



## Board of Directors

Mr. Raj Chopra  
Mrs. Kavita Ahuja  
Mr. K. K. Mehta  
Mr. R. C. Murada  
Mr. Rohit Gogia  
Mr. Raman Sehgal

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

## Company Secretary

Mr. Ravi Arora

## Auditors

Ambani & Associates LLP  
New Delhi

## Regd. Office

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

## Bankers

HDFC Bank Ltd.  
State Bank of India  
Bank of Baroda

## Showrooms

- Competent House, F-14, Connaught Place, New Delhi - 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi -110024
- Plot No. 63-70, Mohit Nagar, Dwarka Road, Dwarka, New Delhi (NEXA)
- K 28A, Rajapuri, Dwarka, New Delhi - 110059
- Plot No. 3, Gazipur, Delhi - 110096
- 29, Shivaji Marg, New Delhi - 110015
- Khasra No. 11/5/1, Opp. Furniture Market, Phirni Road, South - West Distt., Najafgarh, New Delhi - 110043
- A-9/3, Wazirpur Industrial Area, New Delhi - 110052 (NEXA)
- 18/19, Hind Pocket Book, G. T. Road, Shahdara - 110032 (NEXA)
- Khasra No. 33-14,17, CN-35, Main Bawana Road, Sameypur, North East Delhi-110042 (TRUE VALUE)
- Kharsa no. 117/1/5, Village Tikri, Near Subhash Chowk, Sohna Road, Gurugram - 122001
- Vasant Aptt. Complex, Old Delhi Gurgaon Road, Sector - 12, Gurugram -122001
- Khasra No.- 17/21/1/1 & 22/1/1/1, Opp. Fortune Hotel, Main Sohna Road, Village Tikri, Gurugram - 122018 (NEXA)
- Plot no. 1202, MIE Part-B, Main Delhi Rohtak Road, Bahadurgarh, Distt. Jhajjar
- Plot no. 1, MIE Part-B, Main Delhi Rohtak Road, Bahadurgarh, Distt. Jhajjar (NEXA)
- Plot no. 5, Near Government Ploytechnic College, Jhajjar Bahadurgarh Road, Jhajjar
- Khasra No. 152/1153/1911/154/1913/155, 156/1, Moja Gutkar /208, Tehsil Balh, District, Mandi, Himachal Pradesh (NEXA)
- Shimla Road, (NH 74) Khasra No. 492,493,494 Vill Chatter P.O Bhira Teh & Distt. Hamirpur, Himachal Pradesh (NEXA)
- NH 21, Chandigarh Manali Highway, P. O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post - Didwin, Hamirpur, Himachal Pradesh
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Vill Kothi, P. O. - Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh
- Vill. Dhelu P.O Dohag Tehsil & Distt. Joginder Nagar, Himachal Pradesh
- Khasra no.1229, Ajnoli Una, Vill Ajnoli, P.O. Kotla Kalan Teh. & Distt. Una, Himachal Pradesh (Commercial)
- NH 21, Chandigarh Manali Highway, P. O. Gutkar, Distt. Mandi, Himachal Pradesh (Commercial)

## Workshops

- Plot No. 3, Gazipur, Delhi - 110096
- B-83, Maya Puri Industrial Area, Phase - I, New Delhi - 110064
- 650/1A, 14, Shivaji Marg, New Delhi - 110015
- Khasra No. 30-14-2, Plot No.1 Village Matiala, West Delhi- 110059
- A-25, Sector-33/34, Infocity, Gurugram - 122001
- Plot no. 1202, MIE Part-B, Main Delhi Rohtak Road, Bahadurgarh, Distt. Jhajjar
- Plot no. 5, Near Government Ploytechnic College, Jhajjar Bahadurgarh Road, Jhajjar
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, Himachal Pradesh
- Village Tikkar, Post - Didwin, Hamirpur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh
- Opp. S.S.B. Training Centre, Shamshi, Kullu, Himachal Pradesh
- Near Green Tax Barrier, Tehsil Manali, Distt. Kullu, Himachal Pradesh
- Near UCO Bank, Jawalaji Road, Tehsil Nadaun, Distt. Hamirpur, Himachal Pradesh
- Village Dohaga, P.O. Dhalu, Tehsil - Joginder Nagar, Distt. Mandi, Himachal Pradesh
- Vill Kothi, P. O. - Chandpur, Tehsil Sadar, Distt.-Bilaspur, Himachal Pradesh

## Share Transfer Agent

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

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the members of Competent Automobiles Co. Limited will be held on Monday, the 21st day of September, 2020 at 11:00 A.M. through Video Conferencing/Other Audio Visual Means (VC/OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2020 together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Kanwal Krishan Mehta (DIN: 00036902), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESSES

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

**"RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee and the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder and read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the re-appointment of Mrs. Kavita Ahuja as the Whole-Time Director of the Company for a period of 5 years w.e.f. November 01, 2020, on following terms and conditions:

- 1) Subject to superintendence, control and direction of the Board, she shall have general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts, on behalf of the Company, in ordinary course of the Company and to do and perform all other acts, deeds and things, which are in ordinary course of business.

#### 2) Remuneration:

##### a) Salary

Basic Salary: Rs. 1,00,000/- p.m.

##### b) Commission

Commission as may be decided by the Board of Directors based on the net profits of the company in each financial year, subject to the overall limits laid down in Section 197 read with Schedule V of the Companies Act, 2013.

##### c) Perquisites

- a. Housing: The expenditure on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary over and above 10% payable to him in case of Metropolitan cities, otherwise 50% of the salary over and above 10% payable to her
- b. The expenditure on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962, subject however to the ceiling of 10% of the salary.
- c. Medical Reimbursement: Expenses incurred for self and family to meet medical/hospitalization expenses in India or abroad including expenditure on stay abroad for undergoing the treatment.
- d. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- e. Club Fees for clubs subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- f. Company's contribution towards pension / superannuation funds as and when introduced as per rules of the Company for the time being in force.

- g. Company's contribution towards P.F. as per rules of the Company for the time being in force.
- h. Gratuity not exceeding ½ month salary for each completed year of service.
- i. Free use of Company's car with driver for business of the Company.
- j. Free use of mobile/telephone at residence
- k. Earned/Privilege Leave: One month leave with full pay and allowance for every 11 Months of service with encashment benefits.
- l. His office will be liable to be determine to retire by rotation.

**FURTHER RESOLVED THAT** the Board of Directors shall have right to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force.”

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

“**RESOLVED THAT** in pursuance with the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014 any other applicable provisions, including any statutory modification(s) or re-enactment(s) thereto for time being in force, consent of the members be and is hereby accorded to appoint of Mr. Ashish Ahuja, who is relative of Mr. Raj Chopra, Chairman & Managing Director and Mrs. Kavita Ahuja, Whole-Time Director, to hold office or place of profit in the Company as Commission Agent, on contractual basis for the period of Three years effective from September 23, 2020 on following terms & conditions:

1.	Appointment Period	Three years starting from September 23, 2020
2.	Consideration	Commission shall be payable on each pre-owned car sold through him. Company will keep a profit margin of minimum of Rs. 3,000/- (Rupees Three Thousand only) and maximum of Rs. 4,000/- (Rupees Four Thousand only) and rest will be paid as sourcing fee for the various services availed.
3.	Material Terms & Conditions	Appointment as Agent shall be only for sale & purchase of pre-owned car business of the company in Himachal Pradesh Region.
4.	Termination	As per MOU/agreement
5.	Other Terms & Conditions	As per MOU/agreement

“**RESOLVED FURTHER THAT** any of Directors of the Company and/or the Company Secretary & Compliance Officer of the Company be and are hereby authorized severally to execute and perform such acts, deeds, matters and things as may be necessary to give such directions as may be desirable that may arise in giving effect to this resolution.”

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

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

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

**Place: New Delhi**  
**Date: 24.08.2020**

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## **Explanatory statement pursuant to section 102 of the Companies Act, 2013**

### **Item no. 4**

Mrs. Kavita Ahuja, aged 48 years, is working as Whole-Time Director the Company and having over 30 years of industry experience in the field of automobiles dealership. She has excellent grasp and thorough knowledge and experience of general management, finance and day to day operations of the Company's affairs. The Board of Directors is of the considered opinion that, for smooth and efficient running of the business, the services of Mrs. Kavita Ahuja should be available to the Company for a further period of Five years. In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on July 30, 2020, has recommended her for re-appointment as Whole-Time Director of the Company for a further period of Five years with effect from November 01, 2020 on the current remuneration of Rs. 1,00,000/- (Rupees One Lac only) per month plus various other perquisite as enumerated in resolution no. 4. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Details of the remuneration payable to and terms of appointment of Mrs. Kavita Ahuja, is given in the resolution no. 4.

Save and except Mrs. Kavita Ahuja, being appointee, Mr. Raj Chopra and Mr. K. K. Mehta, Chairman & Managing Director & Whole-Time Directors, respectively, of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 4 of the Notice.

