

September 19, 2016

The Manager (Listing)  
The Stock Exchange, Mumbai,  
P. J. Towers, Dalal Street,  
MUMBAI-400001

**Sub: - Annual Report for FY 2015-16**

**Scrip Code 531041**

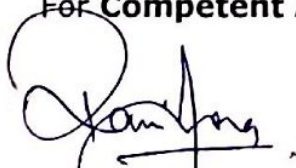
Dear Sir,

Please find enclosed Annual Report of the Company for the Financial Year ended on March 31, 2016, as adopted by the members in their Annual General Meeting.

You are requested to take the above information on record

Thanking you,

Yours truly,  
For **Competent Automobiles Co. Limited**



**Ravi Arora**  
**Company Secretary**

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## 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  
HDFC Bank Ltd.

## 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, 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
- B-95, Wazirpur Industrial Area, New Delhi - 110052
- 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
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, 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 - 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
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Near UCO Bank, Jawalaji Road, Tehsil Nadaun, Distt. Hamirpur, Himachal Pradesh
- Village Dohaga, P.O. Dhalu, Tehsil - Joginder Nagar, Distt. Mandi, Himachal Pradesh

## 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 31st 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 Wednesday, the 31st day of August, 2016 at 10:00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2016 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. K. K. Mehta, who retires by rotation and being eligible, offers himself 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 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 members be and are hereby accorded to re-appoint Mrs. Kavita Ahuja as the Whole-Time Director of the Company for a period of 5 years w.e.f. November 01, 2015, on following terms and conditions:

- 1) Subject to superintendence, control and direction of the Board, she 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**

Salary: Rs. 12,00,000/- p.a.

#### **b) Commission**

Commission as may be decide by the Board of Directors based on the net profits of the company in each financial year, subject to the overall Sections laid down in Section 197 read with Schedule V of the Companies Act, 1956.

#### **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 cites, 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.

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- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- g. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- h. Gratuity not exceeding  $\frac{1}{2}$  month salary for each 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. Her office will be liable to be determine to retire by rotation.

**FURTHER RESOLVED THAT** the Board of Directors shall have right, subject to the approval of the shareholders, if required, 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."

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

**"RESOLVED THAT** in partial modification to the Resolution No. 6 passed by the members at the 30th Annual General Meeting of the Company held on 31st July, 2015 approving the appointment and terms of remuneration of Mr. K. K. Mehta as Whole-Time Director of the company and 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 Company hereby approves the increase in Basic salary, forming part of total remuneration, of Mr. K. K. Mehta from Rs. 80,000/- p.m. to Rs. 1,00,000/- p.m. for the remaining period of his tenure of office.

**RESOLVED FURTHER THAT** all other terms and conditions of appointment of Mr. K. K. Mehta as approved earlier by the Members, shall remain unchanged.

**RESOLVED FURTHER THAT** pursuant to provisions of the Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, wherein in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, the Company may pay to Mr. K. K. Mehta, Whole-Time Director, remuneration by way of salary, perquisites etc. as per terms of his appointment, as minimum remuneration.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give to above 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, 2016**

**Ravi Arora  
Company Secretary**

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### 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 Thursday, August 25, 2016 to Wednesday, August 31, 2016 (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. Details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report.
8. Electronic copy of the Annual Report is being sent to all the members whose email ids are registered with Company/ Depository Participants for communication purposes unless the member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
9. 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.
10. 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.
11. 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.
12. 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.**
13. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
14. 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:



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- 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
15. 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.
16. **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)).
17. Pursuant to provisions of Section 125 of Companies Act, 2013, all unpaid or unclaimed dividends upto the year ended 31st March, 2008 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
18. Pursuant to the provisions of Section 124 of Companies Act, 2013, dividend for the financial year ended March 31, 2009 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	Date at which amount
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	06-09-2020
2013-14	Final Dividend	30-07-2014	07-09-2021
2014-15	Final Dividend	31-07-2015	08-09-2022

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. 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.

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19. 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.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN card by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details with the Company.
21. SEBI has also mandated that for registration for transfer of securities, the transferee(s) as well as Transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
22. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
23. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip alongwith Route Map are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip alongwith Route Map in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
24. **Voting Through Electronic Means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on August 28, 2016 (9:00 am) and ends on August 30, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 24, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - V. A person who is not a member as on cut-off date should treat this notice for information purpose only.
  - VI. The 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

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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 alongwith Notice of the AGM
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VII. 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.
- VIII. 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.
- IX. 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).
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 24, 2016.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 24, 2016, 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.
- XII. 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.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained



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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.

- XIV. Mr. Pramod Prasad Agarwal, Company Secretary, Proprietor of M/s P. P. Agarwal & Co., Company Secretaries has been appointed 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.
- XV. 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.
- XVI. 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.
- XVII. The Results declared alongwith 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, 2016**

**Ravi Arora**  
**Company Secretary**

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## EXPLANATORY STATEMENT

### ITEM NO. 5

Mrs. Kavita Ahuja, aged 44 years, is working as Whole-Time Director the Company and having over 25 years of industry experience in the field of automobiles dealership. She has excellent grasp and thorough knowledge and experience of general management, finance and day to day operations of the Company's affairs. The Board of Directors is of the considered opinion that, for smooth and efficient running of the business, the services of Mrs. Kavita Ahuja should be available to the Company for a further period of Five years. 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 November 13, 2015, has recommended her for re-appointment as Whole-Time Director of the Company for a further period of Five years with effect from November 01, 2015 on the current remuneration of Rs. 1,00,000/- (Rupees One Lac only) per month plus various other perquisite as enumerated hereinunder. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to her 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 Mrs. Kavita Ahuja, Whole-Time Director: -

- 1) Subject to superintendence, control and direction of the Board, she 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**

Salary: Rs. 12,00,000/- p.a.

#### **b) Commission**

Commission as may be decide by the Board of Directors based on the net profits of the company in each financial year, subject to the overall Sections laid down in Section 197 read with Schedule V of the Companies Act, 1956.

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

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- 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. Her office will be liable to be determine to retire by rotation.

Save and except Mrs. Kavita Ahuja, being appointee, Mr. Raj Chopra and Mr. K. K. Mehta, Chairman & Managing Director & Whole-Time Director, respectively, 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. Kanwal Krishan Mehta was re-appointed as Whole-Time Director of the Company w.e.f. 23rd August, 2014 respectively, by the members of the Company.

In view of the contribution of Mr. Kanwal Krishan Mehta in the Company's performance, the Board of Directors of the Company at its meeting held on 30th May, 2016, has subject to the approval of members, approved the revision in remuneration payable to Mr. Kanwal Krishan Mehta, Whole-Time Director from Rs. 80,000/- p.m. to Rs. 1,00,000/- p.m. after approval of members in line with the current market trends to provide a stimulus to efforts of Mr. Kanwal Krishan Mehtain leading the Company to achieve greater heights.

The Nomination and Remuneration Committee has recommended to Board and the Board is of the view that this remuneration, which would be necessary to retain the services of Mr. Kanwal Krishan Mehta, Whole-Time Director, considering their vast experience and strong ability to lead and expand the business initiatives of the Company.

The other terms & conditions of appointment and remuneration payable to Mr. Kanwal Krishan Mehta, Whole-Time Director of the Company shall remain unchanged.

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 necessary resolutions for revision in remuneration of both Mr. Kanwal Krishan Mehta, Whole-Time Director, is now being placed before the members for their approval by way of Special Resolution.

Your Directors recommend this resolutions for approval by the members of the Company.

Save and except Mr. K. K. Mehta, being appointee, Mr. Raj Chopra and Mrs. Kavita Ahuja, Chairman & Managing Director & Whole-Time Director, respectively, 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.

**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, 2016**

**Ravi Arora**  
**Company Secretary**

# ANNUAL REPORT & ACCOUNTS 2015-2016

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting this 31st Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2016.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2016 is summarised below:

(Rs. in Lacs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Gross Income	<b>1,04,425.53</b>	<b>92,564.34</b>
<b>Profit before Dep. &amp; Tax</b>	<b>2,356.76</b>	<b>2,240.81</b>
Less : Depreciation	478.04	630.07
Less :Provision for Taxation including deferred tax	595.43	449.82
<b>Profit after tax</b>	<b>1,282.85</b>	<b>1,160.92</b>
Add: Profits from Previous year	4,804.19	3,972.59
Profits available for appropriation	6,087.04	5,133.50
<b>Less Appropriations</b>		
Proposed Dividend including tax	73.97	73.75
Tax Adjustments	6.45	5.56
Transfer to General Reserves	250.00	250.00
Closing Balance	5,756.61	4,804.19

### PERFORMANCE

Your Company has reported a turnover of Rs. 104425.53 Lacs in the Current Financial Year against the turnover of Rs. 92564.34 Lacs in the Previous Financial Year, registering a growth of 12.81%

The Company's profit before tax (PBT) is Rs. 1878.28 Lacs as compared to profit before tax of Rs. 1610.73 Lacs of previous year, registering a growth of 16.61%.

During the year 2015-16, your company sold 22,554 Maruti Vehicles (including 1,115 Vehicles under Direct Billing) as compared with 20,066 Maruti Vehicles (including 847 Vehicles under Direct Billing), sold during the previous year.

### DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Rs.1.00 per Equity Share of Rs. 10/- each for the year ended 31st March, 2016, 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 Pradesh
2. Gold Dealer Award for Delhi / NCR Region
3. Best DGS & D Sales Award for Delhi / NCR Region
4. Alpha Dealer Award for NEXA-Delhi Region

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## DIRECTORS AND KEY MANAGERIAL PERSONS

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

In terms of appointment of Mr. K. K. Mehta, as required under Companies Act, 2013, Mr. K. K. Mehta shall retire by rotation, being longest in the office, and being eligible, he offers himself for re-appointment. The Board recommends his re-appointment.

The Board, upon recommendation of Nomination and Remuneration Committee, had re-appointed Mrs. Kavita Ahuja, Whole – Time Director w.e.f. November 01, 2015, subject to the approval of members in forthcoming general meeting. The Board recommends her re-appointment.

There is no change in Key Managerial Personnels of the Company.

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 independent 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.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with provisions of the Companies Act, 2013 and the Listing Regulations in the preparation of the annual accounts for the year ended on March 31, 2016 and state that:

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



# ANNUAL REPORT & ACCOUNTS 2015-2016

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## CORPORATE GOVERNANCE

Your Company reaffirms its commitment to good Corporate Governance practices. Pursuant to Regulation 34 of the Listing Regulations, 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 the Listing Regulations, is enclosed as **Annexure C** and forms an integral part of this report.

## AUDIT COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY

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

During the year, the CSR has been implemented by the Company. The Company has made contribution to Himalayan Institute Hospital Trust. The total contribution made to the implementing agency is Rs. 29,00,000/- (Rupees Twenty Nine Lacs only). Annual Report on CSR is enclosed herewith as **Annexure E**.

## VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations. Protected disclosures by a whistle blower should be addressed to the MD at the Registered Office of the Company. The MD shall submit a report about all PD cases annually to the Audit Committee of the Company. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website: [www.competent-maruti.com](http://www.competent-maruti.com)

## NOMINATION AND REMUNERATION COMMITTEE

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

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

## EXTRACT OF ANNUAL RETURN

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

## MEETINGS OF THE BOARD

Eleven 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. 22.25 Crores (Rupees Twenty Two 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, the Company has transferred Rs.73,403/- to IEPF, being unpaid and unclaimed dividend for the FY 2007-08.

