanding at the beginning of the year and at the end of the year.	61,46,000	614.60	61,46,000	614.60
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	614.60		614.60	

The Details of shareholders holding more than 5 % of the aggregate shares in the company

Particulars	As at 31st March 2019		As at 31st March 2018	
	%	Number of Shares	%	Number of Shares
Mrs. Kavita Ahuja	61.48%	37,78,680	61.48%	37,78,680
Ms. Priya Chopra	13.43%	8,25,625	13.43%	8,25,625

15 Other Equity		As at 31st March 2019	As at 31st March 2018
i. General Reserve			
As per last Balance Sheet		3,017.51	2,767.51
Add : Balance Transferred from Profit and Loss Account		250.00	250.00
Closing balance		3,267.51	3,017.51
ii Securities Premium Account			
As per last Balance Sheet		1,431.65	1,431.65
Add : Balance Transferred from Profit and Loss Account		-	-
Closing balance		1,431.65	1,431.65
iii Surplus in Statement of Profit and Loss			
As per last Balance Sheet		14,541.04	6,653.29
Add : Net Profit for the Year		1,581.00	8,211.72
Add : Other comprehensive income (Effect of Fair Valuation of Investment in OCI)		85.00	-
Amount available for Appropriations		16,207.04	14,865.01
Less:			
Dividend on Equity Shares		61.46	61.46
Dividend tax		12.51	12.51
Transferred to General Reserve		250.00	250.00
		15,883.07	14,541.04
Total		20,582.23	18,990.20

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

16 Non Current Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Borrowings (Secured)		
Vehicle Loan	167.62	248.56
	167.62	248.56
17 Other Financial Liabilites	As at 31st March 2019	As at 31st March 2018
Security Deposits	92.38	67.07
	92.38	67.07
18 Borrowings	As at 31st March 2019	As at 31st March 2018
Loan repayable on Demand		
From Banks		
Secured		
- Cash Credit Facility From HDFC *	935.29	795.30
- Cash Credit Facility From State Bank of India #	301.13	169.58
- Inventory Funding From HDFC Bank/SBI **	7,655.60	3,450.44
-O/D Limit from HDFC***	356.52	586.15
Unsecured		
From others		
Due to Directors ****	1,406.31	1,700.21
	10,654.86	6,701.69

* Cash Credit from HDFC Bank 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 9.25% P.A. (Previous Year @ 9 %PA)

Cash Credit from SBI Banks is secured by mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 9.75% P.A. (Previous Year from @ 10.40 % P.A.)

** Inventory funding (HDFC) is repayable on demand and carries interest of 9%. P.A. (Previous Year interest rate @ 8.75% P.A.)

** Inventory funding (SBI) is repayable on demand and carries interest of 8.75%. P.A. (Previous Year interest rate @ 8.55% P.A.)

*** Bank overdraft is secured by FDR and carries interest of 1% Plus FDR interest rate (Previous Year interest 1% Plus FDR,)

**** Loans from Directors is repayable on demand and carries interest rate of 8% P.A. (Previous Year interest rate @ 8% P.A.)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

19 Trade Payables	As at 31st March 2019	As at 31st March 2018
Due to Micro, Small and Medium Enterprises	27.78	32.08
Due to Others	575.39	1,178.23
	603.17	1,210.31

The Disclosure in respect of MSME have been made in the financial statements based on the informtion/ confirmation received and available with the company.

20 Other Current Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term Loans	94.98	110.55
- Expenses Payable	154.98	162.73
- Unclaimed Dividend**	7.61	7.75
	257.57	281.03

** There are no amount due for Payment to the Investor Education and protection Fund under Section 125(1) of the Companies Act , 2013.

21 Provision for Employees Benefits :	As at 31st March 2019	As at 31st March 2018
Salary and other benefits *	608.25	575.01
	608.25	575.01
<i>*(includes Salary ,Bonus , Exgratia, contribution to PF and other funds)</i>		

22 Other Current Liabilities	As at 31st March 2019	As at 31st March 2018
Advance from Customers	447.74	506.88
- Taxes Payable *	60.50	32.86
	508.24	539.74
<i>*(includes T.C.S and T.D.S. payable)</i>		

23 Liabilities Directly Associated with Assets Classified as held for sale	As at 31st March 2019	As at 31st March 2018
Advance against sale of Land	598.97	-
	598.97	-

