

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



**COMPETENT AUTOMOBILES CO. LTD.**

**Board of Directors**

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

**Company Secretary**

Mr. Yadvinder Goyal

**Auditors**

Dinesh Mehta & Co.  
New Delhi

**Regd. Office**

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

**Bankers**

Vijaya Bank  
State Bank of India

**Showrooms**

- Competent House, F-14, Connaught Place, New Delhi 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi 110024
- A-24 & 25, Madhu Vihar, Rajapuri, New Delhi - 110059
- Plot No. 3, Gazipur, (East Delhi) Delhi 110096
- 21, Shivaji Marg, New Delhi 110015
- Khasra No. 11/5/1, Opp. Furniture Market, Phirni Road, South - West Distt., Najafgarh, New Delhi - 110043
- 21, Shivaji Marg, New Delhi 110015 (True Value)
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- GF-12 & GF-16, Omaxe Plaza, Sohna Road, Gurgaon, Haryana
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H.P)
- Village Tikkar, Post – Didwin, Hamirpur, (H.P)
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Vill. Bamta Near I.T.I. Bilaspur, Distt. Bilaspur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh

**Workshops**

- 895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi 110030
- Plot No. 3, Gazipur, Delhi 110096
- B-83, Maya Puri Industrial Area, Phase - 1, New Delhi 110064
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- NH – 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H. P)
- Village Tikkar, Post – Didwin, Hamirpur, (H. P)
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Opp. S.S.B. Training Centre, Shamshi, Kullu, H.P.

**Share Transfer Agent**

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

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## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of Competent Automobiles Co. Limited will be held at Plot No.-3, Gazipur, Delhi-110096 on Monday, the 29<sup>th</sup> day of July, 2013 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended on that date together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. R C Murada, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. S L Tandon, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

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

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

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

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

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERD OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. Shareholders are requested to bring their copy of Annual Report to the meeting, as no separate copy would be provided at the venue of the Annual General Meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23<sup>rd</sup> July, 2013 to Monday, the 29<sup>th</sup> July, 2013 (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting.
6. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
8. The members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents i.e. **M/s. Skyline Financial Services Pvt. Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi-110020.**



9. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
10. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
- Name of the Sole / First joint holder and the Folio Number.
  - Particulars of Bank Account, viz.:
    - Account type, whether Savings (SB) or Current Account (CA)
    - Account number allotted by the Bank.
    - Name of the Bank
    - Name of Branch
    - Complete address of the bank with Pin Code Number
11. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their depositories to the Company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such changes, with complete details of Bank Account.

**12. Electronic Clearing Service (ECS) Facility**

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

Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which is enclosed herewith or can be downloaded from Company's website (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)). Requests for payment of dividend through ECS for the year 2012-13 should be lodged with M/s Skyline Financial Services Pvt. Limited.

13. Pursuant to provisions of Section 205A of the Companies Act, 1956, all unpaid or unclaimed dividends upto the year ended 31st March, 2005 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
14. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 2006 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 of the Companies Act, 1956.

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

<b>Financial Year</b>	<b>Type of dividend</b>	<b>Date of Declaration of Dividend</b>	<b>Date at which amount becoming due for credit to IEP Fund</b>
2005-06	Final Dividend	29-09-2006	06-11-2013
2006-07	Final Dividend	28-09-2007	05-11-2014
2007-08	Final Dividend	29-09-2008	06-11-2015
2008-09	Final Dividend	30-09-2009	07-11-2016
2009-10	Final Dividend	29-09-2010	06-11-2017
2010-11	Final Dividend	30-09-2011	07-11-2018
2011-12	Final Dividend	29-09-2012	06-11-2019

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

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

15. Non-Resident Indian Shareholders are requested to inform M/s Skyline Financial Services Pvt. Limited immediately:
  - The change in the residential status on return to India for permanent settlement.
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
16. As mandated by the Securities and Exchange Board of India (SEBI), members are requested to send copy of the PAN card along with other documents while sending their request for transfer of shares in physical form, deletion of name of the deceased shareholders, transmission or transposition of shares etc., to the Registrar & Share Transfer Agent of the Company.
17. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B, which is enclosed herewith, to the Registrar and Share Transfer Agents i.e. M/s Skyline Financial Services Pvt. Limited.
18. Pursuant to the requirements of the listing agreement with the stock exchange, on Corporate Governance, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is given in Annexure to the Corporate Governance Report on Page No. 16.

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

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

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

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



# COMPETENT AUTOMOBILES CO. LTD.

## DIRECTORS' REPORT

**Dear Members,**

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

### FINANCIAL HIGHLIGHTS

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

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

### OPERATIONAL AND FINANCIAL PERFORMANCE

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

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

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

During the year 2012-13, your company sold 17,233 Maruti Vehicles (including 200 Vehicles under Direct Billing) as compared with 17,655 Maruti Vehicles (including 721 Vehicles under Direct Billing), sold during the previous year.

### DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Re.1.00 per Equity Share of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2013, which if approved by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

### ACHIEVEMENTS

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

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## **DIRECTORS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the Annual Accounts for financial year ended 31<sup>st</sup> March, 2013, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2013 and of the profit for the year ended on that date;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) They have prepared the annual accounts for financial year ended 31<sup>st</sup> March, 2013 on a going concern basis.

## **CORPORATE GOVERNANCE**

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

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

## **LISTING FEE OF SHARES**

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2013-14 has been paid in advance by the Company.

## **AUDITORS**

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

## **AUDITORS' REPORT**

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

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

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were Rs. NIL and Rs. 10.35 lacs as compared to Rs. NIL and Rs. 16.05 lacs in the previous year respectively.

**PARTICULARS OF EMPLOYEES**

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. Accordingly, information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been given here.

**DEPOSITS**

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

**ACKNOWLEDGEMENT**

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

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

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

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



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## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

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

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

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

The Board of Directors comprise of an optimum combination of Executive and Non-executive Independent directors headed by the Chairman. The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchange. The independent directors do not have any pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgment of the directors in any manner.

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

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

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

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

\*\*\* In accordance with clause 49, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder /Investor Grievance Committee of all Public Limited Companies, whether listed or not, have been considered. As per disclosure(s) received from the Directors, none of the Directors hold memberships in more than 10 Committees or Chairmanship in more than 5 Committees.

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


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

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

**2. Number of Board Meetings**

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

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

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

**C. BOARD LEVEL COMMITTEES**

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

- Audit Committee
- Investor Grievance Committee

**1. AUDIT COMMITTEE**
**➤ Terms of reference**

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

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

**➤ Composition and names of members**

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

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