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## LISTING FEE OF SHARES

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2016-17 has been paid in advance by the Company.

## AUDITORS

The Statutory Auditors of the Company, M/s Dinesh Mehta & Co. (FRN 000220N), Chartered Accountants, New Delhi, hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. The Audit Committee and the Board of Directors recommends the re-appointment of M/s Dinesh Mehta & Co. (FRN 000220N), Chartered Accountants as the Statutory Auditors of the Company in relation to the financial year 2016 -17 till the conclusion of the next Annual General Meeting. The re-appointment proposed is within the time frame for transition under the third provision to sub-section (2) of Section 139 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 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure H** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## INFORMATION PURSUANT TO SECTIONS 134 & 197 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. 20.83 Lacs respectively as compared to Rs. Nil and Rs. 9.83 lacs in the previous year respectively.

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

## DEPOSITS

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

## MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

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

## INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT

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

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

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## 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: [www.competent-maruti.com](http://www.competent-maruti.com)

Your Directors draw attention of the members to Note no. 32 & 34 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 2015-16.

- **No. of complaints received : 2**
- **No. of complaints disposed : 2**

## 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: 30th May, 2016**

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ANNEXURE- A

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

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

### A. COMPOSITION OF THE BOARD 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 & Managing Director. The composition of the Board of Directors of the Company is in compliance of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations). The independent directors do not have any material pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgment of the directors in any manner.

The composition and structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31st March, 2016 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	10	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	4	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. S. L. Tandon	Independent Director	Director	*	Nil	Nil	1	1
Mr. R. C. Murada	Independent Director	Director	*	Nil	2	Nil	2
Mr. Rohit Gogia	Independent Director	Director	*	2	Nil	2	2
Mr. O. P. Tandon	Independent Director	Director	*	Nil	Nil	Nil	Nil

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

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

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

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### 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 Eleven (11) times – on 13th May, 2015; 30th May, 2015; 4th July, 2015; 13th August, 2015; 13th October, 2015; 13th November, 2015; 2nd December, 2015; 21st December, 2015; 9th January, 2016; 16th January, 2016 and 13th February, 2016 during the financial year ended 31st March, 2016. The maximum time gap between any two meetings was not more than four months.

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

Name of the Director	Number of Board Meetings held during his/her tenure and attended by him/her		Attendance at last AGM held on 31st July, 2015
	Held	Attended	
Mr. Raj Chopra	11	11	Yes
Mrs. Kavita Ahuja	11	11	Yes
Mr. K. K. Mehta	11	11	No
Mr. S. L. Tandon	11	9	Yes
Mr. R. C. Murada	11	11	Yes
Mr. Rohit Gogia	11	11	No
Mr. O. P. Tandon	11	11	No

4. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarisation programme alongwith details of the same imparted to the Independent Directors during the year are available on the website of the Company (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)).

### C. BOARD LEVEL COMMITTEES

#### 1. AUDIT COMMITTEE

##### • Terms of reference

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

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

The functions of the Audit Committee are review of periodical results and annual financial statements. The Audit Committee also oversees the Company's financial reporting process, review performance of statutory and internal auditors, adequacy and compliance of internal control systems. The Audit Committee reviews quarterly, half yearly



## ANNUAL REPORT & ACCOUNTS 2015-2016

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and annual financial statements before submission to the Board, focusing primarily on changes, if any, in accounting policies and practices, compliance with accounting standards, compliance with stock exchange listing agreement requirements etc.

- **Composition and names of members**

The Audit Committee, as on 31st March, 2016, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

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

- **Meetings and attendance during the year**

The Audit Committee met four times during the financial year from 1st April, 2015 to 31st March, 2016 on the following dates:

1	30th May, 2015	3	13th November, 2015
2	13th August, 2015	4	13th February, 2016

The attendance record of the audit committee members is given in following table:

Names of the Audit Committee Members	Number of Audit Committee meetings held during his/her tenure and attended by him/her	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. O. P. Tandon	4	4

Mr. R. C. Murada, Chairman of the Audit Committee attended the last annual general meeting of the Company to answer the shareholders' queries.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

- **Terms of reference**

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

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

- **Composition and names of members**

The Stakeholders' Relationship Committee (i.e. SRC) as on 31st March, 2016 is headed by an Independent director, and consists of the following three directors:

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

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- **Meetings and attendance during the year**

The Stakeholders' Relationship Committee met four (4) times during the financial year from 1st April, 2015 to 31st March, 2016 on the following dates:

1	30th May, 2015	3	13th November, 2015
2	13th August, 2015	4	13th February, 2016

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

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

- **Compliance Officer**

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

### **Shareholders' Complaints etc. received during the FY 2015-16**

During the year from 1st April, 2015 to 31st March, 2016, the Company has not received any complaint from Investors / Shareholders of the Company.

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

### **3. NOMINATION AND REMUNERATION COMMITTEE**

- **Terms of reference**

Chairman : Mr. R. C. Murada

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

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

- **Composition and names of members**

The Nomination and Remuneration Committee (i.e. NRC) as on 31st March, 2016 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada

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

- **Meetings and attendance during the year**

The Nomination and Remuneration Committee met four (4) times during the financial year from 1st April, 2015 to 31st March, 2016 on the following dates:

1	30th May, 2015	3	13th November, 2015
2	13th August, 2015	4	13th February, 2016

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

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

### Remuneration Policy

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

### The Details of Remuneration paid to Directors for the year ended 31st March, 2015

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	30,00,000	48,00,000
Mrs. Kavita Ahuja	12,00,000	-	12,00,000
Mr. K. K. Mehta	9,60,000	5,00,000	14,60,000

### D. GENERAL BODY MEETINGS:

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

Financial Year ended	Date	Venue	Time
March 31, 2015	31.07.2015	Avalon Hall, Mapple Exotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074	10:00 a.m.
March 31, 2014	30.07.2014	Plot No. 3, Gazipur, Delhi 110096	9:30 a.m.
March 31, 2013	29.07.2013	Plot No. 3, Gazipur, Delhi 110096	9:00 a.m.

- Three special resolutions were passed by the shareholders at the 30th Annual General Meeting on 31st July, 2015 of the Company for (1) approval of Mr. Raj Chopra as Chairman & Managing Director of the Company; (2) approval of Mr. K. K. Mehta as Whole-Time Director of the Company; and (3) approval of borrowing limits under Section 180(1)(c) of the Companies Act, 2013.

No other resolution was passed as special resolution in the last three Annual General Meetings.

During the year, no special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

- No Postal Ballot was conducted during the year. Re-appointment of Mrs. Kavita Ahuja & increase in remuneration of Mr. K.K. Mehta are proposed to be passed as special resolution at the forthcoming Annual General Meeting.

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### E. DISCLOSURES:

1. Related Party Transactions: For related party transactions please refer to note no. 32 & 38 in the notes to financial statement forming part of the annual accounts.
2. The Company has complied with the requirements of stock exchange or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. The Company has in place Whistle Blower-cum-Vigil Mechanism Policy which is also available on the Company's website [www.competent-maruti.com](http://www.competent-maruti.com). No personnel has been denied access to the Audit Committee to lodge their grievances.
4. CEO/ CFO CERTIFICATION: The Chairman and Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2016.
5. Code of Conduct: The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The code of conduct is displayed on the website of the Company.

To

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

Annual Declaration of compliance of Code of Conduct by CEO

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board members and senior management personnel has been duly complied by all Board members and senior management personnel of the Company for the year ended 31st March, 2016.

**New Delhi**  
**May 30, 2016**

**Raj Chopra**  
**Chairman & Managing Director**

6. Compliance with Mandatory requirements of Listing Regulations  
The Company has complied with all the applicable mandatory requirements of the listing Regulations.
7. Compliance with Non-Mandatory requirements of Regulation 27 of the listing Regulation  
The Company has not adopted any of the non-mandatory requirements of Regulation 27 of the listing Regulations.
8. Management Discussion and Analysis Report - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report on page no. 28
9. Disclosure regarding appointment or re-appointment of directors:
  - a) Mrs. Kavita Ahuja has been re-appointed, as Whole-Time Director, by the Board w.e.f. November 01, 2015, subject to approval of members in the forthcoming Annual General Meeting
  - b) Mr. K. K. Mehta, Whole-time director of the Company, retire by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting;
10. Compliance Certificate from Statutory Auditors: Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in Part C of Schedule V of Listing Regulations, is annexed to this report.

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11. Shareholding of Directors: As on 31st March, 2016, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

**i. Executive Directors:**

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

**ii. Non – Executive Independent Directors:**

Name of the Director	Number of Shares Held
Mr. S. L. Tandon	Nil
Mr. R. C. Murada	Nil
Mr. Rohit Gogia	15,000
Mr. O. P. Tandon	NIL

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

### **F MEANS OF COMMUNICATION**

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

### **G. INFORMATION TO SHAREHOLDERS**

#### **1. REGISTERED OFFICE**

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

Phone: +91 11 45700000

Fax: +91 11 23327640

#### **2. ANNUAL GENERAL MEETING**

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

#### **3. FINANCIAL CALENDER**

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

Particulars	Month (Tentative and subject to change)
Un-audited Financial results for the 1 <sup>st</sup> quarter ended June 30, 2016	August, 2016
Un-audited Financial results for the 2 <sup>nd</sup> quarter and half year ending September 30, 2016	November, 2016
Un-audited Financial results for the 3 <sup>rd</sup> quarter ending December 31, 2016	February, 2017
Audited Financial results for the last quarter and whole year ending March 31, 2016	May, 2017



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### 4. WEBSITE

The Company's website is [www.competent-maruti.com](http://www.competent-maruti.com)

### 5. DIVIDEND PAYMENT DATE

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

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2016, if approved at the forthcoming Annual General Meeting, will be paid with in the specified time period.

Following table gives the dividend history of Company in the last three years:

Year	Dividend (%)
2014-15	10
2013-14	10
2012-13	10

### 6. LISTING ON STOCK EXCHANGE

As on 31st March, 2016, the Company's shares are listed on BSE Limited and Scrip Code is 531041.

### 7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialised equity shares of the company. The ISIN number of the shares of Competent Automobile Co. Ltd. is INE823B01015.

