



18th
Annual Report

2002-2003

 **COMPETENT AUTOMOBILES CO. LTD.**
AN ISO 9002 COMPANY

© 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.

Bery Lode, 21, Dayanand Marg,
Darya Ganj, New Delhi 110 002

BANKERS

VIJAYA BANK	Delhi
PUNJAB NATIONAL BANK	Himachal Pradesh

REGISTERED OFFICE

"COMPETENT HOUSE",

F-14, Connaught Place, New Delhi

E-mail : competent@ndf.vsnl.net .in

Website : www.competent-maruti.com

Dealership - Delhi

SHOW ROOMS

- Competent House, F-14,
Connaught Place, New Delhi 110 001
- 48, Ring Road,
Lajpat Nagar - III, New Delhi 110 024
- Plot No. 3, Gazipur, Delhi 110 092
- 19, Opp. Delhi Chemical Mills,
Shivaji Marg, New Delhi
- 70-B, Rattan Park, Shivaji Marg,
Opp. Ramesh Nagar, New Delhi 110 015

WORKSHOP

- 895/C5, (Near Jain Mandir),
Dada Bari, Mehrauli, New Delhi 110 030
- Plot No. 3, Gazipur, Delhi 110 092
- 19, Opp. Delhi Chemical Mills,
Shivaji Marg, New Delhi

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 18th Annual General Meeting of the Members of Competent Automobiles Co. Limited will be held on Monday, the 29th day of September, 2003 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, 2003, 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 Mr. Atul Malhotra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Kavita Ahuja who retires by rotation and being eligible offers herself 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 Shri Suresh Rattan, who was appointed as an Additional Director by the Board, holding office as such upto the date of this Annual General Meeting and who has given Notice under Section 257 of the Companies Act, 1956 signifying his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Raj Malhotra, who was appointed as an Additional Director by the Board, holding office as such upto the date of this Annual General Meeting and who has given Notice under Section 257 of the Companies Act, 1956 signifying his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Raman Sehgal, who was appointed as an Additional Director by the Board, holding office as such upto the date of this Annual General Meeting and who has given Notice under Section 257 of the Companies Act, 1956 signifying his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in partial modification to the resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 and pursuant to 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 modifications or re-enactment thereof for the time being in force), the Company hereby accords the consent to increase the Remuneration of Shri Raj Chopra, Managing Director of the Company, from existing Salary of Rs. 35,000/- to Rs. 70,000/- per month w.e.f. 22nd August, 2003.

"RESOLVED FURTHER THAT the other terms and conditions as set out in the Resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 in respect of the Remuneration to Shri Raj Chopra, Managing Director shall remain the same."

COMPETENT AUTOMOBILES CO. LTD.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, proper and expedient to give effect to the above said resolution."

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

"RESOLVED THAT in partial modification to the resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 and pursuant to 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 modifications or re-enactment thereof for the time being in force), the Company hereby accords the consent to increase the Remuneration of Smt. Geeta Chopra, Whole-time Director of the Company, from existing Salary of Rs. 15,000/- to Rs. 30,000/- per month w.e.f. 22nd August, 2003.

"RESOLVED FURTHER THAT the other terms and conditions as set out in the Resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 in respect of the Remuneration to Smt. Geeta Chopra, Whole time Director shall remain the same."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, proper and expedient to give effect to the above said resolution."

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

"RESOLVED THAT in partial modification to the resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 and pursuant to 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 modifications or re-enactment thereof for the time being in force), the Company hereby accords the consent to increase the Remuneration of Shri. K.K. Mehta, Whole-time Director of the Company, from existing Salary of Rs. 12,000/- to Rs. 17,000/- per month w.e.f. 22nd August, 2003.

"RESOLVED FURTHER THAT the other terms and conditions as set out in the Resolution passed at the fourteenth Annual General Meeting of the Company held on 28th September, 1999 in respect of the Remuneration to Shri. K.K. Mehta, Whole time Director shall remain the same."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, proper and expedient to give effect to the above said resolution."

