



# 24th Annual Report 2008-2009



**COMPETENT  
AUTOMOBILES CO. LTD.**

**Board of Directors**

Raj Chopra  
Kavita Ahuja (Mrs.)  
K. K. Mehta  
Atul Malhotra  
S. L. Tandon  
Gopi Dargan  
Sidheshwar Dayal  
Ramesh Chander Murada  
Harish Mahajan

*Chairman & Managing Director*  
Whole Time Director  
Whole Time Director  
Director  
Director  
Director  
Director  
Director  
Director

**Company Secretary**

Pramod P Agarwal

**Auditors**

Dinesh Mehta & Co.  
New Delhi

**Regd. Office**

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

**Bankers**

Vijaya Bank  
State Bank of India

**Showrooms**

- Competent House, F-14, Connaught Place, New Delhi – 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi – 110024
- A-24 & 25, Madhu Vihar, Rajapuri, New Delhi – 110059
- Plot No. 3, Gazipur, (East Delhi) Delhi – 110096
- 21, Shivaji Marg, New Delhi – 110015
- 19, Shivaji Marg, New Delhi – 110015 (True Value)
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- GF-12 & GF-16, Omaxe Plaza, Sohna Road, Gurgaon, Haryana
- NH – 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H.P.)
- Village Tikkar, Post – Didwin, Hamirpur, (H.P.)

**Workshops**

- 895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi – 110030
- Plot No. 3, Gazipur, Delhi – 110096
- 19, Shivaji Marg, New Delhi – 110015
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- NH – 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H.P.)
- Village Tikkar, Post – Didwin, Hamirpur, (H.P.)

**Share Transfer Agent**

M/s Skyline Financial Services (P) Limited  
246, 1<sup>st</sup> Floor, Sant Nagar,  
East of Kailash,  
New Delhi – 110065

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 24<sup>th</sup> Annual General Meeting of Competent Automobiles Co. Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2009 at 10.00 a.m. at Plot No. 3, Gazipur, Delhi 110096 to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare dividend on equity shares;
3. To appoint a Director in place of Shri Ramesh Chander Murada, who retires by rotation and, being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Atul Malhotra, who retires by rotation and, being eligible, offers himself for re-appointment;
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### Special Business

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

“RESOLVED THAT pursuant to the provisions of Section 198, 268, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, in partial modification of the terms & conditions of appointment with effect from 1<sup>st</sup> October, 2008 the monthly salary payable to Mr. Kanwal Krishan Mehta, Whole Time Director be and is hereby increased to Rs. 33,000/- from the existing salary of Rs. 25,000/- per month subject however, that the remuneration not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.”

RESOLVED FURTHER THAT Mr. P.P. Agarwal – Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Section 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Kanwal Krishan Mehta as the whole time director of the company for a period of 5 years w.e.f. 23rd August, 2009, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Kanwal Krishan Mehta, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee, which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the timing in force or any amendments and/or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri Kanwal Krishan Mehta.

RESOLVED FURTHER THAT Mr. Kanwal Krishan Mehta shall receive remuneration on the following terms & conditions:

a) Basic Salary: Rs. 35,000/- p.m.

b) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall ceilings laid down in Sections 198 and 309 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 cities, otherwise 50% of the salary over and above 10% payable to him.

b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.

c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.

e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.

f. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.

g. Company's contribution towards P.F. as per rules of the Company for the time being in force.

h. Gratuity not exceeding ½ month salary for each complete year of service.

i. Free use of Company's car with the driver for the business of the Company.

j. Free use of telephone at residence.

k. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 months of service with encashment benefits.

RESOLVED FURTHER THAT Mr. P. P. Agarwal – Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 268, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, the terms & conditions of appointment of Mr. Raj Chopra, Managing Director, be and is hereby partially modified to meet medical/ hospitalization expenses and expenditure on stay abroad for such treatment subject however, that the total remuneration not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.”

RESOLVED FURTHER THAT Mr. P. P. Agarwal – Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Raj Chopra as the Managing Director of the company for a period of 5 years w.e.f. 1<sup>st</sup>

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November, 2009, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Raj Chopra, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee, which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time in force or any amendments and/or modifications that may hereinafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Mr. Raj Chopra.

RESOLVED FURTHER THAT Mr. Raj Chopra shall receive remuneration on the following terms & conditions:

- a) Basic Salary: Rs. 1,50,000/- p.m.
- b) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall ceilings laid down in Sections 198 and 309 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 cities, otherwise 50% of the salary over and above 10% payable to him.
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Personal Accident Insurance Premium not to exceed Rs. 25,000/- p.a.
- g. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.
- h. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- i. Gratuity not exceeding ½ month salary for each complete year of service.
- j. Free use of Company's car with the driver for the business of the Company.
- k. Free use of telephone at residence but personal long distance calls shall be billed by the Company.
- l. Earned/Privilege Leave : One month leave with full pay and allowance for every 11 months of service with encashment benefits.

RESOLVED FURTHER THAT Mr. P. P. Agarwal – Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board of Directors**



**(Pramod P Agarwal)**  
**Company Secretary**

Place: New Delhi  
Date : 20.08.2009

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HEREWITH.
2. The requisite Explanatory Statements pursuant to section 173(2) of the Companies Act, 1956 in respect of item No. 6 to 9 are annexed herewith.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 24<sup>th</sup> day of September, 2009 to Wednesday, the 30<sup>th</sup> day of September, 2009 (Both days inclusive).
4. M/s Skyline Financial Services Pvt. Limited 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi – 110065 are the Registrar and Transfer Agents of the Company in physical and electronic form. Members are requested to send their shares for transfer to the above address along with the requisite documents.
5. The Dividend shall be paid to those Shareholders whose names appear as Members/Beneficial Owners as at the end of the business hours on 23<sup>rd</sup> day of September, 2009, as per list to be furnished by the Depositories in respect of the shares held in electronic form and as a Member on the Register of Members on the 23<sup>rd</sup> day of September, 2009.
6. Members are requested to inform the Registrar & Transfer Agent about any change in their address.
7. Members are requested to bring their copies of Annual Report, as no separate copy would be provided at the venue of the Annual General Meeting.
8. Members are requested to quote their Registered Folio No./Client ID No. in every correspondence with the Company/Registrar & Transfer Agent.
9. Members are requested to check up and send their claims in respect of unclaimed dividend, if any, for the relevant years from 2001-02 onwards before the respective amount become due for the transfer to the **“Investor Education and Protection Fund”**. The unpaid dividend amount upto financial year 2000-2001 has been transferred to “Investor Education and Protection Fund”.
10. Members holding shares in dematerialized form should address their correspondence relating to their shareholding to their respective Depository Participants.
11. As per directives on the subject members are requested to send copy of the Income Tax PAN card along with other documents while sending their request for transfer of shares in physical form to the Registrar & Transfer Agent of the Company.
12. All the documents referred to in the notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Sunday and Holidays until the date of the Annual General Meeting.

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## ANNEXURE TO THE NOTICE

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

#### Item No 6 & 7

The shareholders appointed Mr. Kanwal Krishan Mehta in the Nineteenth Annual General Meeting as Whole Time Director of the Company for a term of five years w.e.f. 23<sup>rd</sup> August, 2004. Effective from 1<sup>st</sup> September, 2005 with the approval of shareholders the salary being paid to him was revised to Rs. 25,000/- per month. The Board in its meeting further increased his salary, subject to your approval to Rs. 33,000/- w.e.f. 1<sup>st</sup> October, 2008. Approval of members is sought for this increase.

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Since the present term of Mr. Mehta is expiring on 22<sup>nd</sup> August, 2009 the Board of Directors at its meeting held on 20<sup>th</sup> August, 2009 has approved his re-appointment for a further period of five years w.e.f. 23<sup>rd</sup> August, 2009 subject to your approval, as Whole Time Director of the Company at a remuneration mentioned in the resolution.

Your approval is being sought to the managerial remuneration and other terms & conditions of the re-appointment of Mr. Mehta as the Whole Time Director for further five years effective 23<sup>rd</sup> August, 2009.

The Board recommends the resolution as an ordinary resolution.

No Director of the Company except Mr. Raj Chopra and Mr. K.K. Mehta himself are interested in this resolution.

### **Item No 8 & 9**

The managerial remuneration of Mr. Raj Chopra, Managing Director of your company was approved by the shareholders in their meeting held on 29<sup>th</sup> September 2004 and was last revised in the Annual General Meeting held on 16<sup>th</sup> September, 2005. Accordingly, his basic salary is Rs. 1,50,000/- per month w.e.f. 01/09/2005. In addition to the salary he is entitled to perks and benefits as enumerated in the agreement entered with him by the Company.

Now the Board of Directors has in their meeting held on 30<sup>th</sup> April, 2009, subject to your approval, decided to revise the terms of his appointment by altering the clause on medical reimbursement whereby Mr. Raj Chopra, the Managing Director has been allowed medical/ hospitalization expenses for self and family whether in India or abroad. The Board has further decided to pay him expenditure incurred on his stay abroad for self and family for such medical treatment. The above shall, however be subject to the limits prescribed under various provisions of the Companies Act, 1956.

Since the present term of Mr. Chopra is expiring on 31<sup>st</sup> October, 2009 the Board of Directors in their meeting held on 20<sup>th</sup> August, 2009 has also approved his re-appointment for a further period of five years w.e.f. 1<sup>st</sup> November, 2009 subject to your approval, as the Managing Director of the Company at a remuneration mentioned in the resolution.

Your approval is being sought to the managerial remuneration and other terms & conditions for the re-appointment of Mr. Raj Chopra as the Managing Director for further five years w.e.f. 1<sup>st</sup> November, 2009 and change in the terms & conditions as aforesaid.

The Board recommends the resolution as an ordinary resolution.

No Director of the Company except Mrs. Kavita Ahuja and Mr. Raj Chopra himself are interested in this resolution.

