



# COMPETENT AUTOMOBILES CO. LTD.

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

Ph. : 011-45700000, 45800000, Fax : 011-23327640, Website : www.competent-maruti.com

CIN NO. : L34102DL1985PLC020668

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the members of Competent Automobiles Co. Limited will be held at Avalon Hall, Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi - 110074 on Friday, the 31st day of July, 2015 at 10:00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2015 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.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Dinesh Mehta & Co., Chartered Accountants (Registration No. 000220N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

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 the provisions of Section 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, 2014, 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. 1,50,000/- 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 ½ month salary for each complete year of service.
    - j. Free use of Company's car with the 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."

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 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, 2014, 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. 80,000/- 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.
    - h. Gratuity not exceeding ½ month salary for each complete year of service.
    - i. Free use of Company's car with the 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 timing in force."

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 section 180(1)(c) of the Companies Act, 2013 (hereinafter referred as 'the Act') read with the Companies (Management and Administration) Rules, 2014, and other applicable provisions, if any of the Act and Rules made thereunder, as amended or restated from time to time, the consent of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any committee thereof) to borrow, from time to time, such moneys whether fund based or non-fund based; from any bank, financial institution, non-banking financial company, body corporate or any other person; either in Indian rupees or in foreign currency as they may deem requisite or appropriate for the purposes of the business of the Company provided that the aggregate amount up to which the moneys may be borrowed, and remaining outstanding at any point in time, shall not exceed a sum of Rs. 1,25,00,00,000/- (Rupees One Hundred Twenty Five Crores only), exclusive of interest, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained by the Company in ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, things and matters, as it may at its discretion deem appropriate, necessary or desirable for the purposes of the business of the company while exercising the powers conferred upon it hereunder this resolution and to settle any question(s), difficulty(s), or matter(s) that may arise in interpretation, implementation or execution of the intent of the aforesaid resolution."

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: 30th May, 2015

Ravi Arora  
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. 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.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 25, 2014 to Friday, July 31, 2014 (both days inclusive).
6. 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.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report
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, which is enclosed herewith or can be downloaded from Company's website (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)).
16. Pursuant to provisions of Section 124 of Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956), all unpaid or unclaimed dividends upto the year ended 31st March, 2007 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 (erstwhile Section 205A of the Companies Act, 1956), dividend for the financial year ended March 31, 2008 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 IEP Fund |
|----------------|------------------|---------------------------------|--|
| 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   |
| 2012-13        | Final Dividend   | 29-07-2013                      | 06-11-2020   |
| 2013-14        | Final Dividend   | 30-07-2014                      | 07-11-2021   |

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. 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.
20. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
21. 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 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 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.
22. 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 Clause 35B of the Listing Agreement, 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 28th July, 2015 (9:00 A.M.) and ends on 30th July, 2015 (5:00 P.M.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th July, 2015, 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. The process and manner for remote e-voting are as under:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
      - (i) Open email and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      - (vii) Select "EVEN" of "CACL".
      - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [fcs.ppa@gmail.com](mailto:fcs.ppa@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
    - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
      - (i) Initial password is provided along with Notice of the AGM
      - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - IX. 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 24th July, 2015.
  - X. 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. 24th July, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - XI. 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.
  - XII. 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.
  - XIII. Mr. Pramod Prasad Agarwal, Company Secretary 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.
  - XIV. 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 "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - XV. 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 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.
  - XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.competent-maruti.com](http://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.

Place: New Delhi  
Date: 30th May, 2015

Ravi Arora  
Company Secretary

#### EXPLANATORY STATEMENT Item no. 5

Mr. Raj Chopra, aged 71 years, is a promoter and Chairman & Managing Director of the Company and having over 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, 2014. 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 August 12, 2014, has recommended him for re-appointment as Chairman & Managing Director of the Company for a further period of Five years with effect from September 01, 2014 on the current remuneration of Rs. 1,50,000/- (Rupees One Lac 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. 1,50,000/- 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 ½ month salary for each complete year of service.
  - j. Free use of Company's car with the 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.

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. 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

Mr. K. K. Mehta, aged 68 years, working as Whole-time Director of the Company and having over 18 years of industry experience in the field of automobiles dealership. Under his leadership the company has grown 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, 2014. 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 August 12, 2014, 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, 2014 on the current remuneration of Rs. 80,000/- (Rupees Eighty 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. 80,000/- 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.
  - h. Gratuity not exceeding ½ month salary for each complete year of service.
  - i. Free use of Company's car with the 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. 6 of the Notice.