### 8. ANNUAL LISTING FEE

Annual Listing Fee for the financial year 2016-17 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

### 9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

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

#### Distribution of the shareholdings according to type of shareholders

Particulars	31 <sup>st</sup> March, 2016	
	No. of Shares	% (Holding)
<b>Promoter and Promoter Group</b>		
Individuals	46,04,305	74.92
<b>Total (A)</b>	<b>46,04,305</b>	<b>74.92</b>
<b>Public Shareholding</b>		
Mutual Funds	100	0.00
Bodies Corporate	3,66,690	5.97
Individuals	11,22,750	18.27
Others (NRIs/HUF/Clearing Member / House etc.)	52,155	0.85
<b>Total (B)</b>	<b>15,41,695</b>	<b>25.08</b>
<b>Grand Total (C=A+B)</b>	<b>61,46,000</b>	<b>100</b>

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### Distribution of shareholding according to the number of shares

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Number	Share or Debenture holding Nominal Value (Rs.)	% to Total Amount
Upto 5000	2953	91.59	30,13,350	4.9
5001-10000	133	4.13	11,16,500	1.82
10001-20000	59	1.83	9,07,940	1.48
20001-30000	25	0.78	6,51,970	1.06
30001-40000	6	0.19	2,26,380	0.37
40001-50000	11	0.34	5,31,600	0.86
50001-100000	19	0.59	12,99,790	2.11
100001 and above	18	0.56	5,37,12,470	87.39
<b>TOTAL</b>	<b>3224</b>	<b>100</b>	<b>6,14,60,000</b>	<b>100</b>

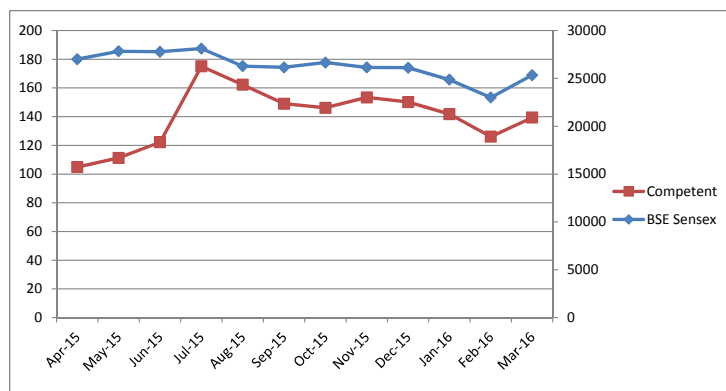
### 10. MARKET PRICE DATA

Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2015- 16 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-15	125.80	96.00
May-15	120.00	97.00
Jun-15	137.90	107.20
Jul-15	192.90	118.50
Aug-15	239.60	144.10
Sep-15	161.00	129.00
Oct-15	165.80	132.30
Nov-15	157.90	128.00
Dec-15	157.60	135.00
Jan-16	166.90	125.10
Feb-16	148.90	120.00
Mar-16	139.90	123.10

### 11. SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX

#### a. COMPANY'S SHARE PRICE (MONTHLY CLOSING PRICE) MOVEMENT VIS A VIS BSE SENSEX



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### 12. DEMAT

Your Company's equity shares are compulsorily traded in dematerialisation form by all categories of investors. Equity shares of your Company are available for trading in the depository systems of both the Depositories viz. National Securities Depositories Limited (NSDL) and Central Depositories Service (India) Limited (CDSL).

As on 31<sup>st</sup> March, 2016, 91.07% (i.e. 55,97,275 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

### 13. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

Skyline Financial Services Private Limited  
Unit: M/s Competent Automobiles Co. Limited  
D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020  
Ph: +91 11 26812682 Fax: +91 11 26812683  
Contact Person: Mr. Virender Rana  
Email : admin@skylinerta.com

### 14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31<sup>st</sup> March, 2016.

### 15. PLANT LOCATIONS

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

### 16. ADDRESS FOR CORRESPONDENCE:

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

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

**OR**

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

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PURSUANT TO THE REQUIREMENTS OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, ON CORPORATE GOVERNANCE, THE INFORMATION REQUIRED TO BE GIVEN, IN CASE OF THE APPOINTMENT OF A NEW DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR, IS GIVEN AS FOLLOWS:

<b>Name of the Director</b>	Mr. K. K. Mehta	Mrs. Kavita Ahuja
<b>Date of Birth</b>	08/09/1947	22/01/1972
<b>Qualification</b>	Bachelor in Science	Bachelor in Arts
<b>Expertise in Specific functional area</b>	Mr. K. K. Mehta is an expert in day to day operations of automobiles industry.	Mrs. Kavita Ahuja have a rich experience in automobile industry with specialization in auto finance and day to day operations.
<b>Date of Appointment</b>	15/03/1999	01/04/1991
<b>Name of the other Companies in which he/she holds Directorship</b>	Nil	<ul style="list-style-type: none"> <li>- Competent International Resorts &amp; Hotels Limited</li> <li>- Liqui Moly Products (India) Private Limited<sup>#</sup></li> <li>- Milagro Infrastructure Pvt. Ltd.</li> <li>- Raj Chopra &amp; Co. Pvt. Ltd</li> </ul>
<b>Name of the Committees* of the Companies of which he/she holds Membership / Chairmanship</b>	Nil	a) Audit Committee - member
<b>Shareholding in the Company</b>	Nil	61.48%

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

<sup>#</sup> Under process of strike off

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**ANNEXURE- B**

### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of regulations of Corporate Governance by Competent Automobiles Co. Limited for the year ended March 31, 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dinesh Mehta & Co.,  
Firm Registration No.-000220N  
Chartered Accountants**

**Place: New Delhi  
Date: May 30, 2016**

**Hiren Mehta  
Partner  
Membership No. - 90772**



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ANNEXURE- C

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERALL VIEW

The auto industry accounts for close to 7% of the country's Gross Domestic Product (GDP), and employs more than 30 million people directly and indirectly.

Auto industry body Society of Indian Automobile Manufacturers has projected a lower growth of 6-8% for the current fiscal on the back of an unfavourable environment around diesel vehicles and higher taxation due to the infrastructure cess ranging from 1 - 4%. The projection has been revised downwards from an earlier estimate of 11-12%.

### INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT

The automobile sector is one of the key segments of the economy having extensive forward and backward linkages with other key segments of the economy. The Indian automobile industry comprises of a number of Indian-origin and multinational players, with varying degree of presence in different segments.

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

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

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

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

New vehicle sales account for more than half of total sales revenue at franchised new car dealers. These sales also generate additional revenue in other departments of new car dealers, which are more profitable to the dealer. By putting new vehicles on the road, dealers can count on new repair and service customers and future trade-ins of used vehicles.

### DEVELOPMENTS

Prior to liberalisation of Indian Economy there were only three players in the Automobile Industry and Maruti was dominating the numbers by a fair margin. Cars were on the waiting list as the Demand far exceeded the Supply and choice was limited for the customers. Liberalisation of the Indian economy in 1991 had put the Indian automobile industry on a new growth trajectory. It attracted international giants to set up their production facilities in the country. In the present times, we have almost all major manufacturers of the world here in India and the numbers are only increasing.

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Customers are spoilt for choice and dealerships are willing to go that extra mile to make that ever so crucial “sale”. From a seller’s market it has turned into a buyers’ market. Today, India has one of the fastest growing automobile industries in the world.

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

In recent years, the sale of used cars has become another useful business area for many new car dealers in the wake of shrinking margins on new cars. To make them acceptable to more customers, some dealers promote “certified pre-owned” vehicles to customers who want a warranty on their used vehicle. This often raises the price, but in return provides customers with peace of mind. In economic downturns, the relative demand for these and other used cars often increases as sales of new cars decline.

The increased use of the Internet to market, new and used cars has also had a significant impact on automobile dealers. Through the Internet, consumers can easily access vehicle reviews, view pictures of vehicles and compare models, features, and prices. Many websites allow consumers to research insurance, financing, leasing and warranty options. As a result, consumers are generally better informed and spend less time meeting with salespersons.

### OPPORTUNITIES AND THREATS

#### Opportunities

Launch of new models by Maruti Suzuki will provide the required boost for the sales and revenue growth. We thus expect year 2016-17 to be the year of growth.

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

#### Threats

There is an unfavourable environment around diesel vehicles and higher taxation due to the infrastructure cess ranging from 1-4%. The projection for growth of auto industry has been restricted to 6-8%, revised downwards from an earlier estimate of 11-12%.

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

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

Moreover, in the automobile dealer industry, vehicles cannot be kept in the store for long unlike consumer durables, as

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automobiles lose value with time. The model gets old and the customer would not be willing to pay for it. The damage due to handling, if they are in the showroom or warehouse for too long, is another factor.

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

### **OUTLOOK**

The effects of government's decision to levy infrastructure and green cess to the range of 1% - 4% as an effect, the costs is moving upwards, the prices may increase from present level and this may dissuade customers waiting to close their purchase.

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

### **RISKS AND CONCERNS**

Indian car industry is one of the most promising car industries across the globe. It has gradually strengthened its foothold in the international area as well. The country is dealing with many car manufacturers, dealers, and associations in various countries including U.S. From some countries, India import cars and car components and to some India exports.

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

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

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

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

### **SEGMENT WISE BUSINESS PERFORMANCE**

Competent Automobiles Co. Ltd. is mainly in the business of trading and servicing of Maruti Suzuki vehicles. The Company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with purchase and sales of vehicles manufactured by Maruti Suzuki India Limited. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. For Segment wise business performance of the Company, please refer to note no. 36 in the notes to financial statement forming part of the annual accounts.

### **OPERATIONAL & FINANCIAL PERFORMANCE**

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

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## **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2016, there were 1487 employees on the roll of the Company.

## **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

## **CAUTIONARY STATEMENT**

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

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ANNEXURE- D

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### PHILOSOPHY:

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

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

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

### Purpose:

The key purpose of this policy is to:

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

### CSR committee:

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

The role/responsibilities of the CSR Committee include:

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

### CSR Committee Members:

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

### CSR Focus Area Projects/Programs/Activities:

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

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

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

### CSR Budget:

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

### Treatment of Surpluses:

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

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## ANNEXURE- E

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company is committed to social development and empowerment. The company views CSR as a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices. During the period under review, the company had made contribution to Himalayan Institute Hospital Trust for promoting education including special education among children, women, elderly and differently abled people and medical treatment for poor and needed people, safety traffic awareness.

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

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

3. Average net profit of the company for last three financial years: Rs. 14,19,77,027/-.
4. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above): Rs. 28,39,541/-
5. Details of CSR spend for the financial year
  - a) Total amount spent for the financial year : Rs. 29,00,000/-
  - b) Amount unspent if any : Nil
  - c) Manner in which the amount spent during the financial year is detailed below:

S . No.	Projects/ Activities	Sector	Locations	Amount outlay ( B u d g e t ) project or programwise*	Amount spend on the projects or programs sub-heads*: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spend Direct or through implementing agency
1	promoting education @	CI (i) & (ii)	Uttarakhand			Rs. 29,00,000/-	Himalayan Institute Hospital Trust #

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

# implementing agencies

@ including special education among children, women, elderly and differently abled people and medical treatment for poor and needed people, safety traffic awareness

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

### RESPONSIBILITY STATEMENT

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

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

Raj Chopra  
Chairman & Managing Director

Ramesh Chander Murada  
Chairman of the CSR Committee



## NOMINATION AND REMUNERATION POLICY

### Introduction:

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

### Objectives of the Committee:

The Committee shall:

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

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

### Definitions:

- **“Board”**:- Board means Board of Directors of the Company.
- **“Director”**:- Directors means Directors of the Company.
- **“Committee”**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means Competent Automobiles Co. Limited.
- **“Independent Director”**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives —
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

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

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

### **Applicability:-**

The Policy is applicable to

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

### **Constitution of the Nomination and Remuneration Committee:**

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

### **General Appointment Criteria:**

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

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## **Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

## **Term / Tenure:**

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

## **Removal:**

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

## **Criteria for Evaluation of Independent Director and the Board:**

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

### **1. Executive Directors:**

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

### **2. Non - Executive Director:**

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

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

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## **Policy on Board diversity:**

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

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

## **Remuneration:**

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

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

### **1. Director/ Managing Director**

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

### **2. Non-executive Independent Directors**

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

### **3. KMPs / Senior Management Personnel etc.**

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

### **4. Directors and Officers' Insurance**

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

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## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

ANNEXURE- G

as on the financial year ended on March 31, 2016

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L34102DL1985PLC020668
- ii) Registration Date: April 11, 1985
- iii) Name of the Company: Competent Automobiles Company Limited
- iv) Category / Sub-Category of the Company: Indian Non – Government Company
- v) Address of the Registered office and contact details: Competent House, F-14, Connaught Place, New Delhi – 110 001. Phone: +91 11 45700000 Fax: +91 11 23327640
- vi) Whether listed company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :  
Skyline Financial Services Private Limited  
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020  
Tel. : 011-26812682, 83, 011-64732681 to 88; Fax : 011-26812682