### **Item no. 5**

The provisions of section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

The business model and technical know-how for the sale and purchase of pre-owned cars is very dynamic and it is very difficult to sense the customers taste for the pre-owned cars. The Company required unique expertise and knowledge for the field of sale and purchase of Pre-owned cars. Mr. Ashish Ahuja is one of the renowned businessman having vast experience, knowledge and expertise in sale and purchase of used cars. Therefore, the Board is of the opinion that appointment of Mr. Ashish Ahuja for the company's pre-owned car business should be made and the board recommends his appointment to hold office or place of profit as commission agent.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Audit Committee has already accorded their consent for such appointment, being related party transaction. The Board of Directors of the Company had approved the appointment of Mr. Ashish Ahuja as Commission Agent, subject to approval of the Shareholders by way of Ordinary Resolution.

The details of the consideration payable to Mr. Ashish Ahuja, is given in the resolution no. 05. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolution for your approval.

Save and except Mrs. Kavita Ahuja, Whole Time Director, Mr. Raj Chopra, Chairman & Managing Director and Mr. K. K. Mehta, Whole-Time Director, of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 05 of the Notice.

**NOTES:**

- 1. IN ACCORDANCE WITH THE GENERAL CIRCULAR NO. 20/2020 DATED MAY 5, 2020, READ WITH THE CIRCULARS DATED APRIL 8, 2020 AND APRIL 13, 2020 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS (MCA) AND IN ACCORDANCE WITH THE CIRCULAR DATED MAY 12, 2020 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA PROVIDING RELAXATIONS TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS, COLLECTIVELY “APPLICABLE CIRCULARS”) AGM WILL BE CONDUCTED THROUGH VC/OAVM. THE PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH AND ACCORDINGLY, A MEMBER IS NOT ENTITLED TO APPOINT A PROXY.**
2. Members who have not updated their latest email addresses in the records with the Company/Transfer Agents and their Depository Participants are requested to update the same at the earliest.
3. The explanatory statement pursuant to Section 102 of Companies Act, 2013 ('Act'), in regard to the business as set out at item nos. 4 & 5 and the relevant details pursuant to the Listing Regulations is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 15, 2020 to Monday, September 21, 2020 (both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting as to those Members whose names appear in the Register of Members of the Company as on the book closure dates.
6. As you may be aware that in terms of the provisions of the Income Tax Act, 1961 (“the Act”) as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.

For resident members: Tax will be deducted at source (“TDS”) under Section 194 of the Act (read with Press Release dated May 13th, 2020) @ 7.5% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000/-.

Tax at source will not be deducted where a member provides Form 15G (applicable to Individual in case of dividend) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met.

Needless to mention, the Permanent Account Number (PAN) will be mandatorily required. If PAN is not submitted, Tax at source will be deducted @ 20% as per Section 206AA of the Act.

In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

- Insurance companies: A declaration that they are beneficial owners of shares held.
- Mutual Funds: A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
- Alternative Investment Fund (AIF) established in India: A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- New Pension System Trust : A declaration that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
- Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.



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For non-resident members: Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:

- i. Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;
- ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;
- iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- iv. Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- v. Self-declaration of beneficial ownership by the non-resident member.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non- resident member.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than 5 PM, Monday, the 14th September, 2020.

To summarize, dividend will be paid after deducting the tax at source as under:

- NIL for resident members receiving dividend upto Rs. 5,000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN is submitted.
- 7.5% for resident members in case PAN is provided / available.
- 20% for resident members, if PAN is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.

Kindly note that the aforementioned documents should be emailed to [cs@competent-maruti.com](mailto:cs@competent-maruti.com) and cc marked to [compliances@skylinerta.com](mailto:compliances@skylinerta.com)

No communication on the tax determination / deduction shall be entertained after 14th September, 2020.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details /documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your incometax return. No claim shall lie against the Company for such tax deducted.

We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the demat form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first member, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with RTA. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear the members' name, please attach a copy of the bank pass-book statement duly self-attested. We also request you to register your email IDs and mobile numbers with the RTA.

7. Register of contracts or arrangements in which directors are interested will be produced at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.
8. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.
9. As per Section 72 of the Act, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form SH-14 for cancellation/ variation as the case may be to the RTA.
10. In accordance with the Applicable Circulars, electronic copies of the Annual Report and this Notice, inter-alia, indicating the process and manner of e-voting along with instructions to attend the AGM through VC/OAVM are being sent by email to those Members whose email addresses have been made available to the Company/Depository Participants.
11. Notice and the Annual Report are available on the website of the Company [www.competent-maruti.com](http://www.competent-maruti.com). Members desiring any information relating to the annual accounts or any document pertaining to explanatory statement are requested to send an email to the Company at [cs@competent-maruti.com](mailto:cs@competent-maruti.com), at least ten (10) days before the AGM.
12. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum.
13. Details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report.
14. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
15. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
16. The members holding shares in physical form are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents i.e. **M/s. Skyline Financial Services Pvt. Limited, D-153/A, 1st Floor Okhla Industrial Area Phase -I, New Delhi-110020**.
17. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
  - i. Name of the Sole / First joint holder and the Folio Number.
  - ii. Particulars of Bank Account, viz.:
    - Account type, whether Savings (SB) or Current Account (CA)
    - Account number allotted by the Bank.
    - Name of the Bank
    - Name of Branch
    - Complete address of the bank with Pin Code Number
18. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their depositories to the Company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such changes, with complete details of Bank Account.

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### 19. Electronic Clearing Service (ECS) Facility

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

Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, the same can be downloaded from Company's website (i.e. [www.competent-maruti.com](http://www.competent-maruti.com)).

20. Pursuant to provisions of Section 124 of Companies Act, 2013, all unpaid or unclaimed dividends upto the year ended 31st March, 2012 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
21. Pursuant to the provisions of Section 124 of Companies Act, 2013, dividend for the financial year ended March 31, 2013 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

Financial Year	Type of dividend	Date of Declaration of Dividend	Date at which amount becoming due for credit to IEPF
2012-13	Final Dividend	29-07-2013	06-09-2020
2013-14	Final Dividend	30-07-2014	07-09-2021
2014-15	Final Dividend	31-07-2015	08-09-2022
2015-16	Final Dividend	31-08-2016	08-10-2023
2016-17	Final Dividend	29-08-2017	06-10-2024
2017-18	Final Dividend	31-08-2018	08-10-2025
2018-19	Final Dividend	04-09-2019	12-10-2026

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

22. Non-Resident Indian Shareholders are requested to inform M/s Skyline Financial Services Pvt. Limited immediately:

- The change in the residential status on return to India for permanent settlement.
- The particulars of the Bank Account maintained in India with complete name, branch, account type, account number, and address of the Bank, if not furnished earlier.

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details with the Company.

24. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

### 25. Voting Through Electronic Means

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.



2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.competent-maruti.com](http://www.competent-maruti.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on September 17, 2020 at 9:00 A.M. and ends on September 20, 2020 at 5:30 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to fcs.ppa@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliances@skylinerta.com with cc marked to cs@competent-maruti.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliances@skylinerta.com with cc marked to cs@competent-maruti.com

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

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4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
7. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

**Ravi Arora  
Company Secretary**

**Place: New Delhi  
Date: 24.08.2020**

## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting this 35th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2020.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2020 is summarised below:

(Rs. in Lacs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Gross Income	119731.91	124423.81
<b>Profit before Dep. &amp; Tax</b>	<b>6362.60</b>	<b>3311.95</b>
Less : Depreciation	2102.86	864.00
Less: Provision for Taxation including deferred tax	379.52	866.95
<b>Profit after tax</b>	<b>3880.22</b>	<b>1581.00</b>
Add: Surplus from Previous year	15883.07	14541.04
Add: Other Comprehensive Income	-	85.00
<b>Amount available for appropriation (A)</b>	<b>19763.28</b>	<b>16207.04</b>
<b>General Reserve (B)</b>	<b>3517.51</b>	3267.51
<b>Securities Premium Account (C)</b>	<b>1431.65</b>	<b>1431.65</b>
<b>Sub-Total (A+B+C)</b>	<b>24712.45</b>	<b>20906.20</b>
<b>Less Appropriations</b>		
Transfer to General Reserves	250.00	250.00
Dividend & tax thereon paid during the year	74.10	73.97
Closing Balance	24388.35	20582.23

### PERFORMANCE

Your Company has reported Total Income from Operations of Rs. 1,16,524.33 Lacs in the Current Financial Year against Total Income from Operations of Rs. 1,23,997.27 Lacs in the Previous Financial Year.

The Company's profit before tax is Rs. 4259.74 Lacs as compared to profit before tax of Rs. 2,447.95 Lacs of previous year. The current year's profit includes a profit of Rs. 2927.70 Lacs on account of sale of land situated at Mehrauli.

During the year 2019-20, your company sold 23,399 Maruti Vehicles (Including 224 Vehicles sold through Direct Billing) as compared with 25,698 (Including 325 Vehicles sold through Direct Billing) Maruti Vehicles, sold during the previous year.

### DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Rs. 1.00 per Equity Share of Rs. 10/- each for the year ended 31st March, 2020, which, if approved, by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.



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## TRANSFER TO RESERVES

An amount of Rs. 2.50 Crores has been transferred to the reserves.