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

"RESOLVED THAT pursuant to the various provisions of the Companies Act, 1956, (including any statutory modification(s) or re enactment thereof for the time being in force and as may be enacted hereinafter), Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder, Listing Agreement, SEBI Guidelines and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary, the equity shares of the Company be delisted from the Regional and/or any other Stock Exchanges on which the equity shares of the Company are listed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to comply with all legal and procedural formalities laid down by the SEBI and any other authority to do all such acts, deeds or things to give effect to the above said resolutions".

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.

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2. The Relative Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 6, 7, 8, 9, 10, 11 and 12 are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 22nd Day of September, 2003 to Monday, the 29th Day of September, 2003 (Both Days inclusive).
4. The Company has appointed M/s Skyline Financial Services Private Limited, 123 Vinoba Puri, Lajpat Nagar -II, New Delhi as the Registrar and Transfer Agent of the Company w.e.f 1st April, 2003 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 Beneficial Owners as at the end of the Business Hours on 29th day of September, 2003, 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 29th day of September, 2003.
6. Members who are holding shares in the identical order of names in more than one folio are requested to write to the Registrar & Transfer Agent of the Company to enable it to consolidate their holding in one folio.
7. 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.
 - b) Bring their duly filled attendance slip with them for the purpose of attending the Meeting.
 - 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. 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 1995-96 onwards before the respective amount become due for the transfer to the "**Investor Education and Protection Fund**".
8. Members holding shares in Dematerialised form should address their correspondence relating to their shareholding to their respective Depository Participants.
9. Members desirous of receiving dividend through Electronic Clearing Service (ECS) are requested to fill in the attached 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.
10. 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 : 22/08/2003

(ASHISH SRIVASTAVA)
Company Secretary

Annexure to the Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Sh. Suresh Rattan, aged about 47 years, having industrial experience of years, was co-opted on the Board as Additional Director on 21/12/2002 by virtue of Section 260 of the Companies Act, 1956 and Article 119 of the Article of Association of the Company. Sh. Suresh Rattan who holds office up to the date of this Annual General Meeting, being eligible, offers himself for reappointment. Notice, alongwith a deposit of Rs. 500/- (Rs. Five Hundred only), as Section 257 of the Companies Act, 1956, has been received from Sh. Suresh Rattan signifying his candidature for the office of the Director of the Company.

The Board considers it beneficial and in the interest of the Company to have guidance and advice of Sh. Suresh Rattan and accordingly recommended his appointment as Director of the Company.

Except Shri Suresh Rattan none of the other Directors of the Company is interested in the resolution.

This may be treated as a notice under Sub-section (1A) of Section 257 of the Companies Act, 1956.

Item No. 7

Sh. Raj Malhotra, aged about 61 years, having industrial experience of years, was co-opted on the Board as Additional Director on 24/03/2003 by virtue of Section 260 of the Companies Act, 1956 and Article 119 of the Article of Association of the Company. Sh. Raj Malhotra who holds office up to the date of this Annual General Meeting, being eligible, offers himself for reappointment. Notice, alongwith a deposit of Rs. 500/- (Rs. Five Hundred only), as Section 257 of the Companies Act, 1956, has been received from Sh. Raj Malhotra signifying his candidature for the office of the Director of the Company.

The Board considers it beneficial and in the interest of the Company to have guidance and advice of Sh. Raj Malhotra and accordingly recommended his appointment as Director of the Company.

Except Shri Raj Malhotra none of the other Directors of the Company is interested in the resolution.

This may be treated as a notice under Sub-section (1A) of Section 257 of the Companies Act, 1956.