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Vehicles	501	91.06

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	46,04,305	NIL	46,04,305	74.92	46,04,305	NIL	46,04,305	74.92	NIL
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	46,04,305	NIL	46,04,305	74.92	46,04,305	NIL	46,04,305	74.92	NIL

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(2) <b>Foreign</b> a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other....									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	46,04,305	NIL	46,04,305	74.92	46,04,305	NIL	46,04,305	74.92	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b> a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds i) Others (specify)		100	100			100	100		<b>NIL</b>
<b>Sub-total (B)(1):-</b>		100	100			100	100		<b>NIL</b>
<b>2. Non-Institutions</b> a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (NRI, HUF, Clearing Members)	2,81,917   4,36,961 2,16,008 45,181	1,05,400   1,70,928 2,82,900 2,300	3,87,317   6,07,889 4,98,908 47,481	6.30   9.89 8.12 0.76	2,61,290   5,09,534 1,72,291 49,855	1,05,400   1,58,025 2,82,900 2,300	3,66,690   6,67,559 4,55,191 52,155	5.97   10.86 7.41 0.84	<b>(0.33)</b>   <b>0.97</b> <b>(0.71)</b> <b>.08</b>
<b>Sub-total (B)(2):-</b>	9,80,067	5,61,528	15,41,595	25.08	9,92,970	5,48,625	15,41,595	25.08	<b>NIL</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	-	-	-	-

**(ii) Shareholding of Promoters**

Sl	Shareholder's	Shareholding at the beginning of the year			Share holding at the end of the year			
No.	Name	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Kavita Ahuja	37,78,680	61.48	NIL	37,78,680	61.48	NIL	NIL
2	Priya Chopra	2,71,100	4.41	NIL	2,71,100	4.41	NIL	NIL
3	Geeta Chopra	5,54,525	9.02	NIL	5,54,525	9.02	NIL	NIL
Total		46,04,305	74.92	NIL	46,04,305	74.92	NIL	NIL

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	46,04,305	74.92	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	46,04,305	74.92	-	-

Note : There is no change in the total shareholding of promoters between 01-04-2015 and 31-03-2016

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

S. No	Name	Shareholding					Cumulative Shareholding during the year (01/04/15 to 31/03/16)	
		No of Shares at the Beginning (01/04/2015) / end of the Year (31/03/2016)	% of total shares of the Company	Date	Increase/ Decrease in Share-holding	Reason	No of Shares	% of total shares of the Company
1	GUJARAT LEASE FINANCING LIMITED	1,79,520	2.92	01/04/2015			-	-
					NIL	NIL		
		1,79,520	2.92	31/03/2016				
2	RISHI CHOPRA	1,16,900	1.90	01/04/2015			-	-
					NIL	NIL		
		1,16,900	1.90	31/03/2016				
3	RAMAN KUMAR SEHGAL	1,01,100	1.64	01/04/2015			-	-
					NIL	NIL		
		1,01,100	1.64	31/03/2015				
4	COMPETENT LEASING PVT. LTD.	79,800	1.30	01/04/2015			-	-
					NIL	NIL		
		79,800	1.30	31/03/2016				



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5	RAKESH KUMAR JAIN	70,000	1.14	19/06/2015	-9,900	Sale	60,100	0.98
				26/06/2015	8,900	Purchase	69,000	1.12
				24/07/2015	-1,200	Sale	67,800	1.1
				31/07/2015	-1,000	Sale	66,800	1.09
				07/08/2015	-500	Sale	66,300	1.08
				04/12/2015	1,000	Purchase	67,300	1.1
				18/12/2015	-1,000	Sale	66,300	1.08
		66,300	1.08	31/03/2016				
6	ABHEER AHUJA U/G ASHISH AHUJA	49,900	0.81	01/04/2015	NIL	Nil		
		49,900	0.81	31/03/2016				
7	SANJAY KHANNA	39,900	0.65	01/04/2015	NIL	Nil		
		39,900	0.65	31/03/2016				
8	BALPREET KAUR	16,300	0.27	17/07/2015	-6,300	Sale	10,000	0.16
				21/08/2015	5,000	Purchase	15,000	0.24
				15/01/2016	5,000	Purchase	20,000	0.33
				26/02/2016	5,000	Purchase	25,000	0.41
				31/03/2016	507	Purchase	25,507	0.42
		25,507	0.42	31/03/2016				
9	HARPREET SINGH	-		01/04/2015				
				15/05/2015	5,000	Purchase	5,000	0.08
				17/07/2015	5,000	Purchase	10,000	0.16
				21/08/2015	5,000	Purchase	15,000	0.24
				15/01/2016	4,973	Purchase	19,973	0.32
				31/03/2016	50	Purchase	20,023	0.33
		20,023	0.33	31/03/2016				
10	DARGAN PROPERTIES PVT. LTD.	18,393	0.30	01/04/2015	Nil	Nil		
		18,393	0.30	31/03/2016				
11.	ANAND MISHRILAL JAJU	-		01/04/2015				
				05/06/2015	12,248	Purchase	12,248	0.2
				12/06/2015	7,752	Purchase	20,000	0.33
				26/06/2015	5,000	Purchase	25,000	0.41
				07/08/2015	-11,000	Sale	17,000	0.28
				14/08/2015	1,000	Purchase	18,000	0.29
				21/08/2015	2,000	Purchase	20,000	0.33
				11/03/2016	-4,000	Sale	16,000	0.26
				18/03/2016	-1,000	Sale	15,000	0.24
		15,000	0.24	31/03/2016				
12	NANDLAL MOHANLAL LAKHANI	37,070	0.60	01/04/2015				
				09/10/2015	-34540	Sale	2530	0.04
		2530	0.04	31/03/2016				
13.	SHRI PARASRAM HOLDINGS PVT. LTD.	19,794	0.32	01/04/2015				
				10/04/2015	-750	Sale	19,044	0.31
				24/04/2015	-3	Sale	19,041	0.31
				15/05/2015	-5000	Sale	14,041	0.23
				22/05/2015	-3	Sale	14,038	0.23
				29/05/2015	17,850	Purchase	31,888	0.52

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				05/06/2015	5,198	Purchase	37,086	0.6
				12/06/2015	2,002	Purchase	39,088	0.64
				19/06/2015	3,207	Purchase	42,295	0.69
				26/06/2015	23	Purchase	42,318	0.69
				10/07/2015	-1	Sale	42,317	0.69
				17/07/2015	-15,004	Sale	27,313	0.44
				24/07/2015	-44	Sale	27,269	0.44
				31/07/2015	391	Purchase	27,660	0.45
				07/08/2015	-25	Sale	27,635	0.45
				14/08/2015	1	Purchase	27,636	0.45
				21/08/2015	-9,900	Sale	17,736	0.29
				28/08/2015	100	Purchase	17,836	0.29
				11/09/2015	-76	Sale	17,760	0.29
				18/09/2015	-529	Sale	17,231	0.28
				24/09/2015	-1,095	Sale	16,136	0.26
				06/11/2015	1,993	Purchase	18,129	0.29
				27/11/2015	-1	Sale	18,128	0.29
				04/12/2015	-1,318	Sale	16,810	0.27
				25/12/2015	-675	Sale	16,135	0.26
				15/01/2016	-9,973	Sale	6,162	0.1
				19/02/2016	1,150	Purchase	7,312	0.12
				26/02/2016	-4,980	Sale	2,332	0.04
				31/03/2016	-557	Sale	1,775	0.03
		1775	0.03	31/03/2016				

### (v) Shareholding of Directors and Key Managerial Personnel:

S. No	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No of Shares at the Beginning (01/04/15) /end of the Year (31/03/16)	% of total shares of the Company				No of Shares at the Beginning (01/04/15)/end of the Year (31/03/16)	% of total shares of the Company
1	<b>Raj Chopra</b> Chairman and Managing Director	0	0	01/04/2015 & 31/03/2016	Nil			
2	<b>Ahuja</b> Whole-Time Director	37,78,680	61.48	01/04/2015 31/03/2016	Nil			
3	<b>K. K. Mehta</b> Whole-Time Director	0	0	01/04/2015 31/03/2016	Nil			
4	<b>R C Murada</b> Independent Director	0	0.00	01/04/2015 31/03/2016	Nil			
5	<b>S L Tandon</b> Independent Director	0	0.00	01/04/2015 31/03/2016	Nil			
6	<b>Rohit Gogia</b> Independent Director	15,000	0.00	01/04/2015 31/03/2016	Nil			
7	<b>O P Tandon</b> Independent Director	0	0	01/04/2015 & 31/03/2016	Nil			
8	<b>Vijay Kr. Sharma</b> Chief Financial Officer	0	0	01/04/2015 31/03/2016	Nil			
9	<b>Ravi Arora</b> Company Secretary	0	0	01/04/2015 31/03/2016	Nil			

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## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	33,07,24,051	2,10,000	-	33,09,34,051
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	33,07,24,051	2,10,000	-	33,07,24,051
<b>Change in Indebtedness during the financial year</b>				
• Addition	40,34,97,477	7,90,00,000	-	48,24,97,477
• Reduction	6,18,85,235	6,07,10,000	-	12,25,95,235
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	67,23,36,284	1,85,00,000	-	69,08,36,284
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	67,23,36,284	1,85,00,000	-	69,08,36,284

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager			
		Raj Chopra	Kavita Ahuja	K K Mehta	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	12,00,000	9,60,000	39,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	- others (Ex-gratia)	30,00,000	-	5,00,000	35,00,000
5.	Others, please specify				
	Total (A)	48,00,000	12,00,000	14,00,000	74,60,000
	Ceiling as per the Act	1,93,73,240 (being 10% of the net profit of the company calculated as per section 198 of the Companies Act, 2013.)			

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### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		S. L. Tandon	R. C. Murada	O. P. Tandon	Rohit Gogia	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	NIL
	Total (1)	NIL	NIL	NIL	NIL	
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	
	Total (2)	NIL	NIL	NIL	NIL	
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	
	Total Managerial Remuneration					74,60,000*
	Overall Ceiling as per the Act	2,13,10,564 ( being 11% of the net profit of the company calculated as per section 198 of the Companies Act, 2013.)				

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of Not Applicable the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	9,83,958	14,49,150	24,33,108
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	9,83,958	14,49,150	24,33,108

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### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

The Members,  
Competent Automobiles Company Limited  
Competent House,  
F- 14, Connaught Place,  
New Delhi - 110 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Competent Automobiles Company Limited CIN: L34102DL1985PLC020668 (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that:

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
- iii. We have not verified the correctness and appropriateness of the financial statements of the Company.
- iv. Wherever required, we have obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.
- v. The compliance with the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes (duly evolved) and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and the rules made thereunder as well as the provisions of the Companies Act, 1956, wherever applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VI. The following laws applicable specifically to the company:
  - 1. The Factories Act, 1948;
  - 2. Industrial Disputes Act, 1947;
  - 3. The Employees' Provident Fund & Misc. Provisions Act, 1952;
  - 4. The Employees' State Insurance Act, 1965;
  - 5. The Contract Labour (Regulation and Abolition) Act, 1970;
  - 6. The Environmental Laws; and
  - 7. The Shop and Establishment Act.
- VII. The applicable clauses of the following:
  - (i) Secretarial Standards with respect to Board and General Meetings issued by the Institute of Company Secretaries of India; and
  - (ii) The Equity Listing Agreement entered into by the Company with the BSE Ltd.