## DIRECTORS AND KEY MANAGERIAL PERSONS

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

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

Mrs. Kavita Ahuja, Whole-Time Director terms expires on October 31, 2020, seeks to be re-appointed for another term of Five years in the ensuing Annual General Meeting.

The Nomination and Remuneration Committee has approved and recommended all of above re-appointments.

The Board recommends the above appointment and reappointments of Directors in the ensuing Annual General Meeting. Brief resume of the Directors seeking appointment and re-appointment is given in Corporate Governance Report Annexed to this Report.

During the year, Mr. S.L. Tondon has Resigned as Independent Director w.e.f. 04.09.2019 and the company has appointed Mr. Raman Sehgal w.e.f. 04.09.2019 as Independent Director.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors. Based upon the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

## CODE OF CONDUCT

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed the Compliance with the Code of Conduct applicable to the Directors and employees of the Company.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with provisions of the Companies Act, 2013 and the Listing Regulations in the preparation of the annual accounts for the year ended on March 31, 2020 and state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year ended on that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and

detecting frauds and other irregularities.

- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors has devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to good Corporate Governance practices. Pursuant to the Listing Regulations Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are enclosed as **Annexure A & B** and form an integral part of this report.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A report on Management Discussion and Analysis, as required under the Listing Regulations, is enclosed as **Annexure C** and forms an integral part of this report.

### **AUDIT COMMITTEE**

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

During the year, the CSR has been implemented by the Company. The Company has made contribution to HR Education & Charitable Foundaiton. The total contribution made to the implementing agency is Rs. 47,00,000/- (Rupees Forty Seven Lakhs only). Annual Report on CSR is enclosed herewith as **Annexure E**.

### **VIGIL MECHANISM**

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

### **NOMINATION AND REMUNERATION COMMITTEE**

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

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

### **MEETINGS OF THE BOARD**

Eleven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

### **PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES AND SECURITIES**

The Company has not given any loan nor made any investment to other body corporates or given any guarantees or provided any security in connection with a loan to any other body corporate or person during the year under review.

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## INVESTOR EDUCATION AND PROTECTION FUND

In compliance with provisions of Section 124 of Companies Act, 2013, the Company has transferred Rs. 84,333/- to IEPF, being unpaid and unclaimed dividend for the FY 2011-12.

## LISTING FEE OF SHARES

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2020-21 has been paid in advance by the Company.

## AUDITORS

As per section 139 of the Companies Act, 2013 read with Rules made thereunder, the Statutory Auditors of the Company, M/s Ambani & Associates LLP (FRN 016923N), Chartered Accountants, New Delhi, has been appointed for the five years period and subject to the ratification by the members in every Annual Meeting.

Consequent to Commencement of the Companies (Amendment) Act, 2017, it is not necessary to place ratification of Auditors to the members of the Company; therefore, the Auditors are appointment for the period of 5 yrs. without the ratification by the members.

## AUDITORS' REPORT

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

## SECRETARIAL AUDITOR

The Board has appointed M/s P. P. Agarwal & Co., Practicing Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure G** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Your Company does not own any manufacturing facility, it is therefore the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2013 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were Nil and Rs. 9.96 Lacs respectively as compared to Rs. Nil and Rs. 12.11 lacs in the previous year respectively.

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

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is available at Company's website [www.competent-maruti.com](http://www.competent-maruti.com) and is also enclosed herewith as **Annexure I**.

## DEPOSITS

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

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

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

### **INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT**

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

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

### **DETAILS OF SUBSIDIARIES AND THEIR PERFORMANCE**

The company has no subsidiary, associate or joint venture company as defined under Companies Act, 2013.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website: [www.competent-maruti.com](http://www.competent-maruti.com)

Your Directors draw attention of the members to Note no. 41 a, b & c to the financial statement which sets out related party disclosures.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Internal Compliant Committee in line with requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. the Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

- No. of complaints received : 0
- No. of complaints disposed : 0

### **ACKNOWLEDGEMENT**

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

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

**Place: New Delhi  
Date: 24.08.2020**

**Raj Chopra  
Chairman & Managing Director  
DIN – 00036705**

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'Annexure A'

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

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

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

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

The Board of Directors comprise of an optimum combination of Executive and Non-executive Independent Directors headed by the Chairman & Managing Director. The composition of the Board of Directors of the Company is in compliance of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations). The independent directors do not have any pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgment of the directors in any manner.

The composition and structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31st March, 2020 is as under:

Name of the Director	Category	Designation	Inter-se relationship among directors	No. of other Directorships Held**	Total No. of Chairmanships / Memberships of Board Committees***		
					Chairmanship	Membership	Total
Mr. Raj Chopra	Promoter Director	Chairman & Managing Director	Father of Mrs. Kavita Ahuja	12	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	4	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. R. C. Murada	Independent Director	Director	*	Nil	2	Nil	2
Mr. Rohit Gogia	Independent Director	Director	*	2	Nil	2	2
Mr. Raman Sehgal#	Independent Director	Director	*	Nil	Nil	1	1

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

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

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

# Appointed as Director w.e.f. 04.09.2019



### BOARD MEMBERSHIP CRITERIA

The Company inducts the individuals from the diverse fields as Directors on its Board. The Nomination and Remuneration Committee works with entire Board to determine the appropriate characteristics, skills and expertise required for the Board as a whole and for individual members. Members are expected to possess the required qualification, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company and ability to contribute to the Company's growth. Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013, and the Listing Regulations and are independent of the Management.

### BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the company's board is in compliance with the highest standards of Corporate Governance.

The following are the key qualification, skills and attributes which are taken in consideration while nominating candidates to serve on the Board

1. Financial
2. Gender, ethnic, national or other diversity
3. Leadership
4. Board Service and Governance
5. Sales and Marketing

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of mark against a member's name does not necessarily mean that the member does not possess the corresponding skill or qualification.

Director(s)	Area of Expertise				
	Financial	Diversity	Leadership	Board Service & Governance	Sales & Marketing
<b>Mr. Raj Chopra</b> Chairman & Managing Director	✓	✓	✓	✓	✓
<b>Mrs. Kavita Ahuja</b> Whole-Time Director	✓	✓	✓	✓	✓
<b>Mr. K. K. Mehta</b> Whole-Time Director	✓	✓	✓	✓	✓
<b>Mr. R C Murada</b> Independent Director	✓	✓	✓	✓	✓
<b>Mr. Rohit Gogia</b> Independent Director	✓	✓	✓	✓	✓
<b>Mr. Raman Sehgal</b> Independent Director	✓	✓	✓	✓	✓

### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pramod Prasad Agarwal of P. P. Agarwal & Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/Ministry of Corporate Affairs or any

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such statutory authority. The Certificate is enclosed as **Annexure J**.

## **B. BOARD MEETINGS:**

### **1. Schedule of Board Meetings**

Months for holding the board meetings, to consider and approve Financial Results in the ensuing year are decided in advance and most board meetings are held at the Company's Registered Office at 'Competent House', F-14, Connaught Place, New Delhi.

### **2. Number of Board Meetings**

The Company's Board met eleven (11) times – on 29th April, 2019; 30th May, 2019; 04th July, 2019; 31st July, 2019; 13th August, 2019; 28th August, 2019; 15th October, 2019; 14th November, 2019; 3rd December, 2019; 30th January, 2020; and 14th February, 2020 during the financial year ended 31st March, 2020. The maximum time gap between any two meetings was not more than 120 days.

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

Name of the Director	Number of Board Meetings held during his/her tenure and attended by him/her		Attendance at last AGM held on September 04, 2019
	Held	Attended	
Mr. Raj Chopra	11	11	Yes
Mrs. Kavita Ahuja	11	11	Yes
Mr. K. K. Mehta	11	11	No
Mr. Raman Sehgal*	5	5	No
Mr. R. C. Murada	11	11	Yes
Mr. Rohit Gogia	11	11	No

\*Mr. Raman Sehgal appointed on 04.09.2019

**4.** The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarization programme can be excess at the Company's website [www.competent-maruti.com](http://www.competent-maruti.com)

## **C. BOARD LEVEL COMMITTEES**

### **1. AUDIT COMMITTEE**

#### **• Terms of reference**

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

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

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

- **Composition and names of members**

The Audit Committee, as on 31st March, 2020, consists of the following three directors and each member of the Committee possesses a strong financial and accounting background:

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

- **Meetings and attendance during the year**

The Audit Committee met Four (4) times during the financial year from 1st April, 2019 to 31st March, 2020 on the following dates:

1	30th May, 2019	4	14th November, 2019
2	13th August, 2019	5	14th February, 2020

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

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

Mr. R. C. Murada, Chairman of the Audit Committee attended the last Annual General Meeting of the Company to answer the shareholders' queries.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

- **Terms of reference**

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

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

- **Composition and names of members**

The Stakeholders' Relationship Committee (i.e. SRC) as on 31st March, 2020 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mr. Raman Sehgal and Mr. Rohit Gogia

- **Meetings and attendance during the year**

The Stakeholders' Relationship Committee met four (4) times during the financial year from 1st April, 2019 to 31st March, 2020 on the following dates:

1	30th May, 2019	3	14th November, 2019
2	13th August, 2019	4	14th February, 2020

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

Names of the SRC members	Number of SRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. Raman Sehgal*	2	2

\* Mr. Raman Sehgal was appointed as member of the committee on 15.10.2019

### • Compliance Officer

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

### Shareholders' Complaints etc. received during the FY 2018-19

During the year from 1st April, 2019 to 31st March, 2020, the Company has 0 complaint from Investors / Shareholders of the Company.

