



Nineteenth Annual Report 2003 - 2004

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COMPETENT AUTOMOBILES CO. LTD.

BOARD OF DIRECTORS

RAJ CHOPRA	Chairman & Managing Director
GEETA CHOPRA	Whole Time Director
K.K. MEHTA	Whole Time Director
KAVITA AHUJA	Director
PRIYA CHOPRA	Director
ATUL MALHOTRA	Director
SANJAY KHANNA	Director
SURESH RATTAN	Director
RAJ MALHOTRA	Director
RAMAN SEHGAL	Director

SECRETARY

ASHISH SRIVASTAVA

AUDITORS

DINESH MEHTA & CO.
21, Dayanand Marg, Darya Ganj,
New Delhi 110002

BANKERS

VIJAYA BANK	Delhi
PUNJAB NATIONAL BANK	Himachal Pradesh

REGISTERED OFFICE

"COMPETENT HOUSE",
F-14, Connaught Place, New Delhi 110001
E-mail : competen@ndf.vsnl.net.in
Website : www.competent-maruti.com

Dealership - Delhi

SHOW ROOMS

- Competent House, F-14, Connaught Place, New Delhi 110001
- 48, Ring Road, Lajpat Nagar-III, New Delhi 110024
- Plot no. 3, Gazipur, Delhi 110092
- 19, Opp. Delhi Chemical Mills, Shivaji Marg, New Delhi-110015
- 70-B, Rattan Park, Shivaji Marg,
Opp. Ramesh Nagar, New Delhi 110015

WORKSHOP

- 895/C5, (Near Jain Mandir),
Dada Bari, Mehrauli, New Delhi 110030
- Plot no. 3, Gazipur, Delhi 110092
- 19, Opp. Delhi Chemical Mills, Shivaji Marg, New Delhi-110015

Dealership - Mandi

SHOWROOM-CUM-WORKSHOP COMPLEX

- NH-21, Chandigarh-Manali Highway,
P.O. Gutkar, Distt. Mandi, Himachal Pradesh

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Competent Automobiles Co. Limited will be held on Wednesday, the 29th day of September, 2004 at 10.00 A.M. at Plot No. 3, Gazipur, Delhi 110 092 to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004, the Profit & Loss A/c for the period ended on that date and the Reports of Directors' and Auditors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Ms. Priya Chopra who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr. Sanjay Khanna who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Raj Chopra as the Managing Director of the Company for a period of five years with effect from 01st November, 2004, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Raj Chopra, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri Raj Chopra."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Smt. Geeta Chopra as the Whole - time Director of the Company for a period of five years with effect from 01st November, 2004, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Smt. Geeta Chopra, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any

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amendments and/or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Smt. Geeta Chopra."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Shri Kanwal Krishan Mehta as the Whole time Director of the Company for a period of five years with effect from 23rd August, 2004, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Kanwal Krishan Mehta, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri Kanwal Krishan Mehta."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, vote instead of himself and the Proxy need not be a member of the Company. Proxies in order to be effective must reach the company at its registered office at least 48 hours before the time fixed for the meeting. A Proxy form is attached herewith.
2. The Relative Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956 in respect to item No. 6, 7, and 8, are annexed herewith.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 22nd Day of September, 2004 to Wednesday, the 29th Day of September, 2004 (Both Days inclusive).
4. M/s Skyline Financial Services Private Limited, 123, Vinoba Puri, Lajpat Nagar -II, New Delhi are the Registrar and Transfer Agents of the Company in physical and electronic form. Members are requested to send their shares for transfer to M/s Skyline Financial Services Private Limited.
5. The Dividend shall be paid to those Shareholders whose names appear as Members/Beneficial Owners as at the end of the Business Hours on 21st day of September, 2004, as per list to be furnished by the Depositories in respect of the shares held in electronic form and as a Member on the Register of Members on the 21st day of September, 2004.
6. Shareholders are requested to :
 - a) Notify immediately change in their residential address to the Company's Registrar and Transfer Agent specifying full address along with the PIN CODE Number and their Permanent Accountant Number (PAN).
 - b) Bring their duly filled in attendance slip with them for the purpose of attending the Meeting.