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

#### ITEM NO. 7

In terms of Section 180(1)(c) of the Companies Act, 2013, the Board of the company cannot, expect with the consent of the Company in General Meeting, borrow monies (apart from temporary loans obtained by the Company in ordinary course of the business) in excess of the aggregate of paid-up share capital and free reserves. In view of the overall increase of business activities of the Company and to meet the capital expenditure requirements, if any, and for additional working capital, if required, it is considered desirable that the Company's be allowed to borrow to the extent of Rs. 125 Crores in excess of the aggregate of paid-up share capital and free reserves.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

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

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: 30th May, 2015

Ravi Arora  
Company Secretary



**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                     |
| Mr. O. P. Tandon  | Director                     |

**Company Secretary**

Mr. Ravi Arora

**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
- A-25, Sector-33/34, Infocity, Gurgaon - 122001
- 407, Village Islampur, Near Subhash Chowk, Sohna Road, Gurgaon - 122001
- 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
- Vill. Bamta Near I.T.I. Bilaspur, Distt. Bilaspur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Vill. Dhog, P.O. Dhalu, Teh. Joginder Nagar, Distt. Mandi (H.P.) – 175015

**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 - I, New Delhi - 110064
- 650/1A, 14, Shivaji Marg, New Delhi - 110015
- A-25, Sector-33/34, Infocity, Gurgaon - 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
- Vill. Dhog, P.O. Dhalu, Teh. Joginder Nagar, Distt. Mandi (H.P.) – 175015

**Share Transfer Agent**

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

# ANNUAL REPORT & ACCOUNTS 2014-2015

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## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting this 30<sup>th</sup> Annual Report together with Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31<sup>st</sup> March, 2015 is summarised below:

(Rs. in Lacs)

| Particulars  | Year ended<br>31-03-2015 | Year ended<br>31-03-2014 |
|--|--------------------------|--------------------------|
| Gross Income   | 92564.34                 | 80956.26                 |
| <b>Profit before Dep. &amp; Tax</b>                  | <b>2240.81</b>           | <b>1723.08</b>           |
| Less : Depreciation                                  | 630.07                   | 361.97                   |
| Less : Provision for Taxation including deferred tax | 449.81                   | 443.58                   |
| <b>Profit after tax</b>                              | <b>1160.92</b>           | <b>917.53</b>            |
| Add: Profits from Previous year                      | 3972.59                  | 3347.09                  |
| Profits available for appropriation                  | 5133.50                  | 4264.61                  |
| <b>Less Appropriations</b>                           |                          |                          |
| Proposed Dividend including tax                      | 73.75                    | 71.90                    |
| Tax Adjustments                                      | 5.56                     | 20.12                    |
| Transfer to General Reserves                         | 250.00                   | 200.00                   |
| Closing Balance                                      | 4804.19                  | 3972.59                  |

### PERFORMANCE

Your Company has reported a turnover of Rs. 92564.34 Lacs in the Current Financial Year against the turnover of Rs. 80956.26 Lacs in the Previous Financial Year, registering a growth of 14.34%.

The Company's profit before tax (PBT) is Rs. 1610.73 Lacs as compared to profit before tax of Rs. 1361.11 Lacs of previous year, registering a growth of 18.34%.

During the year 2014-15, your company sold 20066 Maruti Vehicles (including 847 Vehicles under Direct Billing) as compared with 17604 Maruti Vehicles (including 205 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 31<sup>st</sup> March, 2015, 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:

1. Platinum Dealer Award - for Himachal
2. DGS & D Highest Sales Award - for Delhi



## DIRECTORS AND KEY MANAGERIAL PERSONS

The following three persons were formally appointed as Key Managerial Personnel of the Company in compliance with provisions of section 203 of the Companies Act, 2013:

- a) Mr. Raj Chopra, Chairman & Managing Director
- b) Mr. Vijay Kumar Sharma, Chief Financial Officer
- c) Mr. Ravi Arora, Company Secretary.