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

### 3. NOMINATION AND REMUNERATION COMMITTEE

#### • Terms of reference

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

#### • Composition and names of members

The Nomination and Remuneration Committee (i.e. NRC) as on 31st March, 2020 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada  
Members : Mr. Raman Sehgal and Mr. Rohit Gogia

#### • Meetings and attendance during the year

The Nomination and Remuneration Committee met Four (4) times during the financial year from 1st April, 2019 to 31st March, 2020 on the following dates:

1	30th May, 2019	3	14th November, 2019
2	13th August, 2019	4	14th February, 2020

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

Names of the NRC members	Number of NRC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. Raman Sehgal*	2	2

\* Mr. Raman Sehgal was appointed as member of the committee on 15.10.2019

### Remuneration Policy

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

### The Details of Remuneration paid to Directors for the year ended 31st March, 2020

(In Rs.)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	32,00,000	30,00,000	62,00,000
Mrs. Kavita Ahuja	12,00,000	12,00,000	24,00,000
Mr. K. K. Mehta	12,00,000	5,00,000	17,00,000

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### • Terms of reference

The Committee oversees corporate social responsibility and other related matters as may be referred by the Board of Directors. This Committee discharges the role as enumerated under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

### • Composition and names of members

The Corporate Social Responsibility Committee (i.e. CSR) as on 31st March, 2020 is headed by an Independent director, and consists of the following three directors:

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

### • Meetings and attendance during the year

The Corporate Social Responsibility Committee met Four (4) times during the financial year from 1st April, 2019 to 31st March, 2020 on the following dates:

1	30th May, 2019	3	14th November, 2019
2	13th August, 2019	4	14th February, 2020

The attendance record of the Corporate Social Responsibility Committee members is as follows:

Names of the CSR members	Number of CSR meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Rohit Gogia	4	4
Mr. Kavita Ahuja	4	4

## D. GENERAL BODY MEETINGS:

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

Financial Year ended	Date	Venue	Time
March 31, 2019	04.09.2019	Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030	10:00 a.m.



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March 31, 2018	31.08.2018	Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030	10:00 a.m.
March 31, 2017	29.08.2017	Bliss Hall, Country Inn & Suites, Plot No. 579, Main Chattarpur Road, Satbari, New Delhi – 110030	10:00 a.m.

1. Five (5) special resolutions were passed by the shareholders at the 34th Annual General Meeting on September 04, 2019.
2. Re-Appointment of Mr. Kavita Ahuja as Whole-Time Director is being proposed to be passed by ordinary resolution at the forthcoming Annual General Meeting.
3. Mr. Ashish Ahuja is proposed to be appointed to hold office or place of profit by ordinary resolutions in forthcoming Annual General Meeting.

### E. DISCLOSURES:

1. **Related Party Transactions:** For related party transactions please refer to note no. 41 a, b & c in the notes to financial statement forming part of the annual accounts.
2. The Company has complied with the requirements of stock exchange or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. The Company has in place Whistle Blower-cum-Vigil Mechanism Policy which is also available on the Company's website [www.competent-maruti.com](http://www.competent-maruti.com). No personnel has been denied access to the Audit Committee to lodge their grievances.
4. **MD/CEO & CFO CERTIFICATION:** The Chairman and Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2020.
5. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The code of conduct is displayed on the website of the Company.

To

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

### Annual Declaration of compliance of Code of Conduct by MD

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board members and senior management personnel has been duly complied by all Board members and senior management personnel of the Company for the year ended 31st March, 2020.

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

**6. Compliance with Mandatory requirements of Listing Regulations**

The Company has complied with all the applicable mandatory requirements of the listing Regulations.

**7. Compliance with Non-Mandatory requirements of Regulation 27 of the Listing Regulation**

The Company has not adopted any of the non-mandatory requirements of Regulation 27 of the listing Regulations.

**8.** The necessary certificate from Mr. Raj Chopra, Chairman and Managing Director and Mr. Vijay Kumar Sharma, Chief Financial Officer of the Company, pursuant to Listing Regulations, was placed before the Board.

**9. Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.

**10. Disclosure regarding appointment or re-appointment of directors:**

- a) Mrs. Kavita Ahuja, Whole – Time Director of the Company whose term expires on October 31, 2020, shall be re-appointed for another term of Five years
- b) Mr. K. K. Mehta, Whole-Time Director, shall retire by rotation and being eligible offer himself for re-appointment at the forthcoming Annual General Meeting

Brief resume of all the proposed appointee is enclosed with this Report.

**11. Compliance Certificate from Statutory Auditors:**

Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in Part C of Schedule V of Listing Regulations, is annexed to this report.

**12. Shareholding of Directors:** As on 31st March, 2020, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

**i. Executive Directors:**

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

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

<b>Name of the Director</b>	<b>Number of Shares Held</b>
Mr. Raman Seghal	1,01,100
Mr. R. C. Murada	Nil
Mr. Rohit Gogia	64,900

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

**F MEANS OF COMMUNICATION**

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

**G. INFORMATION TO SHAREHOLDERS**

**1. REGISTERED OFFICE**

**Competent House,**  
F-14, Connaught Place, New Delhi – 110001  
Phone: +91 11 45700000

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## 2. ANNUAL GENERAL MEETING

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

## 3. FINANCIAL CALENDER

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

Particulars	Month (Tentative and subject to change)
Un-audited Financial results for the 1st quarter ended June 30, 2020	September, 2020
Un-audited Financial results for the 2nd quarter and half year ending September 30, 2020	November, 2020
Un-audited Financial results for the 3rd quarter ending December 31, 2020	February, 2021
Audited Financial results for the last quarter and whole year ending March 31, 2021	May, 2021

## 4. WEBSITE

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

## 5. DIVIDEND PAYMENT DATE

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

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2020, if approved at the forthcoming Annual General Meeting, will be paid within the specified time period.

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

Year	Dividend (%)
2018-19	10
2017-18	10
2016-17	10

## 6. LISTING ON STOCK EXCHANGE

As on 31st March, 2020, the Company's shares are listed on BSE Limited and Scrip Code is 531041.

## 7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

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

## 8. ANNUAL LISTING FEE

Annual Listing Fee for the financial year 2020-21 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

## 9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

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

**Distribution of the shareholdings according to type of shareholder**

Particulars	31st March, 2020	
	No. of Shares	% (Holding)
<b>Promoter and Promoter Group</b>		
Individuals	46,04,305	74.92
<b>Total (A)</b>	<b>46,04,305</b>	<b>74.92</b>
<b>Public Shareholding</b>		
Bodies Corporate	1,62,906	2.65
NBFC	1,79,520	2.92
Individuals	10,87,751	17.70
Others (NRIs/HUF/Clearing Member / House etc.)	1,11,518	1.81
<b>Total (B)</b>	<b>15,41,695</b>	<b>25.08</b>
<b>Grand Total (C=A+B)</b>	<b>61,46,000</b>	<b>100.00</b>

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

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
Up To 5,000	2200	90.35	2330940	3.79
5001 To 10,000	119	4.89	988730	1.61
10001 To 20,000	38	1.56	568500	0.92
20001 To 30,000	25	1.03	633430	1.03
30001 To 40,000	13	0.53	462670	0.75
40001 To 50,000	8	0.33	374420	0.61
50001 To 1,00,000	12	0.49	867360	1.41
1,00,000 and Above	20	0.82	55233950	89.87
<b>Total</b>	<b>2435</b>	<b>100</b>	<b>61460000</b>	<b>100</b>

**10. MARKET PRICE DATA**

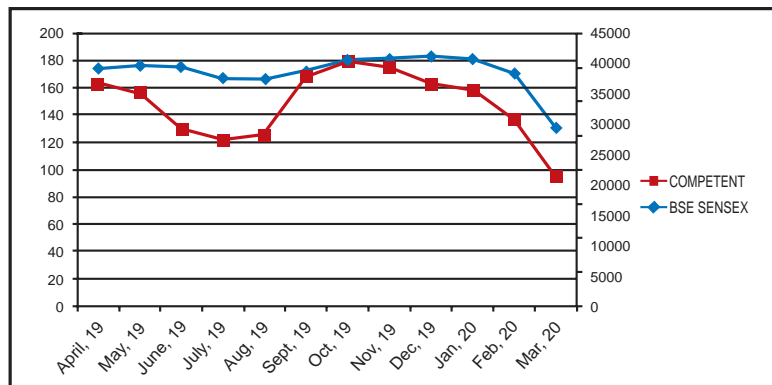
Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2019-20 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-19	189.00	163.05
May-19	185.00	157.20
Jun-19	169.90	129.40
Jul-19	139.75	122.00
Aug-19	137.80	125.00
Sep-19	181.00	169.05
Oct-19	198.05	180.00
Nov-19	194.00	174.80
Dec-19	178.95	162.65
Jan-20	166.90	158.40
Feb-20	171.00	136.90
Mar-20	149.85	95.00