Advance received against sale of mehrauli Workshop land & Building has been reclassified as "Liabilities directly associated with Assets classified as held for sale". The company had received an advance amounting to Rs. 598.97 lacs and shown as advance against sale of land as at 31st March 2019.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

24 Revenue from Operations	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Sale of products	-	
Vehicles	1,10,086.84	1,11,715.01
Spare Parts & Accessories	7,909.08	7,410.40
Number Plates	28.56	34.61
Services Rendered	-	
Services & Labour Charges	3,917.88	3,587.56
Rebate / Discount Received :		
From Maruti Suzuki India Ltd.		
From others	14.82	172.78
Commission Received		
Extended Warranty	285.78	198.24
Insurance Business	1,032.97	1,207.68
Direct Billing	67.57	36.16
Sourcing Fees	596.00	452.43
Interest Income	57.76	68.64
	1,23,997.27	1,24,883.51
25 Other income	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Net Gain on Sale of (Property, Plant & Equipment)	40.39	7,902.81
Booking Cancellation Charges	4.32	4.79
Miscellaneous income*	139.21	145.36
Other non operating income**	13.19	15.99
Interest Income on FDR	230.35	159.60
unwinding of amortised cost of security Deposits	(0.92)	(1.38)
	426.54	8,227.17
(* includes Unclaimed Balance write back)		
(** includes MDS school income)		
26 Purchase of Stock In Trade	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Purchases during the year		
- Vehicle	1,10,834.59	1,07,062.52
- Less : Rebate Received from MSIL	(3,824.17)	(2,840.41)
- Spare Parts & Accessories	6,776.72	6,509.99
Less:		
- Spares issued against Warranty	(27.85)	(30.93)
- Short & Excess (MSIL)	(0.46)	(6.42)
	1,13,758.83	1,10,694.75

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

27 Changes in Inventories of Stock in Trade	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Inventories at the end of the year:		
- Vehicles	9,319.81	4,223.97
- Spare Parts & Accessories	1,197.90	1,075.29
	10,517.71	5,299.26
Less:		
Inventories at the beginning of the year:		
- Vehicles	4,223.97	4,178.64
- Spare Parts & Accessories	1,075.29	804.58
	5,299.26	4,983.22
	(5,218.45)	(316.04)
28 Employee Benefit Expenses	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Salaries, Wages and Bonus	3,843.16	3,383.07
Directors Remuneration	42.00	42.00
Commission paid to Directors	35.00	36.00
Contribution to Provident Fund and Other Funds	443.05	392.78
Staff Welfare Expenses	175.20	208.94
	4,538.41	4,062.79
29 Finance Cost	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Interest on Term Loan	25.90	10.59
Interest on Working capital	256.80	266.40
Interest on Inventory Funding	558.21	416.63
Interest Paid To MSIL	4.62	1.91
Interest Paid to others	133.64	166.33
Other Finance charges	34.25	23.88
	1,013.41	885.73
30 Depreciation and Amortization Expenses	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Depreciation on Property, Plant and Equipments	864.00	759.18
	864.00	759.18

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

31 Other Expenses	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Consumable Stores	340.59	306.02
Jobwork & Labour Charges	565.38	412.26
Security Services Charges	196.63	187.95
Services Charges	355.07	353.03
Petrol For New Car	166.31	129.77
Delivery Charges	127.04	128.64
Insurance	112.09	115.91
Repair & Maintainance		
Building	271.87	411.22
Plant & Machinery	136.36	164.43
Others	73.78	82.62
Legal & Professional Charges	167.25	148.34
Rent	1,316.67	1,133.60
Rates & Taxes	121.23	109.34
Facilitiy Charges	72.00	72.00
Communication Expenses	118.12	108.36
Charity & Donation	9.88	4.04
CSR Expenditure *	44.00	39.00
Power & Fuel	374.59	309.08
Printing & Stationery	122.30	107.18
Travelling & Conveyance	172.09	193.16
Auditors Remuneration (Refer Note No. 34)	9.95	11.78
Miscellaneous Expenses	45.11	20.48
Advertising & Publicity	24.51	15.81
Discount	1,792.85	2,076.02
Sales Promotion	283.98	246.99
	7,019.65	6,887.02

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

32 Earnings per Share	2018-19	2017-18
Basic earning per share	25.72	133.61
Diluted earning per share	25.72	133.61
profit After Tax	1,581.00	8,211.72
Weighted average number of Equity Shares	61.46	61.46