We Report that:

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

D. We further report that:

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. The Board/ Committee while taking decisions in meetings followed unanimous approval for all agenda items.



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As such, during the year there were no dissenting views in the minutes.

- E. We further report that:  
There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.
- F. We further report that during the year under review members of the Company in their Annual General Meeting held on July 31, 2015 passed special resolution, pursuant to section 180 (1) (c) of the Act, enhancing the borrowing limit to Rs. 125 Crores.
- G. We further report that during the audit period none of the following events has taken place:
- I. Public/ Right/ Preferential issue of shares/ Debentures/ Sweat Equity etc.
  - II. Redemption/ Buy-back of securities
  - III. Merger/ Amalgamation / Reconstruction etc.
  - IV. Foreign Technical collaborations.

For P. P. Agarwal & Co.  
Company Secretaries

CS Pramod Prasad Agarwal  
Proprietor  
U. C. No. S2012DE174200  
FCS No.: 4955, C. P. No.:10566

Place : New Delhi  
Date : May 30, 2016

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### ANNEXURE- I

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (in ₹)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Raj Chopra Chairman & Managing Director	48,00,000/- (Include commission of Rs. 30,00,000/- )	Nil	38.17	Profit before Tax increased by 16.61% and Profit After Tax increased by 10.50% in financial year 2015-16
2	Mrs. Kavita Ahuja Whole-Time Director	12,00,000/-	Nil	9.54	
3	Mr. K K Mehta Whole-Time Director	14,60,020/- (Include commission of Rs. 5,00,000/- )	Nil	11.16	
4	Mr. Vijay Kr. Sharma Chief Financial Officer	14,49,150/-	13.98	Not Applicable	
5	Mr. Ravi Arora Company Secretary	9,83,958/-	13.31	Not Applicable	

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1,25,736/-
- iii) In the financial year, there was an increase of 5.95% in the median remuneration of employees;
- iv) There were 1487 permanent employees on the rolls of Company as on March 31, 2016;
- v) Relationship between average increase in remuneration and company performance:- The Profit Before Tax for the financial year ended March 31, 2016 increased by 16.61% whereas the average increase in remuneration was 6 %. The Company has followed the industry standards while increasing the salary.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increase by 13.65% in 2015-16 whereas the Profit before Tax increased by 16.61%.
- vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was Rs. 8567.52 Lacs (Rs. Rs. 6016.93 Lacs as on March 31, 2015)
- b) Price Earnings ratio of the Company was 6.68 as at March 31, 2016 and 5.18 as at March 31, 2015
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The Company had come out with initial public offer (IPO) in June 1995 at the rate of Rs.70/- per share. As at March 31, 2016, the closing price stood at Rs. 139.40/- indicating an increase of around 200% over IPO price.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 8.00 % (approx.) whereas the increase in the managerial remuneration for the same financial year was NIL.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**COMPETENT AUTOMOBILES COMPANY LIMITED**

We have audited the accompanying financial statements of **COMPETENT AUTOMOBILES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, and the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended 31<sup>st</sup> March 2016, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31<sup>st</sup>, 2016, its Profit and its cash flows for the year ended on that date.

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## Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we enclose in the "Annexure I", a statement on the matters specified in Clause's 3 and 4 of the Order.
- II. As required by section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II"; and
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 29 to the Financial Statements.
    - (ii) The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

**Place: New Delhi**  
**Dated: May 30, 2016**

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## Annexure-I to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

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

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, income tax, sales tax, duty of customs, value added tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or value added tax which have not been deposited with the appropriate authority on account of any disputes;

8. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from government or from any financial institutions except vehicle loans.

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9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the order is not applicable.
10. According to the information and explanation given to us by management, we have neither come across any instances of fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the period nor have we been informed any such case by the company.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

**Place: New Delhi**  
**Dated: May 30, 2016**

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### **Annexure – II to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **COMPETENT AUTOMOBILES COMPANY LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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



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## **Auditors' Responsibility**

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

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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000220N**

**(HIREN MEHTA)**  
**Partner**  
**M. No – 90772**

**Place: New Delhi**  
**Dated: May 30, 2016**



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## BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in ₹)

	Notes to Accounts	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>I EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	6,27,84,500	6,27,84,500
Reserves and Surplus	3	97,05,77,662	85,03,35,057
		<b>1,03,33,62,162</b>	<b>91,31,19,557</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	1,49,52,375	5,59,87,697
Other Long-Term Liabilities	5	32,44,527	13,35,092
		<b>1,81,96,902</b>	<b>5,73,22,789</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	66,55,05,241	25,03,44,841
Trade Payables	7		
- Total outstanding dues of Micro, Small & Medium Enterprises			
- Total outstanding dues of Creditors other than Micro, Small & Medium Enterprises		<b>11,53,00,395</b>	<b>19,89,68,333</b>
Other Current Liabilities	8	51,41,66,689	51,10,79,599
Short-Term Provisions	9	4,82,19,219	4,35,87,919
		<b>1,34,31,91,544</b>	<b>1,00,39,80,692</b>
<b>TOTAL</b>		<b>2,394,750,609</b>	<b>1,97,44,23,038</b>
<b>II ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
-Tangible Assets	10	42,73,74,040	41,53,56,885
-Capital Work-in-Progress	11	12,41,91,485	11,58,30,426
-Non Current Investments	12	34,00,00,000	11,75,00,000
Deffered Tax Assets (Net)	13	1,78,83,405	1,44,26,224
Long-Term Loans and Advances	14	10,24,91,256	7,45,76,677
Other Non current Assets	15	1,66,31,396	95,17,620
		<b>1,02,85,71,582</b>	<b>74,72,07,832</b>
<b>Current Assets</b>			
Inventories	16	79,16,88,438	62,17,29,093
Trade Receivables	17	30,03,35,671	23,17,10,662
Cash and Bank Balances	18	14,14,62,946	31,88,27,492
Short-Term Loans and Advances	19	4,81,000	4,54,008
Other Current Assets	20	13,22,10,972	5,44,93,950
		<b>1,36,61,79,027</b>	<b>1,22,72,15,204</b>
<b>TOTAL</b>		<b>2,39,47,50,609</b>	<b>1,97,44,23,038</b>

**Significant Accounting policies Notes to Accounts form part of Financial Statements.(1 to 39)**

As Per our report of even date attached

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 30/05/2016

**For and on behalf of the Board of Directors**

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Ravi Arora )

Company Secretary

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(Vijay Sharma)

Chief Financial Officer

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## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	Note No.	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>A Revenue</b>			
I Revenue from Operations	21	<b>10,43,35,72,720</b>	9,24,34,15,594
II Other Income	22	<b>89,80,031</b>	1,30,18,805
<b>III Total Revenue (I+II)</b>		<b>10,44,25,52,751</b>	9,25,64,34,399
<b>IV Expenses</b>			
Purchases of Stock in Trade	23	<b>9,47,38,44,541</b>	8,29,49,84,934
Changes in Inventories of Stock in Trade	24	<b>(16,99,59,345)</b>	1,35,66,858
Employees Benefit Expenses	25	<b>29,43,14,921</b>	24,47,73,327
Finance Cost	26	<b>6,61,71,501</b>	4,92,13,527
Depreciation and Amortization Expense	27	<b>4,78,04,134</b>	6,30,06,616
Other Expenses	28	<b>54,25,48,952</b>	42,98,16,525
<b>Total Expenses</b>		<b>10,25,47,24,704</b>	9,09,53,61,787
<b>V Profit before extraordinary items and Tax (V)=(III)-(IV)</b>		<b>18,78,28,046</b>	16,10,72,612
VI Exceptional Items		-	-
<b>VII Profit / (Loss) before extraordinary items and Taxes VI=(V-VI)</b>		<b>18,78,28,046</b>	16,10,72,612
<b>IX Profit / (Loss) before Tax (VII-VIII)</b>		<b>18,78,28,046</b>	16,10,72,612
<b>X Less : Tax Expenses</b>			
- Current Tax		<b>6,30,00,000</b>	5,50,00,000
- Deferred Tax		<b>(34,57,181)</b>	(1,00,19,000)
- (Excess)/Short provision for taxation and tax payments		-	-
<b>Profit after Tax for the Year (IX-X)</b>		<b>12,82,85,227</b>	11,60,91,612
<b>Earnings per Equity share (In ₹)</b>			
<b>(Nominal Value per Share ₹ 10/-)</b>			
Basic and Diluted		<b>20.87</b>	18.89

**Significant Accounting policies Notes to Accounts form part of Financial Statements.(1 to 39)**

This is the Statement of Profit and Loss referred to in our report of even date.

### For Dinesh Mehta & Co.

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 30/05/2016

### For and on behalf of the Board of Directors

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Ravi Arora)

Company Secretary

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(Vijay Sharma)

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2015-2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All Figures in ₹)

	Year ended 31 March 2016	Year ended 31 March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>18,78,28,046</b>	16,10,72,611
Adjustments for :		
Depreciation and Amortisation	<b>4,78,04,134</b>	6,30,06,616
Profit on Sale of Tangible Assets	<b>(15,55,645)</b>	(5,66,002)
Provisions no longer required written back		
Provision for Gratuity		
Provision for Doubtful Debts		
Financial Expenses	<b>6,61,71,501</b>	4,92,13,526
Interest Income		
	<b>11,24,19,990</b>	11,16,54,140
<b>Operating gain before working capital changes</b>	<b>30,02,48,036</b>	27,27,26,751
Changes in working capital		
(Increase)/ Decrease in Inventories	<b>(16,99,59,345)</b>	1,35,66,860
(Increase)/Decrease in Trade Receivables	<b>(14,63,42,031)</b>	(5,25,48,952)
(Increase)/Decrease in Loans and Advances	<b>(2,79,41,571)</b>	(1,26,27,924)
Increase in Current Liabilities and Provisions	<b>(7,40,40,113)</b>	21,81,19,420
	<b>(41,82,83,059)</b>	16,65,09,404
<b>Cash generated from Operating activities before Taxes</b>	<b>(11,80,35,024)</b>	43,92,36,155
Direct Taxes paid (net of refunds)	<b>(7,07,59,200)</b>	(5,88,32,764)
<b>Net cash generated from/ (used in) Operating activities</b>	<b>(18,87,94,224)</b>	38,04,03,391
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(7,37,58,590)</b>	(7,42,95,121)
Purchase of Investments	<b>(22,25,00,000)</b>	(4,25,00,000)
Proceeds from Sale of Investments		
Proceeds from Sale of Tangible Assets	<b>71,31,871</b>	31,94,432
Interest received		
<b>Net cash generated from / (used in) investing activities</b>	<b>(28,91,26,719)</b>	(11,36,00,689)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Borrowings	<b>37,41,25,079</b>	3,33,16,135
Proceeds from Long Term Bank Borrowings		
Repayment of Long Term Borrowings		
Financial expenses paid	<b>(6,61,71,501)</b>	(4,92,13,526)
Dividend paid	<b>(73,97,181)</b>	(73,74,840)
<b>Net cash generated from/ (used in) financing activities</b>	<b>30,05,56,397</b>	(2,32,72,231)
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(17,73,64,546)</b>	24,35,30,468
<b>Cash and Bank balance at the beginning of the year</b>	<b>31,88,27,492</b>	7,52,97,024
<b>Effect of exchange gain on cash and cash equivalents</b>		
<b>Cash and Bank balance at the end of the year</b>	<b>14,14,62,946</b>	31,88,27,492
<b>Component of Cash and Bank balance</b>		
Cash and cash equivalents include :		
Cash on hand	<b>2,16,65,129</b>	1,63,51,456
Cheques on hand	<b>49,95,032</b>	25,73,031
Balances with Banks:		
Deposit accounts unpaid dividend accounts-	-	-
Current accounts	<b>10,37,81,312</b>	4,79,27,310
<b>Cash and cash equivalents at the end of the year</b>	<b>13,04,41,473</b>	6,68,51,797
<b>Add:</b>		
Fixed deposits with original maturity of more than 90 days	<b>1,10,21,473</b>	25,19,75,694
<b>Cash and Bank balances at the end of the year</b>	<b>14,14,62,946</b>	31,88,27,492

**Notes** 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement.  
2 Figures in brackets represents cash out flow.

As per our report of even date

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 30/05/2016

**For and on behalf of the Board of Directors**

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

(Ravi Arora)

Company Secretary

(Kavita Ahuja)

Whole Time Director

DIN-00036803

(Vijay Sharma)

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with generally accepted accounting principles in India and applicable statutes and comply with the Accounting Standards specified under the Companies Act 1956, {which are deemed to be applicable as per Section 133 of companies Act 2013 , read with Rule 7 of Companies (Accounts )Rules ,2014} and the other relevant provisions of the 1956 Act /2013 Act as Applicable.