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## 11. SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX

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



## 12. DEMAT

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

As on 31st March, 2020, 97.55% (i.e. 59,95,841 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

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

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

Skyline Financial Services Private Limited  
Unit: M/s Competent Automobiles Co. Limited  
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020  
Ph: +91 11 40450193 to 97  
Contact Person: Mr. Virender Rana  
Email: admin@skylinerta.com

## 14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31st March, 2020.

## 15. PLANT LOCATIONS

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

## 16. ADDRESS FOR CORRESPONDENCE:

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

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

OR

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

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

<b>Name of the Director</b>	Mr. K. K. Mehta	Mrs. Kavita Ahuja
<b>Date of Birth</b>	08/09/1947	22/01/1972
<b>Qualification</b>	B.Sc.	B.A.
<b>Expertise in Specific functional area</b>	Mr. K. K. Mehta is an expert in day to day operations of automobiles industry.	Mrs. Kavita Ahuja have a rich experience in automobile industry with specialization in auto finance and day to day operations.
<b>Date of Appointment</b>	15/03/1999	01/04/1991
<b>Name of the other Companies in which he holds Directorship</b>	Nil	- Raj Chopra & Company Pvt. Limited - Competent International Resorts & Hotels Limited - Competent Wellness Ventures Private Limited - Competent Car Care Pvt. Ltd.
<b>Name of the Committees* of the Companies of which he holds Membership / Chairmanship</b>	Nil	a) Audit Committee - member b) Corporate Social Responsibility Committee -member
<b>Shareholding in the Company</b>	Nil	61.48%

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



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'Annexure B'

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of regulations of Corporate Governance by Competent Automobiles Co. Limited for the year ended March 31, 2020, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. 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 Ambani & Associates LLP,  
Firm Registration No.- 016923N  
Chartered Accountants**

Place: New Delhi  
Date: 30.07.2020

**Hitesh Ambani  
Partner  
Membership No. - 506267**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERALL VIEW**

The auto sector had already undergone considerable slowdown over the last 12-18 months due to structural changes beginning with the Goods and Services Tax, shift to Shared Mobility, Axle-load reforms, the Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) transition, Liquidity Crunch and so on. The COVID-19 lockdown has had a multiplier effect – the industry has almost been at a complete standstill. A prolonged truncation of consumer demand due to the lockdown is seen significantly affecting auto manufacturers revenues and cash flows. As per estimates at SIAM, Auto industry has lost Rs 2,300 crore in production turnover for every day of closure.

The Auto Industry is engaged in a dialogue with the Government of India on policy measures which could minimize the impact of COVID on the Indian Economy and especially the Indian Automobile Industry. There would be challenges on the supply side ; demand side and also on the issue of availability of Finance which would all need to be addressed to bring back growth in the Sector.

Industry insiders say that following a complete countrywide lockdown and, owing to the ongoing coronavirus pandemic and the industry's migration to stiffer BS-VI emission standards would take sales to a new low. The passenger vehicle segment could be touching 2013 fiscal levels, however, we expect FY 2020-21 to bring positive sentiments back into the market and rev up overall vehicles sales.

### **INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT**

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

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

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

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

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

### **Developments**

The Indian auto industry is set to witness major changes in form of Electric Vehicles, shared mobility, Bharat Emission-VI emission and safety norms. The Government of India has shown an increased interest towards electric vehicles and has set for an ambitious target of all electric cars by 2030. There is an increasing buzz for e-mobility and all the companies in the sector are preparing themselves for the future.

Historically, the Indian Passenger Car Market has been skewed towards small passenger cars. However, there is a struc-

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tural change taking place in the industry with demand for UVs taking over the passenger car. This shift is paving a way towards new avenues of the growth and will result in a more profitable growth for the sector.

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

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

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

### OPPORTUNITIES AND THREATS

#### Opportunities

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

#### Threats

Demand is linked to economic growth and rise in income levels. Further, it is inversely related to the interest and fuel prices as 85% of the total are bought on credit.

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

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

Moreover, in the automobile dealer industry, vehicles cannot be kept in the store for long unlike consumer durables, as automobiles lose value with time. The model gets old and the customer would not be willing to pay for it. The damage due to handling, if they are in the showroom or warehouse for too long, is another factor.

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

### OUTLOOK

India is expected to emerge as the Third Largest passenger Vehicle market by 2021, however Auto industry body, Society of Indian Automobile Manufacturers (SIAM), has projected single digit growth in FY 2020. The World Economic Forum ranks India 30th on Global Manufacturing Index together with Government of India's initiative "Make in India" has

played an important role in elevating country's position. Companies in Automotive sector are embracing this opportunity to leverage India as a hub for low-cost, high quality products. After creating a strong value proposition in mini cars, India is gaining global recognition in the compact Sedan and SUV category.

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

### **RISKS AND CONCERNS**

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

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

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

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

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

### **SEGMENT WISE BUSINESS PERFORMANCE**

Competent Automobiles Co. Ltd. is mainly in the business of trading and servicing of Maruti Suzuki vehicles. The Company operates in two segments, namely, Showroom and Services & Spares. The Showroom segment deals with purchase and sales of vehicles manufactured by Maruti Suzuki India Limited. The Service and Spares segment includes servicing of Maruti vehicles and sale of their spare parts. For Segment wise business performance of the Company, please refer to note no. 40 in the notes to financial statement forming part of the annual accounts.

### **OPERATIONAL & FINANCIAL PERFORMANCE**

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

### **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2020, there were 1829 employees on the payroll of the Company.

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

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

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

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### CAUTIONARY STATEMENT

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

### KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendments) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Ratios	2019-20	2018-19	Remarks
Debtors Turnover Ratio	32.00	24.80	With COVID-19 pandemic and sudden lockdown, no new sale happen during Navratri, however, the company has already stock-up the inventory for sale. Also, Debtors were less due to less sale.
Inventory Turnover Ratio	9.06	13.72	
Interest Coverage Ratio	4.55	3.42	This is due to the effect of IND-AS 116, financial cost is increased. The said accounting Standard was effective from 01.04.2019
Current Ratio	1.41	1.80	No significant change
Debt Equity Ratio	1.82	1.63	No significant change
Operating Ratio	2.00	2.79	With COVID-19 pandemic and sudden lockdown, no new sale happen during Navratri, however, the company has already stock-up the inventory for sale. Therefore Operating Ratio has deceased.
Net Profit Ratio	1.00	1.27	No significant change
Return on Net Worth	29.00	11.53 %	During the year, the company has sold its land at Mehrauli. Profit on such sale of Rs. 2927.70 Lacs has been added in Reserve & Surplus.

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **PHILOSOPHY:**

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

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

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

### **Purpose:**

#### **The key purpose of this policy is to:**

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

### **CSR committee:**

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

The role/responsibilities of the CSR Committee include:

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

### **CSR Committee Members:**

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

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

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



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

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

### **CSR Budget:**

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

### **Treatment of Surpluses:**

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

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

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

The Company is committed to social development and empowerment. The company views CSR as a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices.

During the period under review, the company had made contribution to HR Education & Charitable Foundation, for promoting education including special education among children, women, elderly and differently abled people.

The CSR policy available at web link: <http://www.competent-maruti.com/investors area/CSR-Policy. pdf>

**2. Composition of CSR committee:**

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

3. Average net profit (Rs. in Lakhs) of the company for last three financial years:Rs.2335.11 Lakhs.  
 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)(Rs in Lakhs): Rs. 46.70 Lakhs  
 5. Details of CSR spend for the financial year

- a) Total amount spent for the financial year : Rs. 47,00,000/-  
 b) Amount unspent if any : Nil  
 c) Manner in which the amount spent during the financial year is detailed below:

S. No.	Projects/Activities	Sector	Locations	Amount outlay (Budget) project or program wise*	Amount spend on the projects or programs sub-heads*: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spend Direct or through implementing agency
1	promoting education including special education among children, women, elderly and differently abled people	Cl(i) &(ii)	Haryana			Rs. 47,00,000/-	HR Education & Charitable Foundation#

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

# implementing agencies

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

**RESPONSIBILITY STATEMENT**

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

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

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

**Ramesh Chander Murada**  
**Chairman of the CSR Committee**

## NOMINATION AND REMUNERATION POLICY

### Introduction:

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

### Objectives of the Committee:

The Committee shall:

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

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

### Definitions:

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

the financial year in which he is proposed to be appointed, of —

- a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- iii. holds together with his relatives two per cent or more of the total voting power of the company; or
- iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- v. is a material supplier, service provider or customer or a lessor or lessee of the company;
- vi. who is not less than 21 years of age.

• **“Key Managerial Personnel”:- Key Managerial Personnel (KMP) means-**

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

• **“Senior Management”:-** The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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

**Applicability:-**

The Policy is applicable to

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

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

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

**General Appointment Criteria:**

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

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

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of listing regulation and Companies Act, 2013.