Item No. 8

Sh. Raman Sehgal, aged about 50 years, having industrial experience of years, was co-opted on the Board as Additional Director on 24/03/2003 by virtue of Section 260 of the Companies Act, 1956 and Article 119 of the Article of Association of the Company. Sh. Raman Sehgal who holds office up to the date of this Annual General Meeting, being eligible, offers himself for reappointment. Notice, alongwith a deposit of Rs. 500/- (Rs. Five Hundred only), as Section 257 of the Companies Act, 1956, has been received from Sh. Raman Sehgal signifying his candidature for the office of the Director of the Company.

The Board considers it beneficial and in the interest of the Company to have guidance and advice of Sh. Raman Sehgal and accordingly recommended his appointment as Director of the Company.

Except Shri Raman Sehgal none of the other Directors of the Company is interested in the resolution.

This may be treated as a notice under Sub-section (1A) of Section 257 of the Companies Act, 1956.

Item No. 9, 10 and 11

Pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, the Company has at the 14th Annual General Meeting of the Company held on 28th day of September, 1999 reappointed Shri Raj Chopra as Managing Director & Smt. Geeta Chopra and Shri K.K. Mehta as Whole time Directors for a period of five years. As these Directors are associated for long with the Company and their day to day involvement in the affairs of the Company have increased manifold which has resulted in increased profitability of the Company.

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So Board has decided to increase salary of Shri Raj Chopra from Rs. 35,000/- to Rs.70,000/- p.m., Smt. Geeta Chopra, Rs. 15,000/- to Rs. 30,000/- p.m. and Shri K.K. Mehta Rs. 12,000/- to Rs. 17,000/- p.m. w.e.f 22nd August, 2003.

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

The above statement may also be treated as an abstract of the terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

Item No. 12

The equity shares of the company are listed on the Stock Exchanges of Delhi, Jaipur and Mumbai. In terms of guidelines issued by Securities & Exchange Board of India and the notification issued by the Ministry of Finance dated 24-04-2003, it is not mandatory to keep the shares listed on Regional Stock Exchange and the Company can go for voluntary delisting of Securities from all or any of the Stock Exchange provided the securities of the Company have been listed for a minimum period of 3 years and to provide an exit opportunity in case of voluntary delisting from all stock exchanges. The shares of the Company are only traded on Mumbai Stock Exchange which is having Nation Wide Trading Terminal. It is proposed to delist the shares from other stock exchanges namely Delhi and Jaipur in view of the following :

1. The floating stock of Equity Shares of the Company is less than 10% of its total listed shares.
2. The Company's shares are listed under compulsory DEMAT form, hence trading would be no problem with the extensive net working of Mumbai Stock Exchange to other cities and;
3. To minimise the administrative cost.
4. The small base of shareholders.
5. No transaction of the shares on both the stock exchanges except Mumbai.

To delist the Equity Shares from the Delhi and Jaipur stock exchanges, the company is required to obtain prior approval of the shareholders of the Company by a special resolution passed in the General Meeting.

Hence the resolution is recommended for your approval.

None of the Directors of the Company in any way concerned or interested in the resolution.

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

Place : New Delhi
Date : 22/08/2003

**(ASHISH SRIVASTAVA)
Company Secretary**

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ANNEXURE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEENT WITH THE STOCK EXCHANGES IN RESPECT TO APPOINTMENT/ REAPPOINTMENT OF DIRECTORS