33 Contingent Liabilities

Particulars	2018-19	2017-18
(i) Bank Guarantee obtained from Banks	250.00	250.00
(ii) Disputed DVAT and TDS Demand and penalty	-	1.10

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs. In lacs)

34 Auditors Remuneration	2018-19	2017-18
(i) Audit Fees	8.85	7.43
(ii) Tax Audit Fees	1.10	1.10
(iii) Other Matters	-	3.25
	9.95	11.78
*Excluding GST		
35 Expenditure in Foreign Currency	2018-19	2017-18
Tours and Travelling	12.11	10.40
36 Managerial Remuneration	2018-19	2017-18
Salary	42.00	42.00
Commission on Net Profit	35.00	36.00
	77.00	78.00
37 Computation of Net Profit in accordance with Section 197 r/w Section 198 of Companies Act 2013	2018-19	2017-18
Net Profit after Tax as per Profit and Loss Account	1,581.00	8,211.72
Add:		
Income Tax	866.95	1,925.54
Director Remuneration	77.00	78.00
Less:		
Profit on Sale of Fixed Assets	40.39	7,902.81
	2,484.56	2,312.45
Maximum Remuneration payable including commission @ 11%	273.30	254.37
38 CSR Expenditure		
a) Gross amount required to be spent by the company during the year	44.00	38.83
b) Amount Spent during the year		
i. Construction / acquisition of any asset		
ii On purposes other than i above		

Spent	Unspent	Unspent	Total
-	-	-	-
-	-	-	-

Expenditure related to Corporate Social responsibility is as per Section 135 of The Companies Act 2013 read with Schedule VIII thereof.

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39 Unclaimed /Unpaid Dividend

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124 of The Companies Act, 2013, will be transferred to the Investors Education and Protection Fund (IEPF) established by the Government of India. Total amount of Rs. 7.61 lacs as on 31st March , 2019 is lying in unclaimed / unpaid dividend account as under :

Financial Year	Amount (in lacs)
2011-2012	0.81
2012-2013	0.98
2013-2014	1.02
2014-2015	1.22
2015-2016	1.44
2016-2017	1.44
2017-2018	0.70
Total	7.61

40 Information about Business Segment	2018-19	2017-18
Segment Revenue		
(a) Showroom Revenue	1,13,296.86	1,14,588.09
(b) Service & Spares	10,700.40	10,295.42
Total	1,23,997.27	1,24,883.51
Segment Results		
(a) Showroom Revenue	1,801.06	1,820.96
(b) Service & Spares	1,233.75	974.85
Total	3,034.81	2,795.81
Less:		
Interest and Financial Charges	1,013.41	885.73
Add:		
Un-Allocated Income	426.54	8,227.17
Profit before Tax and Extraordinary item	2,447.94	10,136.25
Less :Taxation Expenses including Deferred Tax	866.95	1,925.54
Profit after Tax	1,580.99	8,210.71
Total Capital Employed	32,127.54	26,678.86

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

The segment report of the Company as stated above has been prepared in accordance with Ind AS 108 Operating Segments.

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.

41 Related party Disclosure

(a) Enterprises over which Directors/key management personnel of the Company were able to exercise significant influence during the year : **Balance as on 31.03.2019**

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

(b) Key Managerial Personnel

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

(c) For related party transactions :-

S.No.	Name of Related Party	Relationship	Nature of Transaction	Amount (in lacs)
1	Raj Chopra	CMD	Salary	18.00
			Commission	30.00
			Rent	162.00
			Interest	95.39
2	Kavita Ahuja	Whole time Director	Salary	12.00
			Rent	15.00
			Interest	38.10
			Facility Charges	72.00
3	K.K.Mehta	Whole time Director	Salary	12.00
			Commission	5.00
4	Ravi Arora	Company Secretary	Salary	13.51
5	Vijay Kumar Sharma	CFO	Salary	23.65

42 Some of the outstanding balances as at 31st March 2019 in respect of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.