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- c) Bring their copies of Annual Report, as no separate copy would be provided at the venue of the Annual General Meeting.
 - d) Send the particulars of their Bank Account No. alongwith the name and address of the bank so as to enable the Company/Registrar & Transfer Agent to keep their record update.
 - e) Quote their Registered Folio No./Client ID No. in every correspondence with the Company/Registrar & Transfer Agent.
 - f) Check up and send their claims in respect of unclaimed dividend, if any, for the relevant years from 1996-97 onwards before the respective amount become due for the transfer to the "Investor Education and Protection Fund". The unpaid Dividend amount for the year 1995-96 has been transferred to "investor Education and Protection Fund".
7. Members holding shares in Dematerialised form should address their correspondence relating to their shareholding to their respective Depository Participants.
8. Members desirous of receiving dividend through Electronic Clearing Service (ECS) are requested to obtain the prescribed mandate form and return the same duly filled in and signed for registration with the Electronic Registrar M/s Skyline Financial Services Private Limited, 123 Vinoba Puri, Lajpat Nagar II, New Delhi 110 024.
9. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Sunday and Holidays until the date of the Annual General Meeting.

By Order of the Board
For COMPETENT AUTOMOBILES CO. LIMITED

Place : New Delhi
Date : 23/08/2004

(ASHISH SRIVASTAVA)
COMPANY SECRETARY

Annexure to the Notice**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****Item No. 6, 7 & 8**

The present term of Shri Raj Chopra and Smt. Geeta Chopra will be expiring on 31st October, 2004. The Board has re-appointed the aforesaid Directors for a period of five years from the expiry of their respective terms. The present term of Shri K.K. Mehta will be expiring on 23rd August, 2004 and Board of Directors has also re-appointed Shri K.K. Mehta as a Whole - time Director of the Company for a period of five years w.e.f. 24th August, 2004.

The broad particulars of remuneration payable to and terms of the respective reappointments of Shri Raj Chopra, Smt. Geeta Chopra and Shri Kanwal Krishan Mehta during the tenure of their respective re-appointments for a further period of five years are as follows:

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(a) Salary:

Managing Director :	Shri Raj Chopra	: Rs. 70,000/- p.m
Whole Time Director :	Smt. Geeta Chopra	: Rs. 30,000/- p.m.
Whole Time Director :	Shri K.K. Mehta	: Rs. 17,000/- p.m.

b) Commission (common to all the Directors)

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

c) Perquisites (common to all the Directors)

- i. Housing : The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to them in case of Metropolitan cities otherwise 50% of the salary over and above 10% payable to them.
- ii. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- iii. Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iv. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- v. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- vi. Personal Accident Insurance Premium as paid by the company.
- vii. Company's contribution towards pension/superannuation funds as and when introduced as per rules of the Company for the time being in force but such contribution together with the Company's contribution towards P.F. shall not exceed 24% of the salary or such other increased amount as provided that the same is not taxable under the Income Tax Act
- viii. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- ix. Gratuity not exceeding ½ months salary for each complete year of service subject to a ceiling of Rs. 3.5 lakhs.
- x. Free use of Company's car with the driver for the business of the Company.
- xi. Free use of telephone at residence.
- xii. Earned/Privilege Leave : One month leave with full pay and allowance for every 11 months of service with encashment benefits.

The terms and conditions set out for re-appointment/appointment herein and/or in the respective Agreements may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.

The respective Agreements may be terminated by either party (Company or the concerned Whole time/Managing Director) by giving the other three months prior notice of termination in writing.

Your Directors commend the resolutions set out at item no's 6, 7 & 8 of the Notice for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Raj Chopra, Smt. Geeta Chopra and Shri Kanwal Krishan Mehta respectively pursuant to Section 302 of the Companies Act, 1956

Shri Raj Chopra, Smt. Geeta Chopra and Shri K.K Mehta are interested in the resolution which pertain to their respective reappointment. Mrs Kavita Ahuja and Ms. Priya Chopra are also deemed to be interested in the resolution which pertain to reappointment of the said Directors as they are related to each other.