All Assets and liabilities have been classified as Current and Non Current as per Company's normal operating cycle and other criteria set out in the Schedule III of The Companies Act, 2013.

#### 1. 1 Tangible Assets

- a) Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets. The amount of capital expenditure which has not been attributed to the assets and pending for capitalization are shown as Capital Work in progress.
- b) Depreciation on Fixed Assets is provided based on useful life of the assets as prescribed in the Schedule -II to the Companies Act 2013 , and charged on the basis of written down Value Method.
- c) c) The vehicles purchased for the purpose of test drive are treated as an asset of the Company and depreciation is charged accordingly.

#### 1. 2 Inventories

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

- (i) Cost of finished goods are measured at cost or market value which ever is lower.
- (ii) Cost of Spare Parts and Accessories, Oils and Lubricants are measured at cost on FIFO basis.

#### 1. 3 Investments

Current Investment are stated at the lower of cost or fair value . Non current Investments are valued at cost of acquisition, less provisions for diminution, as necessary, if any.

#### 1.4 Lease

Lease Rentals for operating lease are charged to statement of profit and loss on accrual basis in accordance with the respective lease agreements.

#### 1. 5 Segment Accounting

The accounting policies adopted for segment reporting are in accordance with the Accounting Standards -17 " Segment Reporting" issued by The Institute of Chartered Accountants of India. Segment revenue and expenses include amounts which can be directly identifiable to the segment on reasonable basis.

#### 1. 6 Taxation

Provision for Income Tax comprises of the current tax and deferred tax charge or release. Current income tax is measured on the basis of taxable profits computed for current accounting period at the applicable rate of tax in accordance with The Income Tax Act, 1961. Deferred tax is recognized subject to consideration of prudence on timing difference between taxable profits and book profit that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are represented by unabsorbed depreciation and carry forward business losses are not recognized unless there is " Virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets can be realized.

# ANNUAL REPORT & ACCOUNTS 2015-2016

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## **1. 7 Foreign Exchange Transactions**

Transactions denominated in foreign exchange , if any, are recorded at the exchange rate prevailing on the date of the transaction. Monetary items are translated at the exchange rate prevailing at the end of the year.

## **1. 8 Employee Benefits**

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the Group Gratuity Scheme of Life Insurance corporation of India. The premium and the contribution paid every year are charged to the revenue. Leave encashment is provided on the basis of earned leave standing to credit of employees and the same is discharged by the Company by the end of the year and accounted for on actual payment basis. Ex-Gratia is accounted for on actual payment basis.

## **1. 9 Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sale of goods and services adjusted for discount (Net). Interest income is recognized on time proportion basis taking in to account the amount outstanding and applicable.

## **1. 10 Impairment of Assets**

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value minus the cost to sell and value in use.

## **1.11 Borrowing Cost**

Borrowing cost that is attributable to the acquisition , construction or production of qualifying assets is capitalized as part of cost of such asset. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing cost is recognized as an expense in the Profit and Loss Account in the period in which they are incurred.

## **1.12 Earning per Share**

The earnings considered in ascertaining the Earnings per Share (EPS) comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

## **1.13 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period		
<b>2 Share capital</b>				
<b>Authorized</b>				
1,00,00,000 Equity shares of ₹ 10 each (Previous Year 1,00,00,000 Equity shares of ₹ 10 each)	<b>1000,00,000</b>	10,00,00,000		
<b>Issued, Subscribed</b>				
64,09,500 Equity shares of ₹ 10 each (Previous Year 64,09,500 Equity shares of ₹ 10 each)	<b>6,40,95,000</b>	6,40,95,000		
<b>Paid-Up</b>				
61,46,000 Equity Shares of ₹ 10/ each (Previous Year 61,46,000 Equity Shares of ₹ 10/ each)	<b>6,14,60,000</b>	6,14,60,000		
Add : Amount paid up on Forfeited 2,63,500 Equity Shares (Previous year: Amount Paid up on forfeited 2,63,500 Equity Shares)	<b>13,24,500</b>	13,24,500		
	<b>6,27,84,500</b>	6,27,84,500		
<b>A. The Reconciliation of the number of shares outstanding is set out below</b>	<b>Number of Shares</b>	<b>Number of Shares</b>		
Equity Shares outstanding at the beginning of the year and at the end of the year.	<b>61,46,000</b>	61,46,000		
<b>B. The Details of shareholders holding more than 5 % of the aggregate shares in the company</b>				
<b>Name of the Share Holder</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>
Mrs. Kavita Ahuja	61.48%	<b>37,78,680</b>	61.48%	37,78,680
Mrs. Geeta Chopra	9.02%	<b>5,54,525</b>	9.02%	5,54,525
<b>3 Reserves and Surplus</b>				
<b>i. General Reserve</b>				
As per last Balance Sheet		<b>22,67,51,195</b>		20,17,51,195
Add : Balance Tranferred from Profit and Loss Account		<b>2,50,00,000</b>		2,50,00,000
		<b>25,17,51,195</b>		22,67,51,195
<b>ii Securities Premium Account</b>				
As per last Balance Sheet		<b>14,31,65,000</b>		14,31,65,000
<b>iii Surplus in Statement of Profit and Loss</b>				
As per last Balance Sheet		<b>48,04,18,862</b>		39,72,58,523
Add : Net Profit for the Year		<b>12,82,85,230</b>		11,60,91,611
<b>Amount available for Appropriations</b>		<b>60,87,04,092</b>		51,33,50,134
<b>Less:</b>				
Proposed Dividend on Equity Shares		<b>61,46,000</b>		61,46,000
Dividend tax		<b>12,51,181</b>		12,28,840
Tax adjustments for earlier years		<b>6,45,444</b>		5,56,432
Transferred to General Reserve		<b>2,50,00,000</b>		2,50,00,000
		<b>57,56,61,467</b>		48,04,18,862
<b>Total</b>		<b>97,05,77,662</b>		85,03,35,057

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures as at the end of Current Reporting Period		Figures as at the end of Previous Reporting Period	
	Non - Current	Current	Non - Current	Current
<b>4. Term Loan</b>				
<b>Secured Loans:</b>				
From Vijaya Bank- Goa *	—			82,36,306
From Vijaya Bank- Noida**	—		3,58,75,000	72,00,000
Other Vehicle Loan	<b>1,49,52,375</b>	<b>1,03,78,668</b>	2,01,12,697	91,65,208
	<b>1,49,52,375</b>		5,59,87,697	
<b>5. Other long-Term Liabilities</b>				
<b>Others:</b>				
Security Deposits		<b>32,44,527</b>		13,35,092
		<b>32,44,527</b>		<b>13,35,092</b>
<b>6. Short Term Borrowings</b>				
<b>Loan repayable on Demand</b>				
<b>From Banks</b>				
<b>Secured</b>				
- Cash Credit Facility From HDFC *		<b>25,73,45,127</b>		—
- Cash Credit Facility From Vijay Bank		—		4,21,76,604
- Cash Credit Facility From State Bank of India		<b>2,92,21,366</b>		5,64,16,741
- Inventory Funding From HDFC Bank**		<b>36,04,38,748</b>		15,15,41,495
Unsecured		—		—
<b>From Others</b>				
<b>Unsecured</b>				
Due to Directors ***		<b>1,85,00,000</b>		2,10,000
		<b>66,55,05,241</b>		<b>25,03,44,841</b>

\* Cash Credit from Banks is secured by hypothecation of Stock in Trade, mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 10.50% P.A. (Previous Year from Vijaya Bank @ Base rate + 2.50% P.A.)

\*\* Inventory funding is repayable on demand and carries interest of 10.25% P.A. (Previous Year interest rate @ 10.85% P.A.)

\*\*\* Loans from Directors is repayable on demand and carries interest rate of 10% P.A. (Previous Year interest rate @ 10% P.A.)



# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>7. Trade Payables</b>		
Micro, Small and Medium Enterprises	–	–
Others	11,53,00,395	19,89,68,333
	<b>11,53,00,395</b>	<b>19,89,68,333</b>

The Company has not received any intimation from its Vendors regarding the status under the Micro & Small Enterprise Development Act, 2006 and hence disclosures under the said Act have not been made.

## 8. Other Current Liabilities

Current Maturities of Long Term Debts	1,03,78,668	2,46,01,514
Advance from Customers	7,38,69,045	3,47,41,671
Advance against sale of Land	35,00,00,000	35,00,00,000

### Other Payables:

- Expenses Payable *	76,06,532	92,50,142
- Others	7,00,149	5,49,620
- Taxes Payable **	7,16,12,295	9,19,36,651
	<b>51,41,66,689</b>	<b>51,10,79,599</b>

\* includes audit fees, interest and other expenses payable

\*\* includes service tax, Vat and T.D.S. payable

## 9. Short-Term Provisions

### Provision for Employees Benefits:

Salary and other benefits *	4,08,22,038	3,62,13,079
-----------------------------	-------------	-------------

### Other :

Proposed Dividend **	61,46,000	61,46,000
Provision for Tax on Dividend	12,51,181	12,28,840
	<b>4,82,19,219</b>	<b>4,35,87,919</b>

\* includes Salary, Bonus, Exgratia, contribution to PF and other funds

\*\* Dividend proposed by the Board of Directors amounting to Rs. 61,46,000 is provided in the books of accounts, will be paid, subject to the approval in the Annual General Meeting.