### **2. Details of Directors seeking appointment/Re-appointment as required under clause 49 of the Listing Agreement with the Stock Exchange:**

#### **Re-appointment of Mr. Ramesh Chander Murada (Item No. 3)**

Shri Ramesh Chander Murada is 68 years old. He is Arts Graduate and holds Diploma in Marketing from NSIC Ltd. and diploma in PCC (Personal Contact Campaign) from Times of India. He also holds Diploma in Times Management from Times Education. He has rich experience of working for Times of India and Navbharat Times as Brand Manager. Later he worked for Reliance Group as GM Sales.

#### **Re-appointment of Mr. Atul Malhotra (Item No. 4)**

Shri Atul Malhotra is an Arts Graduate and was born in 1958. He has 20 years' experience in Hotel and Entertainment industry. He has rich experience of business and finance. He is also on the Board of New Delhi Vaults Ltd., Entertainment Eighteen India Ltd. and Malhotra Bros. (Exhibitors) Pvt. Ltd.

**By Order of the Board  
For Competent Automobiles Co. Limited**



**(Pramod P Agarwal)  
Company Secretary**

Place: New Delhi  
Date : 20.08.2009

## DIRECTORS' REPORT

**To**  
**The members of**  
**Competent Automobiles Co. Ltd.**  
**New Delhi**

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report on the Statement of Accounts of your company for the financial year ended 31<sup>st</sup> March, 2009.

### Financial Results

The financial results of the Company are summarized hereunder:

Particulars	(Amt. in Lacs)	
	31-03-2009	31-03-2008
Gross Revenue & Other Income	56,628.15	54,664.44
Increase/(decrease) in Stock	(645.71)	586.15
Profit before Depreciation & Tax	1,002.08	950.25
Depreciation	265.36	245.52
Provision for Taxation including deferred tax	273.45	247.30
Profit after tax	463.27	457.43
Add: Profits from Previous year	1,242.77	987.24
Profits available for appropriation	1,706.04	1,444.67
Interim/Proposed Dividend including tax	71.91	71.91
Tax Adjustments	5.13	-
Transferred to General Reserves	130.00	130.00
Balance carried to the Balance Sheet	1,499.00	1,242.77

### Dividend

Your Directors are pleased to recommend a dividend of Re. 1.00 per Equity Share of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2009 which if approved in the next Annual General Meeting, will be paid out of profits of the Company to all those shareholders whose name appear on the Register of Members and List of Beneficiaries provided by the Company's Electronic Registrar as on 23<sup>rd</sup> day of September, 2009.

### Performance

Your Company's total turnover during the year 2008-09 is Rs. 566.28 crore against Rs. 546.64 crore during the previous year. The Company's profit before tax (PBT) is Rs. 7.37 crore as compared with the profit before tax of corresponding previous year i.e. Rs. 7.04 Crore. During the year 2008-09, your company sold 15,112 Maruti Vehicles (including 498 Vehicles under Direct Billing) as compared with previous year sale of 15,292 Maruti Vehicles (including 679 Vehicles under Direct Billing). Your company has sold approx 2% of the total vehicles sold by Maruti Suzuki India Limited in domestic market. Maruti Suzuki has sold 7,92,167 vehicles during the year 2008-09.

### Forfeiture of Equity Shares

During the financial year 2008-09 the Company has forfeited 2,63,500 partly paid equity shares as the respective shareholders failed to pay the call money due on their shares.



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## Achievements

During the financial year 2008-09 the company has received various awards from Maruti Suzuki India Limited in its Annual Dealers Conference. The list of awards is as under:

- Award for Highest SX4 sale in single outlet;
- Award for Best implementation of CRM practices in dealership;
- Award for efficient warranty handling system; and
- Award for sale of more than Twelve crore Rupees in spare parts category.

## Listing Fee of Shares

Presently the Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and Listing Fee for the year 2009-10 has been paid in advance by the Company.

## Directors

During the financial year Mrs. Geeta Chopra and Ms. Priya Chopra ceased to be on the Board of your Company w.e.f. 30.05.08 and Mr. Harish Mahajan, an independent Director has been inducted w.e.f. 06.06.2008.

Shri Atul Malhotra and Shri Ramesh Chander Murada retire by rotation from the office of director at this Annual General Meeting of the Company and have offered themselves for re-appointment.

## Management Discussion & Analysis Report

A report on Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement, is annexed elsewhere in this report.

## Postal Ballot

Section 192A of the Companies Act, 1956 read with Para 4 of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as amended to date, provides certain matters to be passed by the Company through Postal Ballot only. For the year ended 31<sup>st</sup> March, 2009 the Company did not pass any resolution by way of postal ballot.

## Auditors

M/s Dinesh Mehta & Co., Chartered Accountants, Auditors of the Company, hold their office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## Auditors' Report

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

## Directors' Responsibility Statement

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

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2009 and of the profit for the year ended on that date;
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) We have prepared the annual accounts on a going concern basis.

### **Deposits**

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

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

#### **a) Conservation of Energy**

Efforts on energy conservation are perused by the company. Regular repairs and maintenance of all equipments/ machineries are carried out to ensure optimum efficiency. To give thrust on energy conservation, "optimum utilization of natural light" is focused. Energy saving lamps and devices are fitted where ever feasible. Your company being engaged in service sector, details as per form A are not applicable.

#### **b) Technology Absorption**

Since the automobile trade is mainly service oriented, particulars in regard to technological absorption are not applicable.

#### **c) Foreign Exchange Earnings and Outgo**

Earnings - Nil

Outgo - Rs. 8.46 Lacs

### **Particulars of Employees**

The information required under sub-section (2A) of Section 217 of the Companies Act, 1956 as to the particulars of employees is NIL as there was no employee in receipt of aggregate remuneration of more than Rs. 24,00,000/- for the period or in receipt of monthly remuneration of more than Rs. 2,00,000/- if employed for part of the year 2008-09.

### **Corporate Governance**

A Certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as per the requirement of Clause 49 of the Listing Agreement is enclosed elsewhere in this report.

### **Acknowledgement**

Your Directors wish to thank its bankers, customers, government organizations, stakeholders, vendors, suppliers, employees and all associates for their continued co-operation and support.

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



**RAJ CHOPRA  
(Chairman & Managing Director)**

Place: New Delhi  
Date : 20.08.2009

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## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

### BOARD OF DIRECTORS

#### Composition of Board

As on 31<sup>st</sup> March, 2009, the Company had nine Directors on the Board. The composition of Board is as under :

Name	Category
Shri Raj Chopra	Chairman & Managing Director, Promoter
Smt. Kavita Ahuja	Whole Time Director
Shri K.K. Mehta	Whole Time Director
Shri Atul Malhotra	Non Executive Independent Director
Shri Gopi Dargan	Non Executive Independent Director
Shri S.L. Tandon	Non Executive Independent Director
Shri Sidheshwar Dayal	Non Executive Independent Director
Shri Ramesh Chander Murada	Non Executive Independent Director
Shri Harish Mahajan	Non Executive Independent Director

#### No. of Board meetings

Seven Board meetings were held during the financial year 2008-09 on 30-04-2008, 30-05-2008, 31-07-2008, 20-08-2008, 07-10-2008, 31-10-2008 and 31-01-2009.

The name of Members of Board of Directors, their attendance in Board Meeting, previous Annual General Meeting, Number of their other Directorship and Chairmanship/membership in committee of other Public Limited Companies are set out below :

Name of Director	Category of Director	No. of Board Meetings attended	Whether previous AGM attended or not	No. of Directorship held in other companies	No. of Committee position held in other public limited companies as a Chairman/Member
Shri Raj Chopra	Promoter & Executive	7	Yes	6	Nil
Smt. Kavita Ahuja	Executive	6	Yes	1	Nil
Shri K.K. Mehta	Executive	6	No	Nil	Nil
Smt. Geeta Chopra*	Promoter & Non executive	Nil	No	3	Nil
Ms. Priya Chopra*	Non executive	Nil	No	2	Nil
Shri Atul Malhotra	Non executive Independent	7	No	3	Nil

Shri S. L. Tandon	Non executive Independent	3	No	Nil	Nil
Shri Gopi Dargan	Non executive Independent	7	No	2	Nil
Shri Sidheshwar Dayal	Non executive Independent	7	Yes	1	Nil
Shri Ramesh C. Murada	Non executive Independent	7	No	Nil	Nil
Shri Harish Mahajan**	Non Executive Independent	5	No	2	Nil

\*ceased to be Director w.e.f. 30/05/2008

\*\*Appointed during the year on 06/06/2008

None of the Directors of your Company is a Member of more than 10 Committees or act as the Chairman of more than 5 Committees across all the Companies in which they are Directors.

#### AUDIT COMMITTEE

The Board of the company has constituted Audit Committee of the Company which comprises of three members and majority of them are Non Executive Independent Directors. The constitution of the audit committee also meets the requirements under section 292A of the Companies Act, 1956. Shri P. P. Agarwal, Company Secretary acts as the secretary of the committee.

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 half yearly and annual financial statements before submission to the Board, focusing primarily on changes, if any, in accounting policies and practices, compliance with accounting standards, compliance with stock exchange and legal requirement etc.

During the financial year five meetings of the Audit Committee were held on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 20<sup>th</sup> August, 2008, 31<sup>st</sup> October, 2008 and 31<sup>st</sup> January 2009. The composition and attendance of Audit Committee is as under:

Name	Designation	No of Meetings Attended
Shri Sidheshwer Dayal	Chairman	5
Smt. Kavita Ahuja	Member	5
Shri Atul Malhotra	Member	5

#### REMUNERATION COMMITTEE

The company has not formed any remuneration committee of Board of Directors. The whole-time Directors' remuneration is approved by the Board subject to approval of shareholders' at their meetings. The payment of remuneration by way of commission to the participating non executive directors of the company is within the overall limit of one percent as worked out under the provisions of sections 349 & 350 of the Companies Act, 1956. This shall be in addition to any sitting fee payable to the non executive directors. The actual commission payable to the non executive directors of your company is severally and collectively is decided by the Board of Directors of the Company within the overall limit fixed as above by the members of the company.

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The Details of the remuneration paid to all the Directors for the year are:

(In Rs.)