## **Term / Tenure:**

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

## **Removal:**

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

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

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

### 1. Executive Directors:

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

### 2. Non - Executive Director / Independent Director:

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

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

**Policy on Board diversity:**

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

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

**Remuneration:**

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

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

**1. Director/ Managing Director**

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

**2. Non-executive Independent Directors**

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

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

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

**4. Directors and Officers' Insurance**

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



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'Annexure G'

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

### **Competent Automobiles Company Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Securities and Exchange Board of India Act, 1992;
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following applicable regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- (vii) As confirmed and certified by the management, there is no law specifically applicable to the Company on their sector/ businesses in which it operates.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- ii. The Equity Listing Agreement read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with the BSE Ltd.

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

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in due compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous in all cases and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period none of the following events has taken place:

1. Public/ Right/ Preferential issue of shares/ Debentures/ Sweat Equity etc.
2. Redemption/ Buy-back of securities
3. Major decisions taken by the members in pursuance to section 180 of the Act.
4. Merger/ Amalgamation / Reconstruction etc.
5. Foreign Technical collaborations.

Due to sudden promulgation of nationwide complete lockdown on 21st March, 2020 due to spread of pandemic COVID-19 mostly the verification of records was done by exchange of records online for the above audit.

For **P. P. Agarwal & Co.**  
Company Secretaries  
U. C. No. S2012DE174200

Pramod P. Agarwal  
FCS No. 4955; CoP No.: 10566  
UDIN: F004955B000588111

Place: New Delhi  
Date: 18.08.2020

*This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.*

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**Annexure -A**

To,

The Members,  
**Competent Automobiles Company Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P. P. Agarwal & Co.**  
Company Secretaries  
U. C. No. S2012DE174200

Place: New Delhi  
Date: 18.08.2020

Pramod P. Agarwal  
FCS No. 4955; CoP No.: 10566  
UDIN: F004955B000588111

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

- (i) **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:**

<b>S. No.</b>	<b>Name of Director/ KMP and Designation</b>	<b>Remuneration of Director/KMP for financial year 2019-20 (Amt. in INR)</b>	<b>% increase in Remuneration in the Financial Year 2019-20</b>	<b>Ratio of remuneration of each Director/ to median remuneration of employees</b>
1	Mr. Raj Chopra Chairman & Managing Director	62,00,000 (includes commission of INR 30,00,000/-)	133.33	30.65
2	Mrs. Kavita Ahuja Whole-Time Director	24,00,000	100.00	11.86
3	Mr. K. K. Mehta Whole-Time Director	17,00,000 (includes commission of INR 5,00,000/-)	NIL	8.90
5	Mr. Vijay Kumar Sharma CFO	23,65,000	NIL	Not Applicable
6	Mr. Ravi Arora Company Secretary	13,51,000	NIL	Not Applicable

- ii) The median remuneration of employees of the Company during the financial year was Rs. 2,02,296/-
- iii) In the financial year, there was an increase of 5.85 % in the median remuneration of employees;
- iv) There were 1829 permanent employees on the rolls of Company as on March 31, 2020;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was NIL % (approx.) whereas the increase in the managerial remuneration for the same financial year was 33.77
- vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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'Annexure I'

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

as on the financial year ended on March 31, 2020

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L34102DL1985PLC020668
- ii) Registration Date: April 11, 1985
- iii) Name of the Company: Competent Automobiles Company Limited
- iv) Category / Sub-Category of the Company: Indian Non – Government Company
- v) Address of the Registered office and contact details: Competent House, F-14, Connaught Place, New Delhi – 110001. Phone: +91 11 45700000
- vi) Whether listed company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
Skyline Financial Services Private Limited  
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110020  
Ph: +91 11 40450193 to 97

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of Vehicles	501	91.37

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

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

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

#### i) Category-wise Share Holding

A) Category-wise Share Holding		Shares Held at the End of the Year 31/03/2020				Shares Held at the End of the Year 31/03/2019				% Change During The Year
S. No.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	<b>Promoters</b>									
1	<b>Indian</b>									
a)	Individual Huf	4604305	0	4604305	74.92	4604305	0	4604305	74.92	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Government	0	0	0	0	0	0	0	0	0
d)	Bodies Corporate	0	0	0	0	0	0	0	0	0
e)	Banks/FI	0	0	0	0	0	0	0	0	0

f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>4604305</b>	<b>0</b>	<b>4604305</b>	<b>74.92</b>	<b>4604305</b>	<b>0</b>	<b>4604305</b>	<b>74.92</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
a)	NRI Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks /FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	<b>Total Shareholding of Promoters [A] = (A1) + (A2)</b>	<b>4604305</b>	<b>0</b>	<b>4604305</b>	<b>74.92</b>	<b>4604305</b>	<b>0</b>	<b>4604305</b>	<b>74.92</b>	<b>0</b>
<b>1</b>	<b>Institutions</b>									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks/FI	0	0	0	0	0	0	0	0	0
c)	Central Government	0	0	0	0	0	0	0	0	0
d)	State Government	0	0	0	0	0	0	0	0	0
e)	Venture Capital Fund	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i)	Any Other	0	0	0	0	0	0	0	0	0
j)	Any Other Foreign	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corporate</b>									
1)	Indian	144906	18000	162906	2.65	64724	103300	168024	2.73	0.08
2)	Overseas	0	0	0	0	0	0	0	0	0
<b>b)</b>	<b>Individuals</b>									
1)	Individual shares holders having nominal share capital upto Rs. 2,00,000	503932	66859	570791	9.29	550070	115513	665583	10.83	1.54
2)	Individual Shareholders Holding Nominal Share Capital Above Rs. 2 Lac	452060	64900	516960	8.41	363207	64900	428107	6.97	1.44
<b>c)</b>	<b>Others</b>									
a)	HUF	22693	0	22693	0.37	73599	0	73599	1.2	0.83



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b)	Non Resident Indian	22392	400	22792	0.37	13387	1400	14787	0.24	0.13
c)	Foreign National	0	0	0	0	0	0	0	0	0
d)	Clearing Members	277	0	277	0	12075	0	12075	0.2	0.02
e)	Trust	0	0	0	0	0	0	0	0	0
e)	Foreing Bodies-DR	0	0	0	0	0	0	0	0	0
f)	NBFC Registered With RBI	179520	0	179520	2.92	179520	0	179520	2.92	0
G	IEPF	65756	0	65756	1.07	60854	0	60854	0.99	0.08
	<b>Sub-Total (B)(2)</b>	<b>1391536</b>	<b>150159</b>	<b>1541695</b>	<b>25.08</b>	<b>1256582</b>	<b>285113</b>	<b>1541695</b>	<b>25.08</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B1)+(B2)</b>	<b>1391536</b>	<b>150159</b>	<b>1541695</b>	<b>25.08</b>	<b>1256582</b>	<b>285113</b>	<b>1541695</b>	<b>25.08</b>	<b>0</b>
C)	<b>Shares Held By Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total</b>	<b>5995841</b>	<b>150159</b>	<b>6146000</b>		<b>5860887</b>	<b>285113</b>	<b>6146000</b>	<b>100</b>	<b>0</b>

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Kavita Ahuja	3778680	61.48	NIL	3778680	61.48	NIL	NIL
2	Priya Chopra	825625	13.43	NIL	825625	13.43	NIL	NIL
	Total	4604305	74.92	NIL	4604305	74.92	NIL	NIL

\* There was no change in the shareholding.

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year 01/04/2019 to 31/03/2020	
		No. of shares at the beginning (01/04/2019) / end of year (31/03/2020)	% of total shares of the company				No. of shares	% of total shares of the company
----	-----	-----	-----	No Change	-----	-----	-----	-----

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

Sr. No	Name of Shareholder	Shareholding As on 31/03/2019		Transaction Date	Increase / Decrease	Reason	Cummulative Shareholding Holding as on 31/03/2020	% of Total Shares of the Company
		No of Shares Held	% To the Total Shares					
1	COMPETENT LEASING PVT LTD	80300	1.31					
						Balance	80300	

2	GUJARAT LEASE FINANCING LIMITED	179520	2.92					
						Balance	179520	
3	RAKESH KUMAR JAIN	69200	1.13	05/04/2019	399	Purchase	69599	1.13
				31/05/2019	66	Purchase	69665	1.13
				07/06/2019	549	Purchase	70214	1.14
				05/07/2019	84	Purchase	70298	1.14
				31/08/2019	-60000	Sale	10298	0.17
				06/09/2019	60000	Purchase	70298	1.14
				27/09/2019	-298	Sale	70000	1.14
						Balance	70000	
4	ROHIT GOGIA	64900	1.06					
						Balance	64900	
5	RAMAN SEHGAL	101100	1.64					
						Balance	101100	
6	ANAND MISHRILAL JAJU	24000	0.39					
						Balance	24000	
7	MIRA GOLECHHA	19067	0.31	05/04/2019	191	Purchase	19258	0.31
				24/05/2019	644	Purchase	19902	0.32
				14/06/2019	1	Purchase	19903	0.32
				21/06/2019	58	Purchase	19961	0.32
				28/06/2019	-32	Sale	19929	0.32
				26/07/2019	335	Purchase	20264	0.33
				09/08/2019	100	Purchase	20364	0.33
				23/08/2019	333	Purchase	20697	0.34
				28/08/2019	548	Purchase	21245	0.35
				30/08/2019	298	Purchase	21543	0.35
				13/09/2019	316	Purchase	21859	0.36
				27/09/2019	3468	Purchase	25327	0.41
				30/09/2019	133	Purchase	25460	0.41
				18/10/2019	373	Purchase	25833	0.42
				25/10/2019	896	Purchase	26729	0.43
				01/11/2019	105	Purchase	26834	0.44
				08/11/2019	579	Purchase	27413	0.45
				15/11/2019	100	Purchase	27513	0.45
				22/11/2019	279	Purchase	27792	0.45
				20/12/2019	10	Purchase	27802	0.45
				10/01/2020	10	Purchase	27812	0.45
				31/01/2020	85	Purchase	27897	0.45
				13/03/2020	27	Purchase	27924	0.45
						Balance	27924	
8	MOHAN LALL GOLECHHA	37993	0.62	24/05/2019	310	Purchase	38303	0.62
				31/05/2019	261	Purchase	38564	0.63