Mr. Gopi Dargan, Independent Director, has resigned from his office w.e.f. November 12, 2014. The Board acknowledged the contribution given by him to the Board and the Directors wishes him the best wishes for all his future endeavors. Your Company have sufficient numbers of Independent Directors, as required under Listing Agreement and Companies Act, 2013, even after resignation of Mr. Gopi Dargan and hence, the Company has not appointed any other director in his place.

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfills all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

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

The Board, upon recommendation of Nomination and Remuneration Committee, had re-appointed Mr. K. K. Mehta, Whole – Time Director and Mr. Raj Chopra, Chairman & Managing Director w.e.f. August 23, 2014 and September 01, 2014 respectively, subject to the approval of members in foregoing general meeting. The Board recommends their re-appointments.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes 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 and the declaration in this regard made by the Chairman & Managing Director of the Company which forms the part of this Report of the Directors. The Code of Conduct is available on the Company's website at the link : <http://www.competent-maruti.com/investorsarea/code-ethics.html>

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 and clause 49(III)(D)(4)(a) of the Listing Agreement in the preparation of the annual accounts for the year ended on March 31, 2015 and state that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation 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 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.

# ANNUAL REPORT & ACCOUNTS 2014-2015

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- 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 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 as **Annexure A & B** 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 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 at the link : <http://www.competent-maruti.com/investorsarea/CSR-Policy.pdf> and is attached as **Annexure D** and forms the part of this Report of the Directors.

As per CSR Policy adopted by the Company, the Company intends to undertake different types of activities for CSR implementation. During the year, the Company has identified the areas of Development of Sports and education of Children & Women for its CSR activities and have contributed Rs. 23,00,000/- to Tug of War Federation of India, Child Help Foundation and Manav Rachna Educational Trust, implementing agencies. Since, the Company could not identify the appropriate implementing agency for the other CSR activities, as mentioned in CSR policy, there is shortfall of Rs. 1,73,045/- in contribution of CSR. 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 Agreement. Protected disclosures by a whistle blower should be addressed to the Managing Director (MD) at the Registered Office of the Company. The MD shall submit a report about all Protected Disclosures 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 at the link : <http://www.competent-maruti.com/investorsarea/Vigil-Mechanism.pdf>

## **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](http://www.competent-maruti.com) and is enclosed as **Annexure F**.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has duly constituted Investors' Grievances Committee and to comply with requirements of Companies Act, 2013 and Listing Agreement, the said committee was renamed as Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee shall consider and resolve the grievances of security holders of the company.

## **RISK MANAGEMENT**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in risk management framework. The Committee manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.





## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure G** to this Report.

## MEETINGS OF THE BOARD

Nine 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

During the year the Company has invested Rs. 4.25 Crores (Rupees Four Crores Twenty Five Lacs only) in equity shares of Raj Chopra & Company Private Limited. The shares having face value of Rs. 10/- each were issued at a premium of Rs. 30/- each.

The Company has not given any loan to other body corporates or given any guarantees or provided any security in connection with a loan to any other body corporate or person.

## INVESTOR EDUCATION AND PROTECTION FUND

In compliance with provisions of Section 124 of Companies Act, 2013 (erstwhile section 205A of the Companies Act, 1956), the Company has transferred Rs. 1,27,590/- to IEPF, being unpaid and unclaimed dividend for the FY 2006-07.

## LISTING FEE OF SHARES

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2015-16 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 as required under Sections 139 & 141 of the Companies Act, 2013.

## 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 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure H** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, except the company has not filed two forms. This was mainly due to ambiguity in interpretation. However, the company would ensure in future that all the provisions are complied to the fullest extent.

## INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

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 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2013 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were Nil and Rs. 9.83 Lacs respectively as compared to Rs. Nil and Rs. 13.05 lacs in the previous year respectively.

The prescribed particulars of employees required under section 134(3)(q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure I** and forms the part of this Report of the Directors.

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 134(3)(q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has not been given here.

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## 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

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.

## 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 at the link: <http://www.competent-maruti.com/investorsarea/Related-Party-Transaction-Policy.pdf>

Your Directors draw attention of the members to Note no. 32 & 38 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 Anti-Sexual Harassment Policy in line with requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Anti-Sexual Harassment 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 2014-15

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

## 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**

**RAJ CHOPRA  
Chairman & Managing Director  
DIN – 00036705**

**Place: New Delhi  
Date: 30<sup>th</sup> May, 2015**