Name of Director	Remuneration	Commission	Total
Shri Raj Chopra	18,00,000/-	Nil	18,00,000/-
Smt Kavita Ahuja	6,00,000/-	Nil	6,00,000/-
Shri K. K. Mehta	3,48,000/-	Nil	3,48,000/-
Ms. Priya Chopra	Nil	36,800/-	36,800/-
Smt Geeta Chopra	Nil	36,800/-	36,800/-

### Details of equity shares held by Non Executive Directors

Name of Director	No of Shares	% of shareholding
Smt. Geeta Chopra	554525	9.02
Ms. Priya Chopra	271100	4.41
Shri S. L. Tandon	200	0.003
Shri Sidheshwar Dayal	500	0.008

The Company did not give any stock option scheme to the Directors/employees of the Company.

### INVESTORS GRIEVANCE COMMITTEE

The Board of Directors had constituted an Investors Grievance Committee comprising of Mr. Sidheshwar Dayal, Mr. Atul Malhotra, Mr. Gopi Dargan all of them are Non Executive Independent Directors. The committee *inter alia* approves issue of duplicate certificates and reviews and oversee all matters connected with the transfer of securities. The committee looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends etc. The Board has authorized Mr. P. P. Agarwal, Company Secretary to discharge functions of Investors Grievance Committee and the same are approved by Investors Grievance Committee in the meeting held at regular intervals.

Four meetings of the Committee were held during the year on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 31<sup>st</sup> October, 2008 and 31<sup>st</sup> January, 2009. The composition of the Committee is as follows:

Name of the Director	Designation	No. of Meetings attended
Mr. Sidheshwar Dayal	Chairman	4
Mr. Atul Malhotra	Director	4
Mr. Gopi Dargan	Director	4

During the year under review your Company received very small number of complaints which were redressed immediately and all requests received for change of address/ change of bank accounts details, dividend related queries etc. were replied well in time from the date of receipt of the same.

### GENERAL BODY MEETINGS

Locations and time of the General Meetings held during the last three years are as follows :

Financial Year ended	Date	Venue	Time
March 31, 2008	29-09-2008	Plot Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.
March 31, 2007	28-09-2007	Plot Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.
March 31, 2006	29-09-2006	Plot Plot No. 3, Gazipur, Delhi 110096	10.00 a.m.

## **DISCLOSURES**

During the year under review, the Company has not entered into any transaction of material nature with its Promoters, Director or the management, their subsidiaries or relative that may have potential conflict with the interest of the Company at large.

## **CODE OF CONDUCT**

The Board of Directors has laid down a Code of conduct for the Board members and senior management of the Company. All Board members and senior management personnel have affirmed their compliance with the code and the same has been displayed on the website of the Company.

## **CEO/CFO CERTIFICATION**

A Certificate from the CEO/CFO on the financial statement of the Company was placed and considered by the Board.

## **MEANS OF COMMUNICATION**

**Website :** The Company's website [www.competent-maruti.com](http://www.competent-maruti.com) contains a separate dedicated investors section where shareholders information is available. Annual report is available on the web site in a user friendly and downloadable form. Company's quarterly/half yearly unaudited results, shareholding pattern or any other relevant information is promptly made available on company's website.

**Publication :** The Company's quarterly/half yearly unaudited financial results and all other required information are generally published in "The Financial Express" or "Business Standard" English newspaper having nation wide circulation and "Jansatta" or "Business Standard" Hindi daily.

**Circulation :** The Company's annual report containing *inter alia* audited annual accounts, Directors' Report, Corporate Governance and Management Discussion Report are yearly sent via post to all the shareholders of the company.

**SEBI EDIFAR :** Annual report, quarterly results, shareholding pattern etc. of the company are also posted on the SEBI EDIFAR website [www.sebiedifar.com](http://www.sebiedifar.com)

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report forms part of the Annual Report

## **GENERAL INFORMATION FOR SHAREHOLDERS**

### **Annual General Meeting**

<b>Date and time</b>	30 <sup>th</sup> September, 2009, 10:00 a.m.
<b>Venue</b>	Plot No. 3, Gazipur, Delhi – 110096
<b>Period of Book Closure</b>	24/09/2009 to 30/09/2009 (both days inclusive)
<b>Dividend</b>	Re. 1/- per share (Recommended by the Board)
<b>Financial Calendar</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Dividend payout Date</b>	Dividend for the financial year 2008-09 will be paid in the month of October, 2009 subject to approval of Members at the forthcoming 24 <sup>th</sup> Annual General Meeting

## ANNUAL REPORT & ACCOUNTS 2008-2009

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<b>Listing on Stock Exchange</b>	The Bombay Stock Exchange Limited (BSE)
<b>Website</b>	www.bseindia.com
<b>Stock Code</b>	531041
<b>Share Transfer Agents</b>	Skyline Financial Services (P) Ltd
<b>Compliance Officer</b>	Pramod P. Agarwal, Company Secretary
<b>Payment of Listing Fee</b>	Listing fee for the year 2009-2010 has been paid to the Stock Exchange, Mumbai
<b>Depositories</b>	National Securities Depository Limited The Central Depository Services (India) Limited
<b>ISIN</b>	INE823B01015
<b>Outstanding GDRs/ADRs/Warrants</b>	Nil
<b>Investors queries/requests for transfer transmission, issue of duplicate share Certificates etc. to be sent to</b>	M/s Skyline Financial Services (P) Ltd 246, 1 <sup>st</sup> Floor, Sant Nagar, East of Kailash, New Delhi-110065

### Monthly High-Low of the Shares at Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)
April, 2008	54.70	30.20
May, 2008	44.00	35.20
June, 2008	38.00	28.00
July, 2008	34.65	27.85
August, 2008	40.65	31.00
September, 2008	36.30	24.25
October, 2008	31.45	14.20
November, 2008	22.75	16.55
December, 2008	19.55	16.30
January, 2009	19.45	17.00
February, 2009	19.50	17.00
March, 2009	19.00	16.50

**Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

No. of Shares	Number of Shareholders	% of Shareholders	Total No. of Shares	Amt. (in Rs.)	% of Shares
upto 500	2027	88.82	285246	28,52,460	4.64
501 1000	124	5.43	106499	10,64,990	1.73
1001 2000	58	2.54	94443	9,44,430	1.54
2001 3000	25	1.10	69548	6,95,480	1.13
3001 4000	4	0.18	14668	1,46,680	0.24
4001 5000	8	0.35	37424	3,74,240	0.61
5001 10000	12	0.53	87524	8,75,240	1.42
10001 & Above	24	1.05	5450648	5,45,06,480	88.69
<b>Total</b>	<b>2282</b>	<b>100.00</b>	<b>6146000</b>	<b>6,14,60,000</b>	<b>100.00</b>

**Categories of Shareholders as on 31<sup>st</sup> March, 2009**

Particulars	No. of Shares held	% of Shareholding
Promoters Holding	4413500	71.81
Mutual Funds	100	0.001
Private Bodies Corporate	535083	8.71
Indian Public	991870	16.14
NRIs/OCBs	205447	3.34
<b>Total</b>	<b>6146000</b>	<b>100.00</b>

**Share Transfer System**

An Investor Grievance Committee has been formed to expedite the work of investor grievances and share transfer process. All work relating to share transfer is completed within a fortnight. Work related to share transfers has been delegated to Mr. P.P. Agarwal, Company Secretary and the same is approved by the committee. All resolutions passed by the Investor Grievance Committee are approved by the Board. M/s Skyline Financial Services Private Limited has been appointed as electronic registrar of the company to process the share transfer work and act as share transfer agent.

**Dematerialisation of Shares**

The shares of the Company are tradable compulsorily in electronic form and are available for trading in the depository system of the both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2009, a total number of 836764 equity shares of the company constituting 13.61% of the total paid up share capital of the Company stands dematerialized.



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### Company's Units at Delhi, Haryana & Himachal Pradesh

Showroom	Workshop
Competent House, F-14, Connaught Place, New Delhi - 110 001	Plot No. 3, Gazipur, (East Delhi) Delhi - 110 096
Plot No. 3, Gazipur, (East Delhi) Delhi - 110 096	895/C-8, Near Jain Mandir, Dada Bari, Mehrauli, New Delhi - 110 030
3C'S Complex, Firoze Gandhi Marg, Lajpat Nagar – II, New Delhi - 110 024	19, Shivaji Marg, Opp. Delhi Chemical Mills, New Delhi 110 015
21, Shivaji Marg, Opp. Delhi Chemical Mills, New Delhi - 110015	Competent House, N.H.-21 Chandigarh Manali Highway P.O. Gutkar, Mandi - 175 021 (H.P.)
(True Value Showroom) Plot No. 19, Shivaji Marg, Opp. Delhi Chemical Mills, New Delhi - 110 015	Village Tikkar, Post Didwin, Hamirpur (H.P)
A-24 &25, Madhu Vihar, Rajapuri, New Delhi - 110059	A-25, Sector 33/34, (opp. Hero Honda) Infocity, Gurgaon - 122001 (HR)
Competent House, N.H.-21 Chandigarh Manali Highway P.O. Gutkar, Mandi - 175 021 (H.P.)	
Village Tikkar, Post Didwin, Hamirpur (H.P)	
A-25, Sector 33/34, (opp. Hero Honda) Infocity, Gurgaon - 122001 (HR)	
GF-12 & GF-16, Omaxe Plaza, Sohna Road, Gurgaon (HR)	

### Address for Communication

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

### Share Transfer and Dematerialization queries

Skyline Financial Services Private Limited  
Unit: M/s Competent Automobiles Co. Limited  
246, 1st Floor, Sant Nagar,  
East of Kailash,  
New Delhi - 110065

Email : admin@skylinerta.com

**Declaration as required under Clause 49 of the Listing Agreement**

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board and Senior Management Personnel has been duly complied by all Board Members and Senior Management personnel of the Company.