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				07/06/2019	-96	Sale	38468	0.63
				14/06/2019	264	Purchase	38732	0.63
				21/06/2019	139	Purchase	38871	0.63
				09/08/2019	826	Purchase	39697	0.65
				23/08/2019	3420	Purchase	43117	0.70
				28/08/2019	1232	Purchase	44349	0.72
				06/09/2019	1119	Purchase	45468	0.74
				13/09/2019	-258	Sale	45210	0.74
				20/09/2019	5	Purchase	45215	0.74
				27/09/2019	4323	Purchase	49538	0.81
				30/09/2019	1378	Purchase	50916	0.83
				04/10/2019	3210	Purchase	54126	0.88
				11/10/2019	-207	Sale	53919	0.88
				18/10/2019	450	Purchase	54369	0.88
				15/11/2019	1379	Purchase	55748	0.91
				22/11/2019	1303	Purchase	57051	0.93
				29/11/2019	220	Purchase	57271	0.93
				06/12/2019	-219	Sale	57052	0.93
				13/12/2019	25	Purchase	57077	0.93
				20/12/2019	227	Purchase	57304	0.93
				31/12/2019	324	Purchase	57628	0.94
				03/01/2020	151	Purchase	57779	0.94
				10/01/2020	-16	Sale	57763	0.94
				07/02/2020	-190	Sale	57573	0.94
				14/02/2020	-328	Sale	57245	0.93
				21/02/2020	-4174	Sale	53071	0.86
				28/02/2020	803	Purchase	53874	0.88
				06/03/2020	559	Purchase	54433	0.89
				13/03/2020	134	Purchase	54567	0.89
				20/03/2020	-3033	Sale	51534	0.84
				27/03/2020	980	Purchase	52514	0.85
						Balance	52514	
9	RISHI CHOPRA	112166	1.83					
						Balance	112166	
10	REKHA ROHIT SHETH	22500	0.37					
						Balance	22500	
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	60854	0.99	06/12/2019	4902	Purchase	65756	1.07
						Balance	65756	

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares the beginning (01/04/2018) / end of year (31/03/2019)	% of total shares of the company				No. of shares	% of total shares of the company
1	<b>Raj Chopra</b>	0	0	01/04/2019 & 31/03/2020	Nil			
2	<b>Kavita Ahuja</b>	3778680	61.48	01/04/2019 & 31/03/2020	Nil			
3	<b>K. K. Mehta</b>	0	0	01/04/2019 & 31/03/2020	Nil			
4	<b>R C Murada</b>	0	0	01/04/2019 & 31/03/2020	Nil			
5	<b>Raman Seghal</b>	101100	1.64	01/04/2019 & 31/03/2020	Nil			
6	<b>Rohit Gogia</b>	64900	1.05	01/04/2019 & 31/03/2020	0.82			
7	<b>Vijay Kumar Sharma</b>	0	0	01/04/2019 & 31/03/2020	Nil			
8	<b>Ravi Arora</b>	0	0	01/04/2019 & 31/03/2020	Nil			

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. In Lacs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9511.16	1406.31	-	10917.47
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	9511.16	1406.31	-	10917.47
<b>Change in Indebtedness during the financial year</b>				
• Addition		2860.33	-	2860.33
• Reduction	1131.29	1938.49		3069.78
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8379.87	2328.15	-	10708.02
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	8379.87	2328.15	-	10708.02

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### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Raj Chopra	Kavita Ahuja	K K Mehta	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	32.00	12.00	12.00	56.00
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others (Ex-gratia)	30.00	12.00	5.00	47.00
5.	Others, please specify	-	-	-	-
	Total (A)	62.00	24.00	17.00	103.00
	Ceiling as per the Act	141.38 (being 10% of the net profit of the company calculated as per 198 of the Companies Act, 2013)			

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Raman Sehgal	R. C. Murada	Rohit Gogia	
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	NIL	NIL	NIL	NIL
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration				103.00*
	Overall Ceiling as per the Act	155.47 (being 11% of the net profit of the company calculated as per 198 of the Companies Act, 2013)			

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

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

(Rs. In Lacs)

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	13.51	23.65	<b>37.16</b>
2.	Stock Option	-	-	-	-
-	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>13.51</b>	<b>23.65</b>	<b>37.16</b>

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

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

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'Annexure J'

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of  
**Competent Automobiles Company Limited**  
F-14, Connaught Place,  
New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Competent Automobiles Company Limited having CIN L34102DL1985PLC020668 and having registered office at F-14, Connaught Place, New Delhi – 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para- C sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / Continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 27.07.2020

For **P. P. Agarwal & Co.**  
Company Secretaries  
U. C. No. S2012DE174200

**Pramod Prasad Agarwal**  
FCS No. 4955;  
CoP No.: 10566  
UDIN: F004955B000522813



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of

### **COMPETENT AUTOMOBILES COMPANY LIMITED**

#### **Opinion**

We have audited the accompanying financial statements of **COMPETENT AUTOMOBILES COMPANY LIMITED** which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit & Loss Account (including other Comprehensive Income), the Statement of Changes of Equity and the Statement of Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, its Profit/Loss, Total Comprehensive Income/Loss, its cash flows and changes in the equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

We have determined the matters described below to the key audit matters to be communicated in our report.

##### **1. Key Audit Matter**

###### Adoption of Ind AS-116 Leases

The company has adopted Ind AS-116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the company has large number of leases with different contractual terms.

###### **How auditor assessed the Key audit matter**

Our audit procedures on adoption of Ind AS-116 include:

- Evaluated the design and implementation of processes and internal controls relating to implementation of the new lease standard.
- Based on our evaluation of contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the company.

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Upon transition as at 1st April 2019:

- Evaluated the method of transition and related adjustments ;
- Tested completeness of lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.

On a statistical sample, we performed the following procedures:

- assessed the key terms and conditions of each lease with the underlying lease contracts; and
- evaluated computation of lease liabilities and challenged the key estimates such as discount rates, and the lease term.
- Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- I. As required by section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 the Act;

## ANNUAL REPORT & ACCOUNTS 2019-2020

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- e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure-II”; and
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
  - h) In our opinion and to the best of our information and according to the explanations given to us , we report as under with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 33 to the Financial Statements.
    - (ii) The Company does not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.
- II. As required by the Companies (Auditor’s Report) Order, 2016 (“the order”) issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we enclose in the “Annexure I”, a statement on the matters specified in Clause’s 3 and 4 of the Order.

**For Ambani & Associates  
LLP Chartered Accountant  
Firm Regn. No. 016923N**

**Place: New Delhi  
Dated: July 30, 2020**

**(HITESH AMBANI)  
Designated Partner  
M. No – 506267  
UDIN : 20506267AAAADZ5129**

**Annexure-I to the Independent Auditors' Report**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2020, we report that:

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

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, income tax, sales tax, duty of customs, value added tax, service tax, Goods and Service Act, cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or value added tax or Goods and Services Tax which have not been deposited with the appropriate authority on account of any disputes;
8. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from government or from any financial institutions except vehicle loans.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the order is not applicable.