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43 Financial Instruments and Risk Management

(Rs. In lacs)

Financial Instruments	As at 31st March 2019		As at 31st March 2018	
Financial Assets	FVOCI	Amortized cost	FVOCI	Amortized cost
Investments in Equity Instruments (unquoted shares- Level 3)	3,485.00	-	3,400.00	-
Trade Recivables	-	6,192.56		3,807.73
Cash and Bank Balances	-	2,811.25		6,321.08
Loans	-	15.00		19.61
Other Financial Assets	-	625.76		564.26
Total Fianancial Assets	3,485.00	9,644.57		10,712.68
Financial Liabilities				
Borrowings	-	10,822.48		6,950.25
Other current maturies of Long term Debts	-	94.98		110.55
Trade Payables	-	603.17		1,210.31
Others	-	254.97		237.55
Total Financial Liabilities	-	11,775.61		8,508.66

Fair Value hierarchy

Financial Assets valued according to Level 3 valuation	As at 31st March 2019	As at 31st March 2018
Unquoted Equity Instruments	3,485.00	3,400.00

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values: Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 Fair value measurement (Rs. In lacs)

Particulars	Unquoted Equity shares
As at 31st March 2018	3400.00
Acquisition	
gain and loss recognised in Other Comprehensive Income	85.00
As at 31st March 2019	3485.00

Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The financial risk management of the Company is carried out under the procedures approved by the Management. Within these policies, the management provides written principles for overall risk management including procedures covering specific areas, such as interest rate, market challenges and financial budgets to ascertain the adequate liquidity in the company.

A. Credit Risk

The credit risk is the risk that counter party will not meet its obligations under the financial instrument or customer contract, relating to a financial loss

"The credit risk of the company is very much on the lower side. The trade receivables of the company at large are secured in nature. The trade receivable primarily includes receivables from various Banks, finance companies and insurance companies against delivery of vehicles to customers who have availed bank/private finance for which disbursement is due and accidental claims for repairs of vehicles, respectively. The obligation due on them are secured against the documents issued against the credit. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends. None of the financial instruments of the Company result in material concentrations of credit risks."

B. Liquidity risk

Liquidity risk is the risk that company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's main objective is to maintain the optimum level of liquidity to meet its cash and collateral requirement. The Company operates with a low Debt Equity ratio. The company's main sources of liquidity are cash and cash equivalents and cash flow generated from operations. However to maintain the liquidity flow of cash and cash equivalents, the company has obtained the cash credit and inventory funding facilities from banks to meet its working capital requirements. The position of the same is as under:

Financing arrangements
The company had access to the following facilities at the end of reporting period :

Particulars	As at 31st March 2019	As at 31st March 2018
Cash Credit Facilities and other Facilities within one year	10,654.86	6,701.69
More than one Year	-	-
	10,654.86	6,701.69

Market risk is the risk that fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. The market risk at large are categorised as 1) Foreign Currency Risk ; 2) Interest Rate Risk ; 3) Price Risk

The company's exposure to the market risk is very minimal.

Foreign Risk : The company do not have any exposure to Foreign Currency risk.

Interest Rate and Price Risk :- The Company do not have any investment in Govt securities, quoted shares and any other bond etc.

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44 The Previous Year Figures have been restated, regrouped and rearranged wherever necessary to make them Comparable with current year.