**RAJ CHOPRA**  
**(Chairman & Managing Director)**

Date : 20.08.2009  
Place: New Delhi

## **ANNUAL REPORT & ACCOUNTS 2008-2009**

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### **AUDITORS' CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

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

We have examined the compliance of conditions of Corporate Governance by M/s Competent Automobiles Co. Limited for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

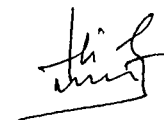
The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion 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 conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance(s) is/are pending for a period exceeding one-month against the Company as per the records maintained by the Investors Grievance Committee.

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.  
Chartered Accountants**



**(Hiren Mehta)  
Partner**

**Membership No. 90772**

Place: New Delhi  
Date : 20.08.2009

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERALL VIEW**

For most of the year under review, the global economy faced unparalleled pressures. While the first few months witnessed a sharp rise in the price of oil, food and other commodities, inflationary fears soon gave way to concern about depression and deflation as the financial crisis in the advanced economies snowballed into a global economic crisis of unprecedented magnitude. International trade and financial flows froze and financial institutions crumbled, leading to rising bankruptcies and widespread unemployment across the globe. India is neither insulated nor isolated from global events and has been significantly impacted by this global meltdown. However, in spite of the contraction of many world economies, India is expected to grow close to 7% in the coming fiscal, making it one of the very few countries in the world which would show any growth in the next two years.

Against this backdrop, your Company's performance has been satisfactory; indeed, your Company has outperformed others in many ways.

### **INDUSTRY SCENARIO AND DEVELOPMENTS**

The automotive industry occupies a place of pre-eminence in the Indian economy, accounting for about 5% of GDP and over 13 million direct and indirect jobs, and contributing about 17% of indirect taxes. (Source: Automotive Mission Plan 2006-16)

Today in the Indian car market Maruti Suzuki India Ltd. holds a dominant position in passenger cars and multi purpose vehicles segment having 52 % market share. Among their dealers your company is one of the oldest and most reputed. Your company is with Maruti since 1985 and for long it retained the No. 1 position in entire India.

Since India has advantages of strong technological capability and availability of trained manpower at competitive prices, there is potentiality to grow as global automotive hub. Keeping this in mind the Government of India had framed its Automotive Mission Plan 2017 (AMP 2017). This comprehensive plan aims to maintain the attractiveness of the Indian auto market and keep its competitive position. Thus the future of Automobile industry is bright in India and your company is taking all possible measures to grow along with Maruti, the market leader in passenger car.

India is the fourth largest car market in Asia – recently crossed the 1 million mark. Again, in India your company's principal Maruti Suzuki India Ltd. (MSIL) is a prominent car manufacturer and contributor in the automobile industry and has reported its highest ever annual turnover registering a growth of 3.6% in 2008-09 over the previous fiscal. During the year 2008-09 MSIL sold 7,92,167 vehicles as against 7,64,842 units in the previous year including export vehicles. Exports also recorded a quantum jump of 32% over the previous fiscal. In line with the old track and despite intense competition amongst MSIL dealers, your company sold 15112 vehicles during the current fiscal 2008-09.

Due to government policies of developing infrastructures including roads on a massive scale, the sale of automotive vehicles including passenger cars in India, is set to rise at rapid pace. Another vital cause for the consistent increase in the sale of automotive vehicles is unprecedented rise in disposable income of households after liberalization of industry and commerce.

Govt. of India is putting its best foot forward by offering and making available alternative fuels like Compressed Natural Gas (CNG) or LPG to existing and new car owners and the Government of NCT of Delhi is putting all its efforts to make it available profoundly.

### **OPPORTUNITIES AND THREATS**

#### ***Opportunities***

In India there are 100 people per vehicle, while this figure is 82 in China. But it is expected that Indian automobile industry will achieve mass motorization status by 2014. Thus not only it is eleventh passenger car market globally but expected to be seventh largest by 2017. So India is on every car manufacturer's map. Some of the manufacturers have already set up manufacturing facilities in India, others are importing cars and spare parts to meet the demand of this growing market.

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With the growth of population residents in metro cities have started moving to far flung areas and the use of car which used to be luxury at one point of time has become necessity even for mid income group. Automobile industry is thus set to grow at faster pace in urban areas. Moreover, Delhi being the national capital, it is attracting habitants not only from India but also from abroad and thus there is huge potential for sales and service of passenger cars in Delhi. It may be interesting to note that total number of automobiles in Delhi are more than the aggregate of automobiles in other three metros namely Mumbai, Kolkata and Chennai.

Thus despite the recent slowdown in economic growth, the Indian economy is poised to show robust growth in the medium to long term. With the economy on a growth path on a secured long-term basis and with the consequent increase in disposable incomes of the population at large, the Indian automotive industry is expected to provide significant growth opportunities. India's automotive sector is expected to be one of the fastest growing in the world in the coming years.

### Threats

Already the roads are not keeping pace with the growing vehicular traffic in India. Inadequate and poor quality of road surface is another hindrance to the growth of auto industry. India's road network, comprising of modest national highway system is woefully inadequate and dilapidated, and can barely keep pace with the auto industry's rapid growth.

Upgrading the existing highway system is itself expected to cost \$ 30 billion or more, and resource and land constraints prevent the building of new highways. The Government of India's approach to solving this problem is to privatize the road infrastructure, by having private firms build and operate tollways. However, it is unclear if this alone will be able to solve this infrastructure problem of enormous proportions, which can severely bottleneck future growth of auto industry.

For the Automotive Sector, more stringent regulatory norms are being introduced, especially in the areas of safety and emission. While these measures are welcome, they may result in an increase in manufacturing cost, which in turn, may affect margins or demand in a market which is intensely competitive.

### SEGMENT WISE BUSINESS PERFORMANCE

PERFORMANCE OF THE TWO SEGMENTS DURING THE YEAR IS AS FOLLOWS

(Rs. in Lacs)

PARTICULARS	Year ended 31-03-2009	Year ended 31-03-2008
<b>Segment Revenue</b>		
(a) Showroom	51,146.88	49,750.26
(b) Service & Spares	5,351.55	4,914.18
<b>Total</b>	<b>56,498.43</b>	<b>54,664.44</b>
<b>Segment Results</b>		
Profit(+)/Loss(-) before tax & Interest		
(a) Showroom	313.34	388.64
(b) Service & Spares	571.10	506.35
<b>Total</b>	<b>884.44</b>	<b>894.99</b>
Less: Interest and financial charges	277.44	324.02
Add: Unallocable Income	129.72	133.74
<b>Total Profit before tax</b>	<b>736.72</b>	<b>704.71</b>
<b>Taxation expenses</b>	<b>273.45</b>	<b>247.28</b>
<b>Profit after Tax</b>	<b>463.27</b>	<b>457.43</b>
<b>Total Capital Employed</b>	<b>6,194.13</b>	<b>6,078.08</b>

## **OUTLOOK**

There is a strong linkage between the strength of the automotive industry and the strength of the economy of a country. High growth of the industry, through its forward and backward linkages, leads to accelerated growth of the economy, which in turn leads to a higher growth for the automotive industry in a virtuous cycle. After six years of rapid growth, Indian economy and the automotive industry slowed down significantly in FY 2009. Despite this, the Indian automotive industry was and is likely to remain one of the fastest growing automotive industries in the world.

In the medium term, the Indian economy is projected to return to brisk growth and demand conditions, in medium to long term, are expected to remain strong. However, in the near term, due to continued uncertainties in the global and domestic macro-economic environment, the outlook for the automobile industry is one of cautious optimism.

Despite such financial market conditions, the performance of your company has shown consistency and the management is hopeful to do much better in the current year due to various initiatives taken since the last quarter of the financial year 2008-09. Efforts for optimum utilization of available resources have been made and wherever required steps have been taken to deploy latest technology for better yield.

## **RISKS AND CONCERNS**

With the growing integration of the Indian economy with the global economy, events around the world have a direct or indirect impact on the Indian automobile industry. In particular, Indian financial markets are highly integrated to global financial markets. As a result, liquidity and availability of credit, an important facilitator for automobile sales in the Indian market, will be impacted by the conditions in the global markets.

Vehicle sales industry is presently facing tough competition due to ever increasing number of existing dealers which is further compounded by appointment of new dealers in same city by Maruti Suzuki. The dealers are changing pace from single distribution channel to multiple channels for both new car sales and after sale services offered to customers. With the multiplying of channels, the competition amongst dealers has also grown manifold. The earlier competition with small size local business is evolving into a large based organized service provider. In the given situation the business model of automotive dealers is clearly under tremendous pressure from all the business sectors. With the offering of discounts and freebies are no longer just seasonal happenings but has become a matter of routine. All these have not only led into depletion of volumes but shrinking of margins.

Sometimes, car dealers has to face more restrictive policies/decision of the government like increase in cost of input material or higher rates of taxation/duty and that leads to erosion of profitability further.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and or providing protection against significant misuse or loss of Company assets. Recently your Company has engaged a leading Information Technology (IT) service provider to introduce Enterprise Resource Planning (ERP) package, which will enhance the internal control mechanism.

## **FINANCIAL PERFORMANCE COUPLED WITH OPERATIONAL PERFORMANCE**

Your Company's total sale is Rs. 564.98 Crores which comprises of Rs. 511.47 Crores from sale of vehicles and Rs. 53.51 Crores from servicing of vehicles during the year as compared to Rs 546.64 Crores in the year 2007-08. The Profit before Depreciation and Tax during the year under review is Rs. 10.02 Crores as compared to Rs. 9.50 Crores during the corresponding year 2007-08. During the year under review your company sold 15,112 Maruti vehicles as compared to previous year's sale of 15,292 Maruti vehicles. Your Company has sold appx. 2% of the total vehicles sold by Maruti Suzuki in domestic market. Maruti Suzuki has sold 7,92,167 vehicles during the year 2008-09.

## **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The long-term objective of all HR/IR is to create a culture of sustained business out performance accompanied by extreme care for all stakeholders, while sustaining and strengthening the core values of the Group.