**By Order of the Board
For COMPETENT AUTOMOBILES CO. LIMITED**

Place : New Delhi
Date : 23/08/2004

**(ASHISH SRIVASTAVA)
COMPANY SECRETARY**

ANNUAL REPORT & ACCOUNTS 2003-2004**ANNEXURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN RESPECT TO APPOINTMENT / REAPPOINTMENT OF DIRECTORS**

Name of Director	Mr. Raj Chopra	Mrs. Geeta Chopra	Mr. K.K. Mehta	Ms. Priya Chopra	Mr. Sanjay Khanna
Date of Birth	17/03/1944	18/05/1942	08/09/1947	20/06/1975	25/11/1966
Qualifications	Bachelor in Arts	Bachelor in Arts	Bachelor in Science	Bachelor in Arts	Bachelor in Commerce
Nature of Expertise	Shri Raj Chopra is a pioneer in the field of Construction, Automobile, Hospitality and Entertainment industry. He is senior office bearer of various sports and civic agencies at State and National level.	Mrs. Geeta Chopra is a Business Entrepreneur and Management expert.	Mr. K.K. Mehta is an expert in day to day operations of Automobiles industry	Ms Priya Chopra is an expert in day to day operations of Automobiles industry.	Mr. Sanjay Khanna is an Auto-Finance and Accounting expert.
Name of the Companies in which he/she holds Directorship	<ul style="list-style-type: none"> -Competent Films Private Limited -Competent Leasing Private Limited -Competent Hotels Private Limited -Competent Airways Private Limited -Competent Builders Private Limited -Competent Productions Private Limited 	<ul style="list-style-type: none"> -Competent Films Private Limited -Competent Leasing Private Limited -Competent Hotels Private Limited -Competent Airways Private Limited -Competent Productions Private Limited 	NIL	Competent Films Private Limited	NIL
Name of Committees of the Companies of which he/she holds Membership / Chairmanship	NIL	NIL	NIL	NIL	<ul style="list-style-type: none"> -Competent Automobiles Co. Limited - Audit Committee (Chairman) -Competent Automobiles Co. Limited - Investors' Grievance Committee (Chairman)

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DIRECTORS' REPORT

To the Members of
Competent Automobiles Co. Limited

Your Directors have pleasure in presenting the 19th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2004.

Financial Performance and Appropriation of Profits

(Rupees in Lacs)

Particulars	31-03-2004	31-03-2003
Gross Revenue & Other Income	44,480.52	37,277.73
Increase/decrease in Stock	(296.56)	(142.89)
Profit before Dep. & Tax	556.95	426.86
Depreciation	132.55	124.14
Provision for Taxation	155.77	112.37
Profit after tax	268.63	190.35
Add : Profits from Previous year	259.08	212.24
Profits available for appropriation	527.71	402.59
Interim/Proposed Dividend	60.73	60.73
Transferred to General Reserves	85.00	75.00
Balance carried to the Balance Sheet	374.19	259.08

Dividend

Your Directors are pleased to recommend a dividend of 10% (Re. 1.00 per Equity Share of Rs. 10/- each) for the Financial Year ended 31st March, 2004 which if approved in the ensuing Annual General Meeting, be paid out of profits of the Company to all those shareholders whose name appear on the Register of Members and List of Beneficiaries provided by the Company's Electronic Registrar as on 21st day of September, 2004.

Performance

Your Company's total turnover during the year 2003-04 increased to Rs 444.81 Crores as compared to 372.78 Crores during the previous year recording a growth rate of 19%. The Company's profit before tax (PBT) increased to Rs. 4.24 Crores witnessing an increase of 40% as compared with the profit before tax of corresponding previous year i.e. Rs. 3.03 Crores. During the year 2003-04, the Company sold 14089 Maruti Vehicles (including 304 Vehicles under Direct Billing) recording a growth rate of 19% as compared with previous years sale of 11815 Vehicles (including 259 Vehicles under Direct Billing). Your Company's share in the total sale of Vehicles by Maruti in domestic market stands to 3.35% as Maruti sold 420947 Vehicles during the year 2003-04.

Your Company also bagged various awards distributed by the its Principal M/s Maruti Udyog Limited. Among those some awards are like Highest Sale in A2 Segment (Wagon R/Zen/Alto) on all India basis, Winners of Best performance Award on all India basis, etc.

Listing/Delisting of Securities

Your Company got delisting approval from Delhi and Jaipur Stock Exchanges vide their letter dated March 31, 2004 and June 10th, 2004 respectively. The company continues to be listed with the Bombay Stock Exchange (BSE). The Annual Listing Fee for the year 2004-05 of the Stock Exchange, Mumbai (BSE) has been paid by the Company.