**As per our report of even date annexed.
For Ambani & Associates LLP**

Firm Registration No: 016923N
Chartered Accountants

(Hitesh Ambani)
Partner
Membership Number- 506267

Place: New Delhi
Date : 30-05-2019

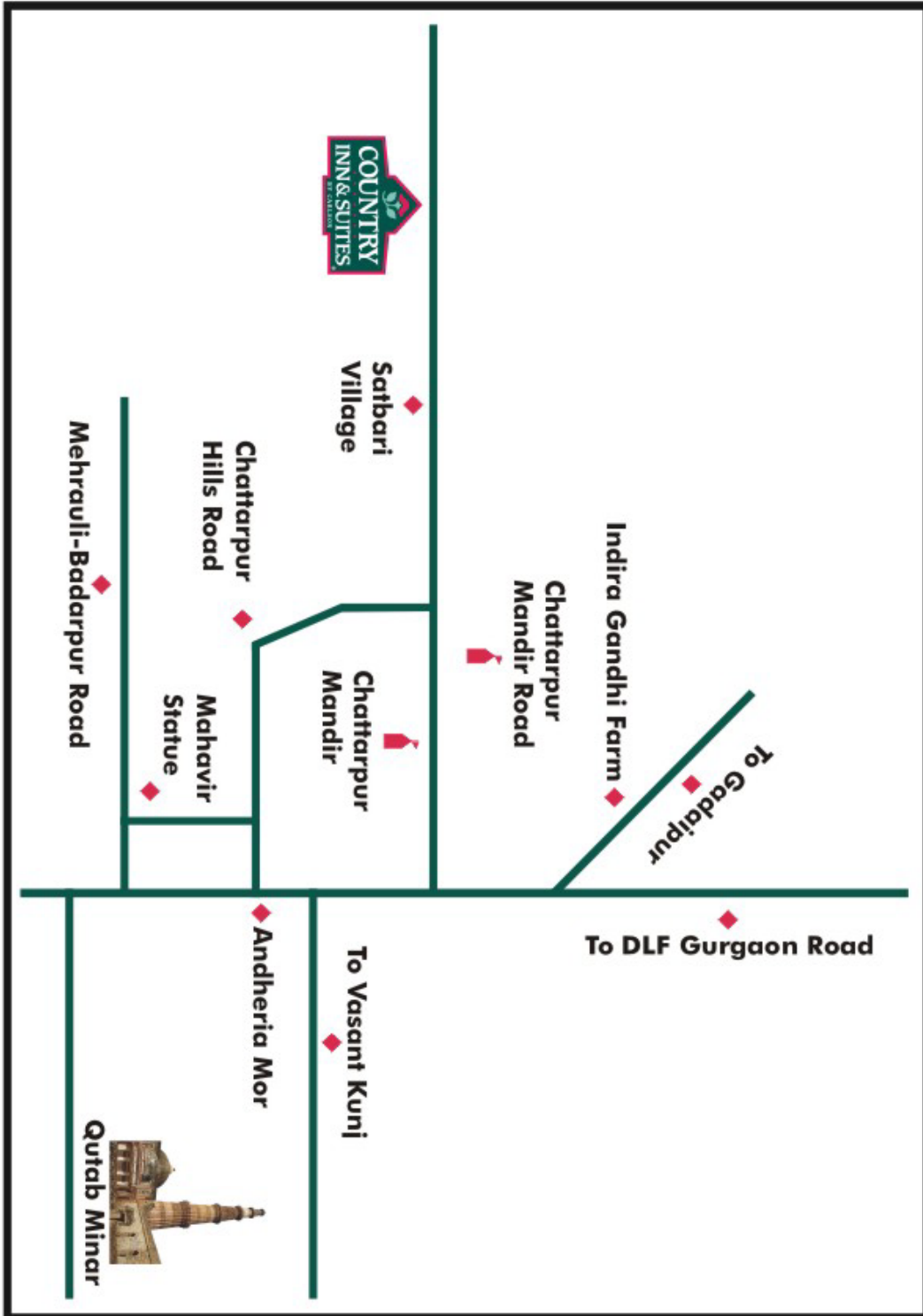
For and on behalf of the Board of Directors

(Raj Chopra)
Chairman & Managing Director
DIN-00036705

(Kavita Ahuja)
Whole Time Director
DIN-00036803

(Ravi Arora)
Company Secretary

(Vijay Kumar Sharma)
Chief Financial Officer



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COMPETENT AUTOMOBILES CO. LTD.

COMPETENT AUTOMOBILES CO. LTD.

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

CIN: L34102DL1985PLC020668 Tel: 011-45700000

ATTENDANCE SLIP

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

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

* For the shareholders holdings the shares in electronic form.

I/We hereby record my/our presence at the 34th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 04th day of September, 2019 at 10:00 a.m. at Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 or at any adjournment thereof.

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

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PROXY FORM

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Wednesday, the 04th day of September, 2019 at 10:00 a.m. at Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030 or at any adjournment thereof. in respect of such resolutions as are indicated below:

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

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

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Resolutions	For	Against
3. Re-appointment of Mrs. Kavita Ahuja, who retire by rotation		
4. Re-appointment of Mr. Raj Chopra as Chairman & Managing Director		
5. Re-appointment of Mr. Kanwal Krishan Mehta as Whole-Time Director		
6. Re-appointment of Mr. Ramesh Chander Murada as Independent Director		
7. Re-appointment of Mr. Rohit Gogia as Independent Director		
8. Appointment of Mr. Raman Sehgal as Independent Director		

Signed this..... day of.....2019

Signature of shareholder

Affix
Re 1/-
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

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

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