## **ANNUAL REPORT & ACCOUNTS 2008-2009**

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Given the business imperatives in the current economic slowdown, the focus during the year was on aligning all HR levers to support the initiatives for cost control and conservation of cash, while creating the required capabilities in the workforce and ensuring organizational confidence and employee motivation that would enable the Company to face current challenges and seize future opportunities.

The industrial relations between the employees and company continue to be cordial and your Directors wish to place on record their appreciation for the contribution made by the employees at all levels. For the year ending on 31<sup>st</sup> March, 2009 there were 928 employees (excluding contractual employment) on the roll of the Company.

### **PRECAUTIONARY STATEMENT**

The statements in this Management Discussion & Analysis Report may be forward looking statements within the meaning of applicable laws and regulations. We believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied and the Management does not guarantee the accuracy of the assumptions & the projected performance of the Company in future.

**AUDITORS' REPORT**

To  
The Shareholders of

**COMPETENT AUTOMOBILES COMPANY LIMITED.**

We have audited the attached Balance sheet of **COMPETENT AUTOMOBILES COMPANY LIMITED** as at 31<sup>st</sup> March 2009 and the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.

1. Further to our comments in the Annexure referred to in paragraph above, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of the books;
  - c. The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of accounts.
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
2. In our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to the significant accounting policies & notes thereon, give the information required by the Companies Act 1956, in the manner so required and present a true and fair view:-
  - a. In the case of Balance Sheet of the state of affairs of the Company, as at 31<sup>st</sup> March, 2009;
  - b. In the case of Profit & Loss Account of the profit of the Company for the year ended on that date;
  - c. In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**



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

Place : New Delhi  
Date : 20.08.2009



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## **ANNEXURE TO AUDITOR'S REPORT**

**(Referred to in Paragraph-3 of our report of even date  
on the accounts for the year ended on 31<sup>st</sup> March, 2009  
of COMPETENT AUTOMOBILES COMPANY LIMITED)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.  
(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 nature of its fixed assets. We are informed that no material discrepancy has been noticed by the management on such verification.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material. Discrepancies noted on such verification have been properly dealt with in the books of account.
3. The Company has not granted/taken any loans secured or unsecured to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 except a loan amounting to Rs. 150.00 Lacs taken from one of the directors of the company Sh. Raj Chopra. The rate of interest and other terms and conditions of the loan taken are not prima facie prejudicial to the interest of the company. The principal amount outstanding as on 31<sup>st</sup> March 2009 under this account is Rs. 150.00 lacs.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions that need to be entered into the register maintained under section 301 have taken place during the year.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act 1956, and the rules framed there under.
7. In our opinion, the Company has an internal audit system, commensurate with its size and nature of the business.
8. Cost records under Section 209(1) (d) of the Companies Act, 1956 are not required to be maintained.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, ESIC contribution, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, cess, service tax and other statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, there are no dues of income tax, custom duty/wealth-tax, excise duty/cess, which have not been deposited on account of any dispute except disputed sales tax demand of Rs. 287.56 lacs in respect of financial year 1991-92. Against this, the Company has filed an appeal before Additional Commissioner of Sales Tax (Appeals) -I, New Delhi.
10. The Company does not have any accumulated losses at the end of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. 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 any financial institution during the year except vehicle and term loan.
12. The Company has not granted loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit fund/Nidhi/Mutual benefit fund/Societies are not applicable to the Company.
14. In our opinion the Company is not a dealer or trader in shares, securities, debentures or other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the Company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. The Company has availed cash credit facility from the bank, which is used for working capital requirement.
18. Based on our examination of records and the information provided to us by management, we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.

**For DINESH MEHTA & Co.**  
**Chartered Accountants**



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

Place : New Delhi  
Date : 20.08.2009

# ANNUAL REPORT & ACCOUNTS 2008-2009

## BALANCE SHEET AS ON 31ST MARCH 2009

			In Rs.
PARTICULARS	SCH. NO.	AS AT 31.03.2009	AS AT 31.03.2008
<b>I SOURCES OF FUNDS</b>			
<b>A. SHAREHOLDER'S FUNDS</b>			
SHARE CAPITAL	A	6,27,84,500	6,09,24,000
RESERVES AND SURPLUS	B	41,48,16,843	36,48,20,587
<b>B. LOAN FUNDS</b>			
SECURED LOANS	C	12,68,12,063	14,20,63,955
UNSECURED LOANS	D	1,50,00,000	4,00,00,000
<b>C. DEFERRED TAX LIABILITY (ASSET)</b>		(21,60,072)	(6,05,417)
<b>TOTAL</b>		<b>61,72,53,335</b>	<b>60,72,03,125</b>
<b>II APPLICATION OF FUNDS</b>			
<b>D. FIXED ASSETS</b>	E		
GROSS BLOCK		48,11,70,678	46,21,57,331
LESS: DEPRECIATION		18,71,34,067	16,47,00,518
NET BLOCK		29,40,36,611	29,74,56,813
CAPITAL WORK-IN-PROGRESS	F	4,27,59,784	3,20,42,372
		<b>33,67,96,395</b>	<b>32,94,99,185</b>
<b>E. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
i) INVENTORIES	G	27,81,80,809	34,27,51,958
ii) SUNDRY DEBTORS	H	14,36,93,283	18,75,60,426
iii) CASH AND BANK BALANCES	I	6,08,80,310	3,75,14,789
iv) OTHER CURRENT ASSETS	J	82,24,811	1,83,96,349
v) LOANS AND ADVANCES	K	18,83,21,385	19,40,91,224
		<b>67,93,00,598</b>	<b>78,03,14,746</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
i) CURRENT LIABILITIES	L	31,48,03,146	40,53,70,291
ii) PROVISIONS	M	8,40,40,513	9,72,40,515
		<b>39,88,43,659</b>	<b>50,26,10,806</b>
NET CURRENT ASSETS		<b>28,04,56,939</b>	<b>27,77,03,940</b>
<b>TOTAL</b>		<b>61,72,53,335</b>	<b>60,72,03,125</b>
<b>NOTES ON ACCOUNTS</b>	T		
<b>ABSTRACT OF BALANCE SHEET</b>	U		
<b>CASH FLOW STATEMENT</b>	V		

As per our report attached of even date

For and on behalf of Board of Directors

**For DINESH MEHTA & CO.**

Chartered Accountants

**(HIREN MEHTA)**

Partner

M.NO.90772

Place : New Delhi

Date : 20.08.2009

**RAJ CHOPRA**

Chairman & Mg. Director

**KAVITA AHUJA**

Whole Time Director

**PRAMOD P AGARWAL**

Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**
**In Rs.**

<b>PARTICULARS</b>	<b>SCH. NO.</b>	<b>Year Ended 31.03.2009</b>	<b>Year Ended 31.03.2008</b>
<b>I. INCOME</b>			
SALES & OPERATIONAL INCOME	N	5,64,98,43,280	5,45,30,69,505
OTHER INCOME	O	1,29,71,815	1,33,74,720
VARIATION IN STOCK	P	(6,45,71,149)	5,86,15,104
<b>TOTAL</b>		<b>5,59,82,43,946</b>	<b>5,52,50,59,329</b>
<b>II. EXPENDITURE</b>			
PURCHASES	Q	4,86,94,14,461	4,80,51,93,708
SERVICING & OTHER EXPENSES	R	60,08,78,168	59,24,37,428
INTEREST AND FINANCIAL CHARGES	S	2,77,43,509	3,24,03,019
DEPRECIATION	E	2,65,35,625	2,45,52,411
<b>TOTAL</b>		<b>5,52,45,71,764</b>	<b>5,45,45,86,566</b>
<b>PROFIT BEFORE TAX</b>		<b>7,36,72,183</b>	<b>7,04,72,763</b>
PROVISION FOR TAXATION		2,70,00,000	2,40,00,000
PROVISION FOR DEFERRED TAX		(15,54,655)	(10,70,463)
PROVISION FOR FRINGE BENEFIT TAX		19,00,000	18,00,000
<b>PROFIT AFTER TAX</b>		<b>4,63,26,838</b>	<b>4,57,43,226</b>
BALANCE BROUGHT FORWARD FROM LAST YEAR		12,42,77,392	9,87,24,681
AMOUNT AVAILABLE FOR APPROPRIATIONS		17,06,04,229	14,44,67,907
<b>III. APPROPRIATIONS</b>			
PROPOSED DIVIDEND		61,46,000	61,46,000
DIVIDEND TAX		10,44,513	10,44,515
TAX ADJUSTMENTS		5,13,068	-
GENERAL RESERVE		1,30,00,000	1,30,00,000
		2,07,03,581	2,01,90,515
SURPLUS CARRIED TO BALANCE SHEET		14,99,00,648	12,42,77,392
EARNING PER SHARE (in Rs.)		7.54	7.51
(Refer Sl. No. 15 of Part B of Schedule V)			