## ANNUAL REPORT & ACCOUNTS 2015-2016

10- Fixed Assets												(All Amount in INR)
PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS AT 01.04.2015	ADDITIONS	SALE/TRF.	AS AT 31.03.2016	UP TO 31.03.2015	FOR THE YEAR	ADJUSTMENT	UP TO 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015		
<b>Tangible Assets</b>												
<b>LAND</b>	24,36,15,739			24,36,15,739					24,36,15,739		24,36,15,739	
<b>BUILDING</b>	13,62,93,550			13,62,93,550	8,93,07,210	44,49,049		9,37,56,259	4,25,37,291		4,69,86,340	
<b>PLANT &amp; MACHINERIES</b>	12,34,54,085	1,00,76,249		13,35,30,334	8,50,47,461	82,41,405		9,32,88,866	4,02,41,468		3,84,06,624	
<b>ELECTRIC INSTALLATIONS</b>	1,61,28,563	1,06,979		1,62,35,542	1,34,60,478	7,20,357		1,41,80,835	20,54,707		26,68,085	
<b>OFFICE EQUIPMENTS</b>	7,61,70,895	98,37,949		8,60,08,844	6,84,29,046	55,57,173		7,39,86,219	1,20,22,625		77,41,849	
<b>FURNITURE &amp; FIXTURES</b>	4,22,78,542	55,95,595	66,185	4,78,07,952	3,46,57,193	29,66,241		3,76,23,434	1,01,84,518		76,21,349	
<b>VEHICLES</b>	14,92,39,189	3,97,80,759	2,38,02,808	16,52,17,140	8,09,22,315	2,58,69,900	1,82,92,767	8,84,99,448	7,67,17,692		6,83,16,874	
<b>TOTAL</b>	<b>78,71,80,567</b>	<b>6,53,97,531</b>	<b>2,38,68,993</b>	<b>82,87,09,101</b>	<b>37,18,23,680</b>	<b>4,78,04,125</b>	<b>1,82,92,767</b>	<b>40,13,35,061</b>	<b>42,73,74,040</b>		<b>41,53,56,885</b>	
<b>PREVIOUS YEAR</b>	74,97,64,602	5,00,46,160	1,26,30,178	78,71,80,567	31,88,18,785	6,30,06,616	1,00,01,748	37,18,23,680	41,53,56,885		43,09,45,767	

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>11. Capital Work in progress</b>		
- Exp. Pending Capitalisation Goa	10,24,88,234	9,89,74,126
- Exp. Pending Capitalisation Noida	1,69,44,627	1,27,39,689
- Exp. Pending Capitalisation Delhi Nexa	-	17,08,500
- Exp. Pending Capitalisation Gurgaon Nexa	46,47,824	-
- Exp. Pending Capitalisation Manali	-	24,08,111
- Exp. Pending Capitalisation Nexa Mandi (H.P.)	1,10,800	-
	<b>12,41,91,485</b>	<b>11,58,30,426</b>
As Stipulated in AS-28 of the ICAI, the Company assessed potential generation of economic benefits from its business units and is of the opinion that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision required to be provided in the books of accounts.		
<b>12. Non Current Investments</b>		
Equity Shares of Raj Chopra & Company Pvt. Ltd. (Face value is Rs. 10 per share) (85,00,000 @ 40 Per Share) (Previous year 29,37,500 @ Rs. 40 per share)	34,00,00,000 <b>34,00,00,000</b>	11,75,00,000 <b>11,75,00,000</b>
<b>13. Deferred tax Liability/Assets (Net)</b>		
Deferred Tax Assets (on account of timing difference of depreciation on Fixed Assets )	1,78,83,405 <b>1,78,83,405</b>	1,44,26,224 <b>1,44,26,224</b>
<b>Deferred tax Assets (Net)</b>	<b>1,78,83,405</b>	<b>1,44,26,224</b>
<b>14. Long Term Loans and Advances</b> <b>(Unsecured considered Good)</b>		
<b>i) Capital Advances</b>	<b>3,60,00,000</b>	<b>2,10,00,000</b>
<b>ii) Security Deposits</b>		
- Security Deposit to MSIL	2,02,50,000	1,72,50,000
- Security Deposits for Showrooms	3,20,87,828	2,20,67,828
- Other Security Deposits	1,41,53,428	1,42,58,849
	<b>10,24,91,256</b>	<b>7,45,76,677</b>
<b>15. Others Non current Assets</b>		
Advance Income Tax and Tax Deducted at Source (Net of Provision)	1,66,31,396	95,17,620
	<b>1,66,31,396</b>	<b>95,17,620</b>
<b>16. Stock in Trade</b> (At cost or net realisable value whichever is lower)		
Vehicles	67,34,16,112	51,69,61,200
Spare Parts, Accessories, Oil & Lubricants	6,53,28,790	4,66,16,640
- Goods in Transit	5,29,43,536	5,81,51,253
	<b>79,16,88,438</b>	<b>62,17,29,093</b>

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
<b>17 Trade Receivables</b>		
<b>Debts outstanding for a period exceeding six months from the date they are due for payment.</b>		
- Unsecured and considered good	-	-
- Unsecured and considered doubtful	-	-
<b>Other Debts</b>		
considered good	30,03,35,671	23,17,10,662
considered doubtful	-	-
	<u>30,03,35,671</u>	<u>23,17,10,662</u>
Less: Provision for Doubtful Debts	-	-
	<u>30,03,35,671</u>	<u>23,17,10,662</u>
Some of the outstanding balances as at 31st March 2016 in respect of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.		
<b>18 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents:</b>		
Cash on hand	2,16,65,129	1,63,51,456
<b>Balances with banks</b>		
- In Current Accounts*	10,37,81,312	4,79,27,310
- Cheque in Hand	49,95,032	25,73,031
<b>Other Bank Balances</b>		
- In Fixed Deposits (More than 3 months & less than 12 months maturity)	1,10,21,473	25,19,75,694
	<u>14,14,62,946</u>	<u>31,88,27,491</u>
* Includes unpaid Dividend accounts		
<b>19 Short Term Loans and Advances (Unsecured and considered good)</b>		
<b>Others:</b>		
Staff Advances	4,81,000	4,54,008
	<u>4,81,000</u>	<u>4,54,008</u>
<b>20 Other Current Assets</b>		
Interest accrued but not due on Fixed Deposits	18,80,534	5,66,650
Advance Recoverable in Cash or in Kind	1,35,84,740	1,11,89,709
Recoverable from MSIL	11,13,45,835	4,08,99,699
Staff Imprest	2,121,911	429,353
Prepaid Expenses	32,77,952	14,08,538
	<u>13,22,10,972</u>	<u>5,44,93,949</u>

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>21 Revenue from Operations</b>		
<b>Sale of products</b>		
Vehicles	9,07,36,55,422	7,97,65,74,254
Spare Parts & Accessories	61,23,13,976	53,96,17,923
Number Plates	15,03,904	11,17,274
<b>Services Rendered</b>		
- Logistic Charges	3,32,05,746	9,59,94,442
- Services & Labour Charges	33,22,29,988	28,98,98,014
<b>Incentive Received:</b>		
From Maruti Suzuki India Ltd.	24,11,06,921	21,17,60,331
<b>Commission Received</b>		
- Extended Warranty	95,58,747	89,03,612
- Insurance Business	9,05,97,868	7,68,71,747
- Direct Billing	33,44,342	13,01,725
- Sourcing Fees	2,97,08,704	2,88,30,165
- Interest Income	63,47,103	1,25,46,106
other non operating income	-	-
	<b>10,43,35,72,720</b>	<b>9,24,34,15,594</b>
<b>22 Other income</b>		
Net Gain on Sale of Tangible Fixed Assets	15,55,645	5,66,002
Booking Cancellation Charges	7,49,425	5,62,770
Miscellaneous income	34,22,590	70,23,783
other non operating income**	32,52,370	48,66,250
	<b>89,80,031</b>	<b>1,30,18,805</b>
(* includes processing fees)		
(** includes MDS school income)		
<b>23 Purchase of Stock In Trade</b>		
<b>Purchases during the year</b>		
- Vehicle	9,03,51,38,413	7,83,35,32,003
- Spare Parts & Accessories	44,30,22,200	47,12,19,422
- Number Plates	4,91,911	4,66,463
<b>Less:</b>		
- Spares issued against Warranty	(48,07,983)	(1,02,32,954)
	<b>9,47,38,44,541</b>	<b>8,29,49,84,934</b>
<b>24 Changes in Inventories of Stock in Trade</b>		
<b>Inventories at the end of the year:</b>		
- Vehicles	67,34,16,112	51,69,61,200
- Spare Parts & Accessories	6,53,28,790	46,616,640
- Goods in Transit	52,943,536	5,81,51,253
	<b>79,16,88,438</b>	<b>62,17,29,093</b>
<b>Less:</b>		
<b>Inventories at the beginning of the year:</b>		
- Vehicles	51,69,61,200	51,03,21,851
- Spare Parts & Accessories	4,66,16,640	4,75,75,085
- Goods in Transit	5,81,51,253	7,73,99,015
	<b>62,17,29,093</b>	<b>63,52,95,951</b>
	<b>(16,99,59,345)</b>	<b>1,35,66,858</b>

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

		(Amount in ₹)
	Figures For the Current Reporting Period	Figures For the Previous Reporting Period
<b>25 Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	23,89,40,424	19,66,86,529
Directors Remuneration	39,60,000	38,88,920
Commission paid to Directors	35,00,000	35,00,000
Contribution to Provident Fund and Other Funds	2,86,16,558	2,42,19,865
Staff Welfare Expenses	1,92,97,940	1,64,78,013
	<u>29,43,14,921</u>	<u>24,47,73,327</u>
<b>26 Finance Cost</b>		
Interest on Term Loan	23,25,137	14,04,718
Interest on Working capital	1,75,07,452	1,16,48,954
Interest on Inventory Funding	2,98,28,630	1,73,03,888
Interest Paid To MSIL	1,29,11,145	1,64,72,219
Interest Paid to others	27,47,700	15,79,302
Other Finance charges	8,51,437	8,04,446
	<u>6,61,71,501</u>	<u>4,92,13,527</u>
<b>27 Depreciation and Amortization Expenses</b>		
Depreciation on Tangible Assets	4,78,04,134	6,30,06,616
	<u>4,78,04,134</u>	<u>6,30,06,616</u>
<b>28 Other Expenses</b>		
Consumable Stores	2,77,01,145	2,51,06,586
Jobwork & Labour Charges	4,25,74,774	3,59,25,375
Security Services Charges	1,48,78,432	1,19,16,725
Services Charges	2,84,76,909	2,55,95,929
Petrol For New Car	97,80,566	92,16,844
Delivery Charges	1,08,84,009	1,18,79,917
Insurance	76,76,926	55,95,828
<b>Repair &amp; Maintainance</b>		
Building	4,34,56,082	4,03,18,062
Plant & Machinery	1,06,60,847	1,19,24,245
Others	1,39,31,875	80,15,531
Legal & Professional Charges	1,24,36,775	1,01,35,458
Rent*	8,81,49,613	6,53,19,723
Rates & Taxes	4,52,36,263	89,25,174
Facility Charges	72,00,000	72,00,000
Communication Expenses	1,12,68,788	96,47,011
Charity & Donation	26,400	8,730
CSR Expenditure**	29,00,000	23,00,000
Power & Fuel	2,59,21,988	2,40,49,727
Printing & Stationery	87,89,320	1,02,36,807
Travelling & Conveyance	1,61,95,268	1,43,90,600
Auditors Remuneration (Refer Note No. 30)	11,00,000	10,00,000
Miscellaneous Expenses	26,11,089	43,99,963
Advertising & Publicity	51,79,981	90,50,187
Discount	9,44,31,690	6,86,73,469
Sales Promotion	1,10,80,212	89,84,634
	<u>54,25,48,952</u>	<u>42,98,16,525</u>

\* Rent includes payment made on account of lease rental for Demo Vehicles.

\*\* Expenditure incurred for CSR includes payment made for promotion of Education and medical treatment for poor & needy people.

# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Particulars	2015-16	2014-15
<b>29 Contingent Liabilities</b>		
(i) Bank Guarantee obtained from Banks	2,50,00,000	2,50,00,000
(ii) Letter of Credit obtained from Banks	-	16,00,00,000
(iii) Disputed Sales Tax Demand	-	2,87,56,000
(This demand pertains to F.Y. 1991-92 against which an appeal before Commissioner of Sales Tax (Appeals)-I has been filed and pending for disposal)		
(iv) Disputed DVAT and TDS Demand and penalty	22,99,435	-
<b>30 Auditors Remuneration</b>		
(i) Audit Fees	6,75,000	6,00,000
(ii) Tax Audit Fees	1,00,000	75,000
(iii) Other Matters	3,25,000	3,25,000
	<b>11,00,000</b>	<b>10,00,000</b>
*Excluding Service Tax		
<b>31 Expenditure in Foreign Currency</b>		
Tours and Travelling	20,80,460	9,83,718
<b>32 Managerial Remuneration</b>		
Salary	39,60,000	38,88,920
Commission on Net Profit	35,00,000	35,00,000
	<b>74,60,000</b>	<b>73,88,920</b>
<b>33 Computation of Net Profit in accordance with Section 197 read with section 198 of Companies Act, 2013</b>		
Net Profit after Tax as per Profit and Loss Accounts	12,82,85,227	11,60,91,611
Add:		
Income Tax	5,95,42,819	4,49,81,000
Director Remuneration	74,60,000	73,88,920
Less:		
Profit on Sale of Fixed Assets	15,55,645	5,66,002
	<b>19,37,32,401</b>	<b>16,78,95,529</b>
<b>Maximum Remuneration payable including commission @ 11%</b>	<b>2,13,10,564</b>	<b>1,84,68,508</b>

## 34 CSR Expenditure

a) Gross amount required to be spent by the company during the year **Rs. 28,39,541** (Amount in ₹)

b) Amount Spent during the year

- Construction / acquisition of any asset
- On purposes other than i above

Spent	Unspent	Total
-	-	-
<b>29,00,000</b>	-	<b>29,00,000</b>

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



# ANNUAL REPORT & ACCOUNTS 2015-2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 35 Unclaimed /Unpaid Divided

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124 of The Companies Act, 2013, will be transferred to the Investors Education and Protection Fund (IEPF) established by the Government of India. In terms of section 125 of Companies Act, 2013, no claim shall lie against the Company or IEPF after the said transfer. Total amount of Rs. 7,00,149/- as on 31st March, 2016 is lying in unclaimed / unpaid dividend account as under:

Financial Year	Amount in ₹
2008-2009	1,00,760
2009-2010	82,341
2010-2011	83,716
2011-2012	91,244
2012-2013	1,04,089
2013-2014	1,08,730
2014-2015	1,29,269
<b>Total</b>	<b>7,00,149</b>

(Amount in ₹)

2015-16

2014-15

### 36 Information about Business Segment Segment Revenue

(a) Showroom Revenue	9,49,64,66,603	8,40,09,18,234
(b) Service & Spares	93,71,06,117	84,24,97,358
<b>Total</b>	<b>10,43,35,72,720</b>	<b>9,24,34,15,592</b>
<b>Segment Results</b>		
(a) Showroom Revenue	14,64,58,851	13,05,87,437
(b) Service & Spares	9,85,60,668	6,66,79,896
<b>Total</b>	<b>24,50,19,519</b>	<b>19,72,67,333</b>
<b>Less:</b>		
Interest and Financial Charges	6,61,71,501	4,92,13,526
<b>Add:</b>		
Un-Allocated Income	89,80,031	1,30,18,805
<b>Profit before Tax</b>	<b>18,78,28,048</b>	<b>16,10,72,612</b>
Less :Taxation Expenses including Deferred Tax	5,95,42,819	4,49,81,000
<b>Profit after Tax</b>	<b>12,82,85,229</b>	<b>11,60,91,612</b>
<b>Total Capital Employed</b>	<b>1,71,70,64,306</b>	<b>1,22,99,52,395</b>

## ANNUAL REPORT & ACCOUNTS 2015-2016

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

The segment report of the Company as stated above has been prepared in accordance with Accounting Standards 17 "Segment Reporting" issued by the institute of The Chartered Accountants of India.

The segment wise revenue and result's figures related to the respective heads are directly identifiable to each of the segments. Un-allocable income includes income on common services at corporate level and relates to the Company as whole.

The definitions of the business segmentation and the activities encompassed therein are as follows:

(i) Showroom:- Purchase and sales of vehicles manufactured by Maruti Suzuki India Ltd.

(ii) Service & Spares: Servicing of Maruti Vehicles and Sale of their Spare parts.

**37** Advance against sale of land of Rs. 35 Crores as reflected under the head "Other Current Liabilities" is pertaining to Land Situated at Goa, for which proceedings are pending before jurisdictional court at GOA, upon outcome of the same Sale Deed shall be executed.

### **38 Related party Disclosure (Accounting Standard AS-18)**

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

- Competent Builders Private Limited
- Competent Films Private Limited
- Competent International Tradex Company Private Limited
- Competent International Resorts and Hotels Limited
- Raj Chopra & Co. Private Limited
- Liqui Moly Products (India) Private Limited (under process of Strike off)
- Competent Infrapromoters Private Limited
- Milagro infrastructure Private Limited
- Enchanted Properties Private Limited
- Competent Construction Company
- Competent Exporters
- Competent Leasing & Finance
- Competent Film Enterprises

**(b) Key Managerial Personnel**

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

## ANNUAL REPORT & ACCOUNTS 2015-2016

### (c) For related party transactions:-

S.No.	Name of Related Party	Relationship	Nature of Transaction	Amount (₹)
1	Raj Chopra	CMD	Salary	18,00,000
			Commission	30,00,000
			Rent	1,71,00,000
			Interest	9,62,466
2	Kavita Ahuja	Whole time Director	Salary	12,00,000
			Rent	15,00,000
			Interest	17,77,260
			Facility Charges	72,00,000
3	K.K.Mehta	Whole time Director	Salary	9,60,000
			Commission	5,00,000
4	Ravi Arora	Company Secretary	Salary	9,83,958
5	Vijay Sharma	CFO	Salary	14,49,150

**39** The previous year figures have been regrouped, rearranged and reclassified, wherever deemed necessary to make them comparable with current year figures.

**As per our report of even date annexed.**

**For and on behalf of the Board of Directors**

For Dinesh Mehta & Co.  
Firm Registration No: 000220N  
Chartered Accountants

(Hiren Mehta)  
Partner  
Membership Number-90772

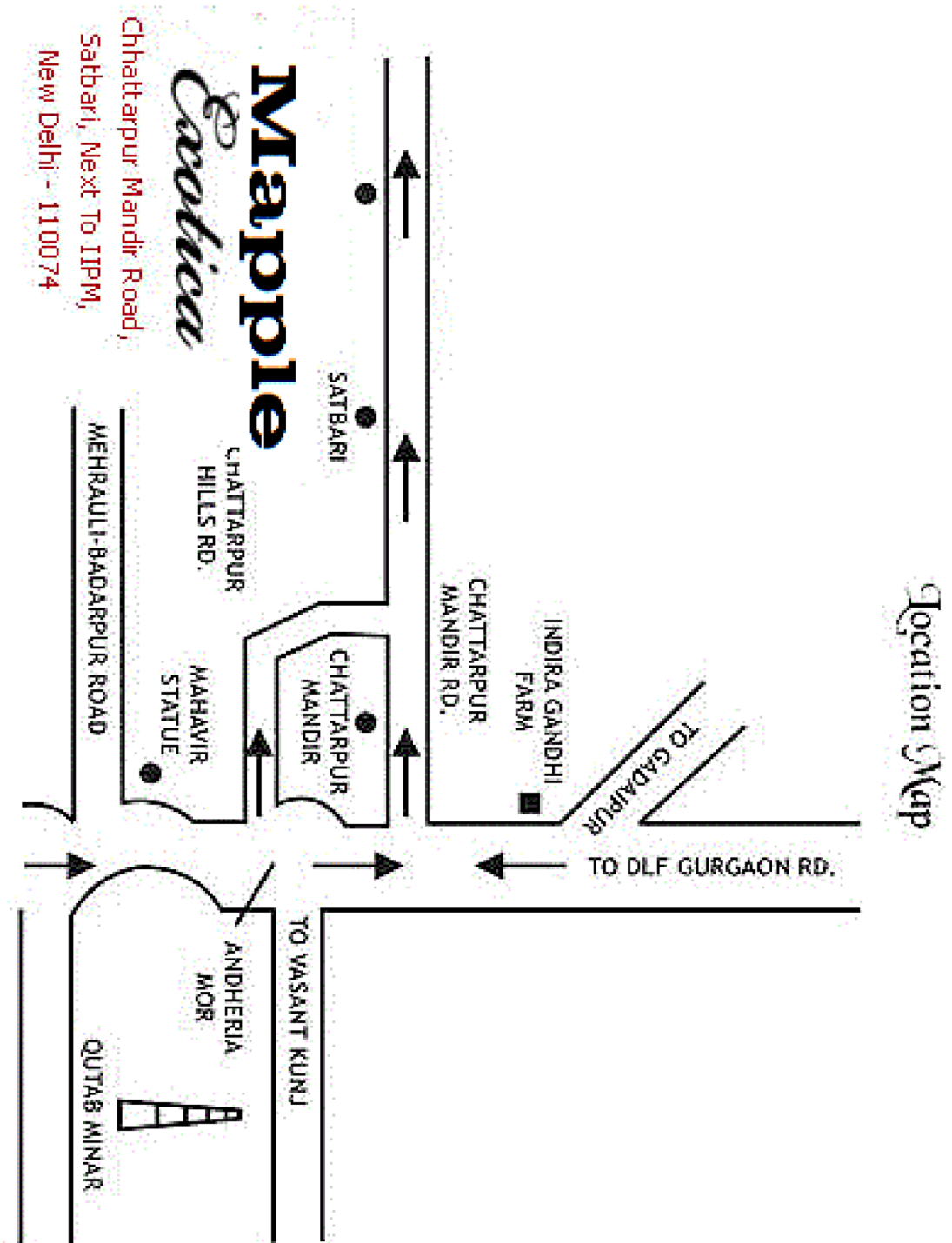
(Raj Chopra)  
Chairman & Managing Director  
DIN-00036705

(Kavita Ahuja)  
Whole Time Director  
DIN-00036803

Place: New Delhi  
Date : 30/05/2016

(Ravi Arora )  
Company Secretary

(Vijay Sharma)  
Chief Financial Officer



## ANNUAL REPORT & ACCOUNTS 2015-2016

### COMPETENT AUTOMOBILES CO. LTD.

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

CIN: L34102DL1985PLC020668 Tel: 011-45700000 Fax: 011-23327640

#### ATTENDANCE SLIP

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

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

\* For the shareholders holdings the shares in electronic form.

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company to be held on Wednesday, the 31st day of August 2016 at 10:00 a.m. at Avalon Hall, Mapple Excotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074 or at any adjournment thereof

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

### COMPETENT AUTOMOBILES CO. LTD.

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

CIN: L34102DL1985PLC020668 Tel: 011-45700000 Fax: 011- 23327640

#### PROXY FORM

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Wednesday, the 31st day of August 2016 at 10:00 a.m. at Avalon Hall, Mapple Excotica, Chattarpur Mandir Road, Satbari, New Delhi – 110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

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

## ANNUAL REPORT & ACCOUNTS 2015-2016

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Resolutions	For	Against
3. Re-appointment of Mr. K. K. Mehta, who retire by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Mrs. Kavita Ahuja as Whole-Time Director		
6. Increase in salary of Mr. K.K. Mehata, Whole time Director		

Signed this..... day of.....2016

\_\_\_\_\_  
Signature of shareholder

Affix  
Re 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

### Notes:

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

\_\_\_\_\_

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## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.