Directorate

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sanjay Khanna and Ms. Priya Chopra, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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In the Annual General Meeting of the Company held on 28th September, 1999, the members of the Company had appointed Shri Raj Chopra, Managing Director, Shri K.K. Mehta, Whole Time Director and Smt. Geeta Chopra, Whole time Director, not liable to retire by rotation. Accordingly the tenure of five years, in case of Shri Raj Chopra, Managing Director, Shri K.K. Mehta, Whole time Director and Smt Geeta Chopra, Whole time Director, has expired and Board reappointed Shri Raj Chopra, Smt. Geeta Chopra and Shri K.K. Mehta, for another period of five years in its meeting held on 23rd day of August, 2004 subject to approval of members in the forthcoming, Annual General Meeting.

Management Discussion & Analysis Report

A report on Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement entered with the Stock Exchange(s), is annexed elsewhere in this report.

Postal Ballot

Section 192A of the Companies Act, 1956 read with Para 4 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as amended to date, provides certain matters to be passed by the Company through Postal Ballot only.

For the year ended 31st March, 2004 there was no matter passed through postal ballot.

Auditors' Report

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

Auditors

M/s Dinesh Mehta & Co., Chartered Accountants, Auditors of the Company, hold their office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate under Section 224(1B) of the Companies Act, 1956 has been obtained from them. The Board of Directors commends their reappointment.

Directors' Responsibility Statement

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

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 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 as on 31st March, 2004 and the profit for the year ended on that date.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.

Deposits

The Company has not accepted any Fixed Deposits during the year as per the provisions of Section 58A of the Companies Act, 1956, and the rules made thereunder and as such no amount of principal or interest was outstanding as on the date of Balance Sheet.

Particulars of Employees

The information required under sub-section (2A) of Section 217 of the Companies Act, 1956 as to the particulars of employees is NIL as there was no employee in receipt of aggregate remuneration of more than Rs. 24,00,000/- for the period or in receipt of monthly remuneration of more than Rs. 2,00,000/- if employed for part of the year.

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988

A. Conservation of Energy

The Company being engaged in service sector has hardly any activity relating to conservation of energy. Energy saving is one of the factor for the economic growth of the country it remained an area of high priority for the Company.

B. Technology Absorption

Since the Automobile trade is mainly Service oriented, particulars in regard to technological absorption are not applicable hence not available.

C. Foreign Exchange Earnings and Outgo

Earnings	-	Nil
Outgo	-	Rs. 25.63 Lacs

Industrial Relations

The Board wish to place on record its thanks for the consistent contribution extended by its employees, workers etc. through dedication and valuable support in company's growth. Your company witnessed very cordial industrial relations and no industrial dispute arose during the year under review.

Safety, Health, Environment and Quality

Your Company's commitment to achieve excellence in safety, health and quality is evident from improvement in its health and safety system. The Health and Safety policy of the workshops of the Company ensures safe operation of its machineries & equipments and lays down the responsibility levels for any fatal or non fatal accident. The management believes that to attain highest class standards in safety, it is incumbent upon its employees and workers of the company to focus on the safe behavior, lack of which may tend to cause accidents. The periodic audit of ISO 9001 quality system ensures the highest level of quality adherence in the company.

Corporate Governance

Your Company is committed to business integrity, high ethical values, adheres to comply with corporate governance practices in letter and spirit. In continuation of the same your company complied all requirements of clause 49 of the listing agreement. Your Company endeavors to adhere to standards as set out by the Securities & Exchange Board of India's (SEBI) Corporate Governance Practices. A compliance report alongwith Auditors' Certificate and the management discussion and analysis report is appended herewith.

Acknowledgement

Your Directors express their sincere thanks for the co-operation and assistance extended by the Company's Principal Maruti Udyog Limited, Company's esteemed Stakeholders, Bankers, Suppliers, Associates and of course its customers, who inspired the Company to achieve its niche & and to excel and look forward to their persistent co-operation.

Your Directors also acknowledge the contribution made by the Company's employees at all levels and the Management team, who by allegiance and drive for excellence have helped your Company to achieve the desired performance and sustained growth in the year under review.

For and on behalf of Board
FOR COMPETENT AUTOMOBILES CO. LTD.

Place : New Delhi
Date : 23/08/2004

(RAJ CHOPRA)
CHAIRMAN & MANAGING DIRECTOR