As per our report attached of even date

For and on behalf of Board of Directors

**For DINESH MEHTA & CO.**

Chartered Accountants

**(HIREN MEHTA)**

Partner

M.NO.90772

Place : New Delhi

Date : 20.08.2009

**RAJ CHOPRA**

Chairman &amp; Mg. Director

**KAVITA AHUJA**

Whole Time Director

**PRAMOD P AGARWAL**

Company Secretary

# ANNUAL REPORT & ACCOUNTS 2008-2009

## SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	In Rs.	
	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE - A : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH (PREVIOUS YEAR 1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH)	<u>10,00,00,000</u>	<u>10,00,00,000</u>
<b>ISSUED, SUBSCRIBED</b>		
64,09,500 EQUITY SHARES OF Rs. 10/- EACH (Previous year 64,09,500 Equity Shares) (OUT OF THE ABOVE 15,00,000 EQUITY SHARES ARE ALLOTTED AS FULLY PAID UP BONUS SHARES BY CAPITALISATION OF FREE RESERVES)	<u>6,40,95,000</u>	<u>6,40,95,000</u>
<b>PAID UP</b>		
61,46,000 EQUITY SHARES OF RS. 10/- EACH (Previous year 64,09,500 Equity Shares)	<u>6,14,60,000</u>	<u>6,40,95,000</u>
LESS: CALLS UNPAID	<u>—</u>	<u>31,71,000</u>
ADD : FORFEITED SHARES	<u>13,24,500</u>	<u>—</u>
(AMOUNT ORIGINALLY PAID UP ON 2,63,500 SHARES)	<u>6,27,84,500</u>	<u>6,09,24,000</u>
<b>SCHEDULE - B : RESERVE AND SURPLUS</b>		
GENERAL RESERVE BROUGHT FORWARD	<u>10,87,51,195</u>	
ADD: TRANSFER DURING THE YEAR	<u>1,30,00,000</u>	
	<u>12,17,51,195</u>	<u>10,87,51,195</u>
SHARE PREMIUM ACCOUNT	<u>14,31,65,000</u>	<u>13,17,92,000</u>
SURPLUS IN PROFIT & LOSS ACCOUNT	<u>14,99,00,648</u>	<u>12,42,77,392</u>
	<u>41,48,16,843</u>	<u>36,48,20,587</u>
<b>SCHEDULE - C : SECURED LOANS</b>		
<b>TERM LOANS:</b>		
FROM BANKS	<u>5,66,07,613</u>	<u>6,49,15,075</u>
FROM OTHERS (MARUTI SUZUKI INDIA LTD)	<u>32,41,796</u>	<u>49,62,481</u>
<b>CASH CREDIT:</b>		
FROM BANKS	<u>6,69,62,654</u>	<u>7,21,86,399</u>
	<u>12,68,12,063</u>	<u>14,20,63,955</u>
<b>SCHEDULE - D : UNSECURED LOANS</b>		
FROM DIRECTORS	<u>1,50,00,000</u>	<u>4,00,00,000</u>
	<u>1,50,00,000</u>	<u>4,00,00,000</u>

SCHEDULE - E : FIXED ASSETS

In Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2008	ADDITIONS	SALE/TRF.	AS ON 31.03.2009	UP TO 31.03.2008	FOR THE YEAR	ADJUST- MENT	UP TO 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
LAND	14,84,25,775	—	—	14,84,25,775	—	—	—	—	14,84,25,775	14,84,25,775
BUILDING	9,80,63,309	14,87,608	—	9,95,50,917	5,58,09,403	36,99,209	—	5,95,08,612	4,00,42,305	4,22,53,906
PLANT & MACHINERIES	7,04,02,745	93,09,589	—	7,97,12,334	3,70,61,069	62,95,848	—	4,33,56,917	3,63,55,417	3,33,41,676
ELECTRIC INSTALLATIONS	1,12,10,658	82,600	—	1,12,93,258	62,86,643	7,32,669	—	70,19,312	42,73,946	49,24,015
OFFICE EQUIPMENTS	4,81,30,949	26,94,404	—	5,08,25,353	2,67,83,643	34,71,083	—	3,02,54,726	2,05,70,627	2,13,47,306
FURNITURE & FIXTURE	2,91,94,193	37,61,620	—	3,29,55,813	1,74,32,462	26,24,059	—	2,00,56,521	1,28,99,292	1,17,61,731
VEHICLE	5,67,29,701	1,01,54,403	84,76,876	5,84,07,228	2,13,27,298	97,12,757	41,02,076	2,69,37,979	3,14,69,249	3,54,02,403
<b>TOTAL</b>	46,21,57,330	2,74,90,224	84,76,876	48,11,70,678	16,47,00,518	2,65,35,625	41,02,076	18,71,34,067	29,40,36,611	29,74,56,813
PREVIOUS YEAR	42,67,73,332	4,11,80,028	57,96,029	46,21,57,331	14,31,89,707	2,45,52,411	30,41,600	16,47,00,518	29,74,56,813	28,35,83,625

# ANNUAL REPORT & ACCOUNTS 2008-2009

PARTICULARS	In Rs.	
	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE - F : CAPITAL WORK-IN-PROGRESS</b>		
ADVANCE FOR CAPITAL GOODS	4,27,59,784	3,20,42,372
	<u>4,27,59,784</u>	<u>3,20,42,372</u>
<b>SCHEDULE - G : INVENTORIES</b>		
(AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)		
VEHICLES	21,01,99,211	26,35,12,685
SPARE PARTS, ACCESSORIES, OILS & LUBRICANTS	6,67,82,131	7,81,35,750
WORK-IN-PROGRESS	11,99,467	11,03,523
	<u>27,81,80,809</u>	<u>34,27,51,958</u>
<b>SCHEDULE - H : SUNDRY DEBTORS</b>		
(UNSECURED, CONSIDERED GOODS)		
DEBT OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	5,51,378	4,43,819
OTHER DEBTS	14,31,41,905	18,71,16,608
	<u>14,36,93,283</u>	<u>18,75,60,426</u>
<b>SCHEDULE - I : CASH &amp; BANK BALANCES</b>		
CASH IN HAND	93,00,008	1,30,47,452
BALANCES WITH SCHEDULED BANKS :		
IN CURRENT ACCOUNT	3,03,99,219	1,13,63,838
IN FIXED DEPOSIT ACCOUNT	1,38,94,194	87,60,495
CHEQUES IN HAND	72,86,889	43,43,004
	<u>6,08,80,310</u>	<u>3,75,14,789</u>
<b>SCHEDULE - J : OTHER CURRENT ASSETS</b>		
INCENTIVE & COMMISSION RECEIVABLE	46,77,531	1,53,45,638
INTEREST RECEIVABLE	35,47,280	30,50,711
	<u>82,24,811</u>	<u>1,83,96,349</u>
<b>SCHEDULE - K : LOANS AND ADVANCES</b>		
(UNSECURED, CONSIDERED GOODS)		
ADVANCE RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED	1,14,07,351	2,50,88,939
ADVANCE TAX & T.D.S.	8,00,02,750	9,56,68,981
ADVANCE & IMPREST TO STAFF	28,78,243	59,98,759
RECEIVABLE FROM MARUTI SUZUKI INDIA LTD	4,46,51,630	2,22,33,708
SECURITY DEPOSIT :		
WITH MARUTI SUZUKI INDIA LTD.	2,91,97,371	2,50,32,207
FOR SHOWROOM AND WORKSHOP	1,39,00,550	1,39,00,000
WITH OTHERS	62,83,490	61,68,630
	<u>18,83,21,385</u>	<u>19,40,91,224</u>

<b>PARTICULARS</b>	<b>In Rs.</b>	
	<b>AS AT 31.03.2009</b>	<b>AS AT 31.03.2008</b>
<b>SCHEDULE - L : CURRENT LIABILITIES</b>		
SUNDRY CREDITORS	1,68,45,066	1,10,42,503
OTHER CREDITORS	2,27,56,079	1,07,14,588
ADVANCE FROM CUSTOMERS	8,63,55,756	14,71,57,430
PAYABLE TO MARUTI SUZUKI INDIA LTD	11,88,23,952	17,95,29,271
EXPENSES PAYABLE	1,51,85,170	1,39,83,111
TAXES PAYABLE (VAT & SERVICE TAX)	4,94,15,823	3,97,17,867
T.D.S. PAYABLE	7,34,509	6,98,052
SECURITY DEPOSIT	26,05,350	5,62,367
UNCLAIMED & UNPAID EXPENSES	20,81,441	19,65,103
	<b>31,48,03,146</b>	<b>40,53,70,291</b>
<b>SCHEDULE - M : PROVISIONS</b>		
INCOME TAX	7,14,50,000	8,52,50,000
PROPOSED DIVIDEND	61,46,000	61,46,000
DIVIDEND TAX	10,44,513	10,44,515
FRINGE BENEFIT TAX	54,00,000	48,00,000
	<b>8,40,40,513</b>	<b>9,72,40,515</b>



# ANNUAL REPORT & ACCOUNTS 2008-2009

## SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	In Rs.	
	Year Ended 31.03.2009	Year Ended 31.03.2008
<b>SCHEDULE - N : SALES &amp; OPERATIONAL INCOME</b>		
VEHICLES	4,96,41,23,789	4,79,89,77,712
SPARE PARTS, TOOL KITS, JACK AND ACCESSORIES	33,28,83,299	30,58,90,334
NUMBER PLATES	19,35,605	22,16,620
STOCK SHORT & EXCESS	1,09,506	11,49,913
INTEREST & COMMISSION	11,28,09,925	9,01,57,392
SERVICE & LABOUR CHARGES	19,90,22,477	18,24,82,497
DELIVERY CHARGES	1,37,31,488	1,40,37,156
SOURCING FEES	2,52,27,191	5,81,57,881
	<b>5,64,98,43,280</b>	<b>5,45,30,69,505</b>
<b>SCHEDULE - O : OTHER INCOME</b>		
PROFIT ON SALES OF ASSETS	13,71,748	6,85,735
MISCELLANEOUS RECEIPTS	1,16,00,067	1,04,15,699
PROFIT ON SALES OF LAND	-	22,73,286
	<b>1,29,71,815</b>	<b>1,33,74,720</b>
<b>SCHEDULE - P : VARIATION IN STOCK</b>		
<b>CLOSING STOCK</b>		
VEHICLES	20,97,10,689	26,35,12,685
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	6,71,20,653	7,81,35,750
WORK-IN-PROGRESS	13,49,467	11,03,523
	<b>27,81,80,809</b>	<b>34,27,51,958</b>
<b>LESS : OPENING STOCK</b>		
VEHICLES	26,35,12,685	21,01,32,008
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	7,81,35,750	7,25,53,735
WORK-IN-PROGRESS	11,03,523	14,51,111
	<b>34,27,51,958</b>	<b>28,41,36,854</b>
	<b>(6,45,71,149)</b>	<b>5,86,15,104</b>
<b>SCHEDULE - Q : PURCHASES</b>		
VEHICLES	4,62,08,48,177	4,55,97,89,339
SPARE PARTS, TOOLS KITS, JACK & ACCESSORIES	25,57,03,591	25,33,29,070
NUMBER PLATES	5,73,749	5,49,497
STOCK ISSUED AGAINST WARRANTY	(77,11,056)	(84,74,198)
	<b>4,86,94,14,461</b>	<b>4,80,51,93,708</b>