Name of Director	Ms. Kavita Ahuja	Shri Atul Malhotra	Shri Suresh Rattan	Shri Raj Malhotra	Shri Raman Sehgal
Date of Birth	22/01/1972	16/12/1958	30/07/1956	04/09/1942	30/03/1953
Qualifications	Bachelor of Arts	Bachelor of Arts	Bachelor of Commerce	Diploma in Civil Engineering	Bachelor of Arts
Nature of Expertise	Ms. Kavita Ahuja has outstanding experience of Automobile Industry for over eleven years with specialisation in Auto Finance.	Shri Atul Malhotra is having more than 20 years of experience in Hotel and Entertainment Industry.	Shri Suresh Rattan has over 27 years experience in construction industry with flair of administration and accounting functions.	Shri Raj Malhotra has over 27 years experience of working as Civil Engineer in construction industry.	Shri Raman Sehgal has over 25 years experience of working as Purchase and Procurement Divisions head of Construction Industry.
Name of the Companies in Which he/she Holds Directorship	- M/s Competent Films Private Limited	- New Delhi Vaults Ltd. - Entertainment Eighteen India Limited - Malhotra Bros. (Exhibitors) Private Ltd. - Mathys Medical (P) Ltd.	- M/s Competent Hotels (P) Limited - Competent Builders (P) Ltd.	Nil	Nil
Name of Committees of the Companies of which he/she holds Membership/ Chairmanship	Nil	- Competent Automobiles Co. Ltd - Audit Committee (Member) - Competent Automobiles Co. Ltd - Investors' Grievance Committee (Member)	- Competent Automobiles Co. Ltd - Audit Committee (Member) - Competent Automobiles Co. Ltd - Investors' Grievance Committee (Member)	Nil	Nil

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To the Members of
Competent Automobiles Co. Limited

Your Directors have pleasure in presenting the 18th Annual Report along with the Audited Accounts of the Company for the Year ended 31st March, 2003.

Financial Performance and Appropriation of Profits

Particulars	<i>(Amt. in lacs)</i>	
	31-03-2003 (Rs.)	31-03-2002 (Rs.)
Gross Revenue & Other Income	37277.73	34347.21
Increase/decrease in Stock	(142.89)	225.95
Profit before Dep. & Tax	426.86	399.83
Depreciation	124.14	132.93
Provision for Taxation	112.37	95.89
Profit after tax	190.35	171.01
Add : Profits from Previous year	212.24	166.96
Profits available for appropriation	402.59	337.97
Interim/Proposed Dividend	60.73	60.73
Transferred to General Reserves	75.00	65.00
Balance carried to the Balance Sheet	259.08	212.24

Dividends

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, 2003, 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 29th day of September, 2003.

Performance

Your Company's total turnover during the year under review was Rs. 372.78 Crores as compared to 343.47 Crores during the previous year which recorded a growth of 8.5%. Your Company's profit before tax increased to Rs. 3.03 Crores recording an increase of 13.5% as compared with the profit of previous year i.e. Rs. 2.67 Crores. During the year under review total numbers of Maruti Vehicles sold were 11815 (including 259 Vehicles under Direct Billing) recording a growth of 5.2% as compared with previous years sale of Maruti Vehicles.

Listing of Securities

The Securities of the Company are Listed on Delhi, Mumbai and Jaipur Stock Exchange(s) and Annual Listing Fee for the year 2003-2004 has already been paid to all the Stock Exchanges.

Directorate

During the year Mr. Gopi Dargan, Mr. S. S. Grewal and Mr. Sudhir Chopra resigned from the Board on account of their personal reasons. Your Directors feel privileged to have had a long association with Mr. Gopi Dargan, Mr. S. S. Grewal and Mr. Sudhir Chopra and express appreciation for the valuable service rendered by them during their tenure.

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By virtue of Section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company, Shri Suresh Rattan, Shri Raman Sehgal and Shri Raj Malhotra were appointed as Additional Directors on the Board during the financial year ended 31st March, 2003. Notices along with the Deposit of Rs. 500/- (Rs. Five Hundred Only) as required under Section 257 of the Companies Act, 1956 have been received by your Company from Shri Suresh Rattan, Shri Raman Sehgal and Shri Raj Malhotra signifying their candidature for the office of the Director of the Company liable to retire by rotation.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Atul Malhotra and Mrs. Kavita Ahuja, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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, 2003 your Company passed Special Resolution for inserting new sub-clause in the existing Object Clause of the Memorandum of Association, pursuant to Section 17 of the Companies Act, 1956, enabling your company to Act as Service Providers to Insurance Companies.

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, 2003 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

During the period under review the Company has not accepted any Deposits under the Provisions of Section 58A of the Companies Act, 1956.

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.