<b>PARTICULARS</b>	<b>In Rs.</b>	
	<b>Year Ended 31.03.2009</b>	<b>Year Ended 31.03.2008</b>
<b>SCHEDULE - R : SERVICING &amp; OTHER EXPENSES</b>		
<b>SERVICE EXPENSES</b>		
CONSUMABLE STORES	2,64,36,885	2,77,85,198
JOB WORK AND LABOUR CHARGES	3,23,32,469	3,06,55,504
SECURITY SERVICE CHARGES	67,14,180	60,18,864
SERVICE CHARGES PAID	1,46,94,305	1,09,09,651
PETROL FOR NEW CARS	55,05,943	46,06,831
DELIVERY CHARGES	27,60,427	39,99,374
SHOWROOM/WORKSHOP MAINTENANCE	1,57,04,911	1,15,20,588
	<b>10,41,49,120</b>	<b>9,54,96,010</b>
<b>PAYMENT &amp; PROVISIONS FOR EMPLOYEES</b>		
SALARY, WAGES AND BONUS	8,31,19,980	7,20,56,358
DIRECTOR'S REMUNERATION	27,48,000	27,00,000
COMMISSION PAID TO DIRECTORS	73,600	3,60,000
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	1,17,50,462	1,13,73,025
WELFARE EXPENSES	1,10,41,419	90,08,674
	<b>10,87,33,461</b>	<b>9,54,98,057</b>
<b>ESTABLISHMENT EXPENSES</b>		
INSURANCE	16,15,864	24,51,047
REPAIR & MAINTENANCE	2,33,23,496	1,95,96,482
LEGAL & PROFESSIONAL CHARGES	43,28,341	49,71,080
RENT	3,06,93,845	2,98,07,472
RATES & TAXES	82,38,083	96,70,510
FACILITIES & SERVICE CHARGES	88,63,500	76,15,760
COMMUNICATION EXPENSES	93,92,787	93,33,025
CHARITY & DONATIONS	8,76,483	1,11,200
POWER & FUEL	1,27,52,926	1,27,00,322
PRINTING & STATIONARY	51,18,631	57,69,663
TRAVELLING & CONVEYANCE	83,24,773	65,86,624
AUDITOR'S REMUNERATION	12,50,000	6,75,000
OTHER EXPENSES	56,25,154	43,94,143
	<b>12,04,03,883</b>	<b>11,36,82,329</b>
<b>SALES &amp; DISTRIBUTION EXPENSES</b>		
ADVERTISEMENT & PUBLICITY	36,91,193	67,26,181
TRADE DISCOUNT	26,00,45,916	27,70,08,795
SALES PROMOTION	38,54,595	40,26,056
	<b>26,75,91,704</b>	<b>28,77,61,032</b>
	<b>60,08,78,168</b>	<b>59,24,37,428</b>
<b>SCHEDULE - S : INTEREST &amp; FINANCIAL CHARGES</b>		
INTEREST AND CHARGES TO BANK	87,05,525	96,87,038
INTEREST TO OTHERS	27,05,462	47,79,159
INTEREST ON DELAYED DELIVERY	1,79,670	1,02,764
INTEREST TO M.U.L.	1,61,52,852	1,78,34,058
	<b>2,77,43,509</b>	<b>3,24,03,019</b>

# ANNUAL REPORT & ACCOUNTS 2008-2009

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## SCHEDULE T

### ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2009.

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with the requirements of the Companies Act, 1956 and applicable statutes and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

##### 2. Fixed 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 on written down value method at the rates prescribed in the schedule XIV of the Companies Act, 1956 on pro rata basis.
- c) The vehicles purchased for the purpose of test drive are treated as an asset of the Company and depreciation charged accordingly.

##### 3. Inventories

Items of the inventories are valued on the basis given below:

- (i) Finished Goods: At cost or market value whichever is lower.
- (ii) Consumable stores, Oils, Lubricants & Accessories: At cost on FIFO basis.
- (iii) Spare parts: At cost on FIFO basis.
- (iv) Work -in- progress: At estimated cost or realizable value, whichever is lower. Cost being determined on the basis of spare parts consumed/issued on vehicles under going repairs /service at the closing of the financial year.

##### 4. Investments

Investments are stated at cost, if any.

##### 5. Segment Accounting

The accounting policies adopted for segment reporting are in accordance with the Accounting Standard 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 or allocable on a reasonable basis.

##### 6. Taxation Accounting

- a) Provision for income tax comprises of the current tax and deferred tax charge or release. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961. Deferred Tax is recognized subject to consideration of prudence, on timing differences, being difference between taxable and accounting Income / Expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.
- b) Fringe benefit tax is provided in accordance with the provision of Income Tax Act, 1961.

##### 7. Foreign Exchange Transactions

Transactions 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.

## 8. Retirement 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 revenue.

Leave encashment is provided on the basis of earned leave standing to the credit of the employees and the same is discharged by the Company by the end of the year and accounted for on actual payment basis.

## 9. Revenue Recognition

Income and expenditure are accounted for on accrual basis.

## 10. Impairment of Fixed Asset

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 Assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less cost to sell and value in use.

## 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 period in which they are incurred.

## 12. Earnings 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.

## B. NOTES TO ACCOUNTS

### 1 Contingent Liability

(Rs. In Lacs)

	2008-09	2007-08
(i) Bank Guarantee obtained from Banks	100.00	100.00
(ii) Disputed Sales Tax Demand (This demand pertains to F.Y. 1991-92, against which an appeal before Comm. Of Sales Tax (Appeals) – I has been filed and pending for disposal).	287.56	287.56
(iii) Letter of Credit obtained from Banks	1,600.00	1,600.00

- 2 a) The figures of term loans as reflected in Schedule -C are secured by Hypothecation of assets owned by the company.
- b) The Cash Credit Accounts as reflected in Schedule - C are secured by Hypothecation of inventories of the company and personal guarantees furnished by two Directors and collateral securities of premises owned by the Company situated at Mehrauli, Gazipur and Mandi (H.P.).

### 3 The C.I.F. Value of imports in respect of:

(Rs. In lacs)

	2008-09	2007-08
Stores & Spares	NIL	NIL

# ANNUAL REPORT & ACCOUNTS 2008-2009

## 4. a) Expenditure in Foreign Currency in respect of

Particulars	(Rs. In lacs)	
	2008-09	2007-08
Tours & Traveling	8.46	7.81

5. Some of the outstanding balances as at 31<sup>st</sup> March 2009 in respect of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.
6. In the opinion of the Board, all Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of the business.
7. During the current financial year, company has forfeited 2,63,500 no. of shares. Against forfeited shares Rs. 13,24,500/- already received by the company has been transferred to the "Share Forfeitures capital Account".
8. In the opinion of the Board:
- The Provision for all known liabilities and expenses has been made.
  - There are no contingent liabilities other than those stated in Note no. 1.

## 9. Auditor's Remuneration:

	(In Rs.)	
	2008-09	2007-08
(a) Audit Fees	7,50,000	3,50,000
(b) Tax Audit Fees	50,000	50,000
(c) Other Matters	4,50,000	2,75,000
	<b>12,50,000</b>	<b>6,75,000</b>

## 10. (a) Managerial Remuneration:

	(In Rs.)	
	2008-09	2007-08
(i) Salary	27,48,000	27,00,000
(ii) Commission on Net Profit	73,600	3,60,000
	<b>28,21,600</b>	<b>30,60,000</b>

- (b) Computation of Net Profit in accordance with Section 349 and calculation of commission under Section 198(1) of the Companies Act, 1956.

	(Rs.in lacs)	
	2008-09	2007-08
Net profit as per Profit & loss A/c	463.27	457.43
Add:		
i) Income Tax	273.45	247.28
ii) Director's Remuneration	28.22	30.60
	<b>764.94</b>	<b>735.31</b>
Less: Profit on sale of fixed asset	13.72	29.59
	<b>751.22</b>	<b>622.48</b>
Maximum remuneration payable including commission @ 11%	<b>82.63</b>	<b>77.63</b>

**11. Other payments to Directors**

	<b>(In Rs.)</b>	
	<b>2008-09</b>	<b>2007-08</b>
a) Facilities Charges	<b>88,63,500</b>	76,15,760
b) Interest	<b>19,74,821</b>	36,00,630
c) Rent	<b>1,42,20,000</b>	1,40,95,000
	<b>2,50,58,321</b>	2,53,11,390

12. The previous year's figures have been reworked, regrouped, rearranged and reclassified, where-ever deemed necessary, in order to make them comparable with the current year's figures.

13. Additional information pursuant to the provision of paragraph 3,4c and 4d of part II of schedule VI of the Companies Act, 1956 **(To the extent applicable to the company).**

**(Rs. in Lakhs)**

<b>PARTICULRS</b>	<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
	<b>Qty. in Nos.</b>	<b>Amount</b>	<b>Qty. in Nos.</b>	<b>Amount</b>
<b>Opening Stock</b>				
Vehicles	<b>841</b>	<b>2,635.13</b>	752	2,101.32
Spare parts, Accessories, Oil & Lubricants	<b>—</b>	<b>781.36</b>	—	725.54
	<b>841</b>	<b>3,416.49</b>	752	2,826.86
<b>Purchases</b>				
Vehicles	<b>14,476</b>	<b>46,208.48</b>	14,702	45,597.89
Spare parts, Accessories, Oil & Lubricants	<b>—</b>	<b>2,557.04</b>	—	2,533.29
	<b>14,476</b>	<b>48,765.52</b>	14,702	48,131.18
<b>Sales</b>				
Vehicles	<b>14,614</b>	<b>49,641.24</b>	14,613	47,989.78
Spare parts, Accessories, Oil & Lubricants	<b>—</b>	<b>3,228.83</b>	—	3,058.90
	<b>14,614</b>	<b>52,870.07</b>	14,613	51,048.68
<b>Closing Stock</b>				
Vehicles	<b>703</b>	<b>2,097.11</b>	841	2,635.13
Spare parts, Accessories, Oil & Lubricants	<b>—</b>	<b>671.20</b>	—	781.36
	<b>703</b>	<b>2,768.31</b>	841	3,416.49
<b>b) WORK - IN - PROGRESS</b>	<b>—</b>	<b>13.49</b>	—	11.03

Note: It is not possible to give quantitative details in the case of Spare parts, Accessories, Oil & Lubricants, because these are large in number and size and diverse in nature. (Notification No.781 (E), dt. 18/11/97 issued by the Deptt. Of Company Affairs F. NO. 1/11/96-CL-V)

**14. Proposed Dividend**

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.

15. (a) In accordance with the Accounting Standard -22 relating to 'Accounting for Taxes on Income' issued by The Institute of Chartered Accountants of India, the company has recorded the deferred tax assets of Rs.15,54,655/- for the year ended 31<sup>st</sup> March,2009. The same has been recognized in the books and financial statements accordingly.

## ANNUAL REPORT & ACCOUNTS 2008-2009

(b) Position of Deferred tax Asset (liability) is as under:

	Accumulated Deferred Tax Asset (Asset) As on 31.03.2009 (In Rs.)	As on 31.3.2008 (In Rs.)
Deferred tax Asset ( liability) on Account of difference in Rates and method of Depreciation.	21,60,072	6,05,417

### 16. Earning Per Share

Particulars	As on 31.03.2009	As on 31.03.2008 (In Rs.)
Net Profit attributable to Shareholders (Profit After Tax)	4,63,26,838	4,57,43,226
Equivalent Number of Fully paid up Equity shares	61,46,000	60,92,400
Basic Earning per share of Rs. 10/- each	7.54	7.51

**Note:** The Company does not have any outstanding Dilutive potential equity share. Consequently, the basic and diluted earning per share of the company remain the same

### 17. Information about Business Segments for the year ended 31<sup>st</sup> March 2009

Particulars	Year Ended 31 <sup>st</sup> March, 2009	Year Ended 31 <sup>st</sup> March, 2008 (Rs. In lacs)
<b>Segment Revenue</b>		
(a) Showroom	51,146.88	49,750.26
(b) Service & Spares	5,351.55	4,914.18
<b>Total</b>	<b>56,498.43</b>	<b>54,664.44</b>
<b>Segment Results</b>		
Profit(+)/Loss(-) before tax & Interest		
(a) Showroom	313.34	388.64
(b) Service & Spares	571.10	506.35
<b>Total</b>	<b>884.44</b>	<b>894.99</b>
Less : Interest and Financial Charges	277.44	324.02
Add : Unallocated Income	129.72	133.74
Total Profit before tax	736.72	704.71
Taxation expenses including deferred tax	273.45	247.28
<b>Profit after Tax</b>	<b>463.27</b>	<b>457.43</b>
<b>Total Capital Employed*</b>	<b>6,194.13</b>	<b>6,078.08</b>

- Capital Employed in the company business are common in nature and can not be attributed to a specific segment (ie. Showroom and Services & Spares). It is not practical to provide segmental distribution of the capital employed since segregation of available data could be erroneous.

**Notes to Segment-wise business performance:**

- 1) 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 Chartered Accountants of India.
- 2) 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.
- 3) The definitions of the business segmentation and the activities encompassed therein are as follows:
  - a) Showroom :- Purchase and Sales of new Maruti Suzuki India Ltd. Vehicles;
  - b) Services & Spares :- Servicing and spares parts sale of Maruti Suzuki India Ltd.

**18. Impairment of Assets**

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 the 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.

**19. Related Party Disclosure:**

- a) Enterprises over which directors of the company were able to exercise significant influence during the year: -
  - Competent Hotels Private Limited.
  - Competent Builders Private Limited.
  - Competent Leasing Private Limited.
  - Competent Construction Co.
  - Competent Film Enterprises
  - Competent Films Private Limited.
  - Competent Exporters
  - Competent Fabricators
  - Competent Uzprommashimpeks Trading Pvt. Ltd.
  - Competent International Resorts & Hotels Ltd.
- b) **Key Management Personnel :-**

Mr. Raj Chopra	:	Chairman & Managing Director
Mrs. Kavita Ahuja	:	Whole time Director
Mr. K.K. Mehta	:	Whole time Director
Mrs. Geeta Chopra	:	Director (Till 30.05.2008)
Ms. Priya Chopra	:	Director (Till 30.05.2008)
- c) **For related parties transactions - please refer note no. 10.**

As per our report attached of even date

**For DINESH MEHTA & CO.**

Chartered Accountants

**(HIREN MEHTA)**

Partner

M.NO.90772

Place : New Delhi

Date : 20.08.2009

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

**RAJ CHOPRA**

Chairman & Mg. Director

**KAVITA AHUJA**

Whole Time Director

**PRAMOD P AGARWAL**

Company Secretary



# ANNUAL REPORT & ACCOUNTS 2008-2009

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Information pursuant to part (IV) of the Companies Act, 1956

## SCHEDULE - U : BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In Rs.'000)

### REGISTRATION DETAILS

Registration No.	20668
State Code	55
Balance Sheet Date	31-03-2009

### CAPITAL RAISED DURING THE YEAR

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

### POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	6,17,253
Total Assets	6,17,253

### Sources of Funds

Paid-up Capital	62,784
Reserves and Surplus	4,14,816
Secured Loans	1,26,812
Unsecured Loans	15,000
Deferred Tax Liability (Asset)	(2,160)

### Applications of Funds

Net Fixed Assets	3,36,796
Investments	-
Net Current Assets	2,80,456
Miscellaneous Expenditure	-

### PERFORMANCE OF THE COMPANY

Total Income	55,98,243
Total Expenditure	55,24,571
Profit Before Tax	73,672
Profit After Tax	46,327
Basic Earning per share (Rs.)	7.54
Dividend Rate (%)	10%

### GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

#### (As per monetary terms)

Item Code No.	-
Product Description	Trading and Servicing of Vehicles

# **COMPETENT AUTOMOBILES CO. LTD.**

## **SCHEDULE - V CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (Rs. In Lacs)**

	Year Ended 31.03.2009	Year Ended 31.03.2008
<b>A. CASH FLOW FROM OPREATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	736.72	704.73
Adjustments for :		
Depreciatiaon	265.36	245.52
Foreign Exchange Fluctuation	-	-
Investments (Loss)	-	-
Interest paid	277.44	324.03
Misc. Expenditure written off	-	-
Profit On sale of Fixed Assets	(13.72)	(29.59)
<b>Operating Profit before Working Capital changes</b>	<b>1,265.80</b>	<b>1,244.69</b>
Adjustments for		
Trade and other receivables	441.42	187.87
Inventories	645.71	(586.15)
Trade Payables	(905.67)	553.72
Cash Generated from operations	1,447.26	1,400.13
Interest Paid	(277.44)	(324.03)
Direct Taxes paid	(269.47)	(257.87)
<b>Cash flow Before extraordinary items</b>	<b>900.35</b>	<b>818.23</b>
Extroinary Items	-	-
<b>Net Cash from operating activities</b>	<b>900.35</b>	<b>818.23</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(382.08)	(533.21)
Sale of fixed assets	57.47	57.13
Acquisition of companies	-	-
Sale of investments	-	-
Purchase of investments	-	-
Interest received	-	-
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>(324.61)</b>	<b>(476.07)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from unpaid call money	132.34	0.11
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(402.52)	(190.98)
Misc. Expenditure	-	-
Dividends paid	(71.91)	(71.27)
<b>Net cash used in financing activities</b>	<b>(342.09)</b>	<b>(262.14)</b>
Net increase in cash and cash equivalents	233.65	80.01
Cash and Cash equivalents as at 31.03.2008	375.16	295.15
Cash and Cash equivalents as at 31.03.2009	608.80	375.16

**Note: All figures in brackets are outflows**

Place : New Delhi  
Dated : 20.08.2009

**Pramod P. Agarwal**  
Company Secretary

**Raj Chopra**  
Chairman & Mg. Director

**Kavita Ahuja**  
Whole Time Director

### AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of COMPETENT AUTOMOBILES CO. LTD. for the year ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Stock Exchange and is based on and in accordance with corresponding Profit & Loss Account and Balance Sheet of the Company.

As per our report attached of even date  
For **DINESH MEHTA & CO.**  
Chartered Accountants

Place : New Delhi  
Date : 20.08.2009

**(HIREN MEHTA)**  
PARTNER  
M.No. 90772

### COMPETENT AUTOMOBILES CO. LTD.

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

#### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at  
Plot No 3, Gazipur, Delhi-110096

NAME OF MEMBER	
----------------	--

FOLIO NUMBER		NO. OF SHARES	
DP ID No.		CLIENT ID No.	

I/We hereby record my/our presence at the **24<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Wednesday the 30<sup>th</sup> day of September 2009 at 10.00 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof.

NAME OF THE PROXY		SIGN. OF MEMBER/PROXY	
-------------------	--	-----------------------	--

### COMPETENT AUTOMOBILES CO. LTD.

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

#### PROXY FORM

DPID		CLIENT ID	
------	--	-----------	--

FOLIO NUMBER		NO. OF SHARES	
--------------	--	---------------	--

I/We .....R/o .....  
being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt.....  
R/o.....failing him, Sh./Smt. ....  
R/o ..... as my/our Proxy to attend and vote for me/us in the event of Poll on  
my/our behalf at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 30<sup>th</sup> day of  
September 2009 at 10.00 a.m. at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof.

Signature.....

#### NOTE :

- ♦ The Proxies must reach the Registered Office of the Company at least 48 hours before the time fixed for holding the aforesaid meeting.
- ♦ Proxy need not be a member.
- ♦ Proxy cannot speak at the meeting or vote on show of hands.

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*If undelivered, please return to :*



**COMPETENT AUTOMOBILES CO. LTD.**

**"Competent House"**

F-14, Connaught Place

New Delhi - 110001