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

**For Ambani & Associates LLP  
Chartered Accountants  
Firm Regn. No. 016923N**

**Place: New Delhi  
Dated: July 30, 2020**

**(HITESH AMBANI)  
Designated Partner  
M. No – 506267  
UDIN : 20506267AAAADZ5129**



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

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

We have audited the internal financial controls over financial reporting of **COMPETENT AUTOMOBILES COMPANY LIMITED** as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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

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



## **ANNUAL REPORT & ACCOUNTS 2019-2020**

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ambani & Associates LLP  
Chartered Accountants  
Firm Regn. No. 016923N**

**Place: New Delhi  
Dated: July 30, 2020**

**(HITESH AMBANI)  
Designated- Partner  
M. No – 506267  
UDIN : 20506267AAAADZ5129**

# COMPETENT AUTOMOBILES CO. LTD.

## BALANCE SHEET AS AT 31ST MARCH 2020

(Rs. In lacs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	2	12,276.69	6,392.39
b Capital work in progress	3 a	1,359.02	574.79
c Right of use Assets	3 b	7,651.40	
d Financial Assets			
i) Investments	4	3,485.00	3,485.00
ii) Other financial assets	5	700.75	625.76
e Deferred Tax Assets (Net)	6	389.55	309.07
f Other non-current assets	7	800.40	508.96
<b>Total Non-Current assets</b>		<b>26,662.82</b>	<b>11,895.98</b>
<b>2 Current assets</b>			
a Inventories	8	11,991.24	10,517.71
b Financial Assets			
i) Trade receivables	9	1,099.20	6,192.56
ii) Cash and cash equivalents	10	1,406.50	1,475.00
iii) Bank balances other than (iii) above	10	1,031.85	1,336.24
iv) Loans	11	26.82	15.00
vi) Other financial assets			
c Other current assets	12	3,512.97	3,225.23
<b>Total Current assets</b>		<b>19,068.58</b>	<b>22,761.74</b>
<b>3 Assets Classified as Held for Sale</b>	<b>13</b>	<b>-</b>	<b>43.43</b>
<b>Total Assets</b>		<b>45,731.39</b>	<b>34,701.15</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share Capital	14	627.85	627.85
b Other Equity	15	24,388.35	20,582.23
<b>Total equity</b>		<b>25,016.19</b>	<b>21,210.08</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
a Financial Liabilities			
i) Borrowings	16	54.70	167.62
ii) Other financial liabilities	17	137.37	92.38
iii) Lease liability		7,054.17	
b Deferred tax liabilities (Net)		-	-
c Other non-current liabilities		-	-
<b>Total non-current liabilities</b>		<b>7,246.24</b>	<b>260.00</b>
<b>3 Current liabilities</b>			
a Financial Liabilities			
i) Borrowings	18	10,542.92	10,654.87
ii) Trade payables	19	556.99	603.17
iii) Other financial liabilities	20	441.20	257.57
iv) Lease Liability		752.73	
b Provisions for Employee Benefits	21	755.97	608.25
c Other current liabilities	22	419.15	508.24
<b>Total current liabilities</b>		<b>13,468.96</b>	<b>12,632.10</b>
<b>4 Liability Directly Associated with Asset classified as held for sale</b>	<b>23</b>	<b>-</b>	<b>598.97</b>
<b>Total Equity and Liabilities</b>		<b>45,731.39</b>	<b>34,701.15</b>

**Significant Accounting policies and Notes to Accounts forming part of Financial Statements 1 to 45**

As Per our report of even date attached

**For Ambani & Associates LLP**

Firm Registration No: 016923N

Chartered Accountants

**(Hitesh Ambani)**

Partner

Membership Number-506267

Place: New Delhi

Date : 30-07-2020

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

**(Raj Chopra)**

Chairman & Managing Director

DIN-00036705

**(Ravi Arora)**

Company Secretary

**(Kavita Ahuja)**

Whole Time Director

DIN-00036803

**(Vijay Kumar Sharma)**

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2019-2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. In lacs)

	Note No.	For the Year ended 31st March 2020	For the Year ended 31st March, 2019
<b>A Revenue</b>			
I Revenue from Operations	24	1,16,524.53	1,23,997.26
II Other Income	25	3,207.38	426.54
<b>III Total Revenue (I+II)</b>		<b>1,19,731.90</b>	<b>1,24,423.80</b>
<b>IV Expenses</b>			
Purchases of Stock in Trade	26	1,03,516.68	1,13,758.83
Changes in Inventories of Stock in Trade	27	(1,473.53)	(5,218.45)
Employee Benefit Expenses	28	4,574.59	4,538.41
Finance Cost	29	1,200.01	1,013.41
Depreciation and Amortization Expense	30	2,102.86	864.00
Other Expenses	31	5,551.56	7,019.64
<b>Total Expenses (IV)</b>		<b>1,15,472.17</b>	<b>1,21,975.83</b>
<b>V Profit before Exceptional items and Tax (V)=(III)-(IV)</b>		<b>4,259.73</b>	<b>2,447.97</b>
VI Exceptional items		-	-
<b>VII Profit / (Loss) After Exceptional items and Taxes VII=(V-VI)</b>		<b>4,259.73</b>	<b>2,447.97</b>
<b>VIII Profit / (Loss) before Tax</b>		<b>4,259.73</b>	<b>2,447.97</b>
<b>IX Less :Tax Expenses</b>			
- Current Tax		460.00	925.00
- Deferred Tax		(80.48)	(58.05)
<b>Profit after Tax for the Year (VIII-IX)</b>		<b>3,880.21</b>	<b>1,581.02</b>
<b>X Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		-	85.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>B Total Comprehensive Income (IX+X)</b>		<b>3,880.21</b>	<b>1,666.02</b>
<b>Earnings per Equity share</b>			
Basic and Diluted		<b>63.13</b>	<b>25.72</b>
<b>Earnings per Equity share</b>			
Basic and Diluted		<b>63.13</b>	<b>25.72</b>

**Significant Accounting policies and Notes to Accounts forming part of Financial Statements 1 to 45**

As Per our report of even date attached  
**For Ambani & Associates LLP**  
 Firm Registration No: 016923N  
 Chartered Accountants

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

**(Hitesh Ambani)**  
 Partner  
 Membership Number-506267

**(Raj Chopra)**  
 Chairman & Managing Director  
 DIN-00036705

**(Kavita Ahuja)**  
 Whole Time Director  
 DIN-00036803

Place: New Delhi  
 Date : 30-07-2020

**(Ravi Arora)**  
 Company Secretary

**(Vijay Kumar Sharma)**  
 Chief Financial Officer

# **COMPETENT AUTOMOBILES CO. LTD.**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. In lacs)

	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	<b>4,259.73</b>	<b>2,447.95</b>
<b>Adjustments for :</b>		
Depreciation and Amortisation	2,102.86	864.00
Profit on Sale of Tangible Assets	(2,949.36)	(40.39)
loss on sale of Tangible Assets	-	-
Provisions no longer required written back	-	-
Provision for Gratuity	-	-
Provision for Doubtful Debts	-	-
Financial Expenses	1,200.01	1,013.41
Interest Income	(121.57)	(230.35)
	<u>231.95</u>	<u>1,606.67</u>
<b>Operating gain before working capital changes</b>	<b>4,491.68</b>	<b>4,054.62</b>
Changes in working capital		
(Increase)/ Decrease in Inventories	(1,473.53)	(5,218.45)
(Increase)/Decrease in Trade Receivables	4,805.65	(2,546.11)
(Increase)/Decrease in Loans and Advances	(88.24)	193.09
(Increase)/Decrease in Current Liabilities and Provisions	(373.31)	10.99
	<u>2,870.57</u>	<u>(7,560.48)</u>
<b>Cash generated from Operating activities before Taxes</b>	<b>7,362.25</b>	<b>(3,505.86)</b>
Direct Taxes paid (net of refunds)	(749.99)	(1,012.99)
<b>Net cash generated from/ (used in) Operating activities</b>	<b>6,612.26</b>	<b>(4,518.85)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7,883.20)	(2,109.93)
Purchase of Investments		
Proceeds from Sale of Investments		
Proceeds from Sale of Tangible Assets	3,135.95	119.31
Interest received	121.57	230.35
<b>Net cash generated from / (used in) investing activities</b>	<b>(4,625.69)</b>	<b>(1,760.27)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank and other Borrowings	(96.54)	4,523.75
Proceeds from Long Term Bank Borrowings		
Repayment of lease liability	(875.89)	
Repayment of Long Term Borrowings	(112.92)	(80.94)
Financial expenses paid	(1,200.01)	(1,013.41)
Dividend paid	(74.10)	(73.97)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(2,359.46)</b>	<b>3,355.43</b>
<b>INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(372.89)</b>	<b>(2,923.70)</b>
<b>Cash and Bank balance at the beginning of the year</b>	<b>2,811.24</b>	<b>5,734.94</b>
<b>Effect of exchange gain on cash and cash equivalents</b>		
<b>Cash and Bank balance at the end of the year</b>	<b>2,438.35</b>	<b>2,811.24</b>
<b>Component of Cash and Bank balance</b>		
Cash and cash equivalents include :		
Cash on hand	46.37	180.37
Cheques on hand	66.65	41.26
Balances with Banks:		
Deposit accounts		
Current accounts	1,293.49	1,253.37
<b>Cash and cash equivalents at the end of the year</b>	<b>1,406.50</b>	<b>1,475.00</b>
<b>Add:</b>		
Fixed deposits with original maturity of more than 90 days	1,024.47	1,328.63
Unpaid Dividend	7.38	7.61
<b>Cash and Bank balances at the end of the year</b>	<b>2,438.35</b>	<b>2,811.24</b>

**Notes:** 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as per Ind AS 7-Cash Flow Statement.

2 Figures in brackets represents cash out flow.

As Per our report of even date attached

**For Ambani & Associates LLP**

Firm Registration No: 016923N

Chartered Accountants

**(Hitesh Ambani)**

Partner

Membership Number-506267

Place: New Delhi

Date : 30-07-2020

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

**(Raj Chopra)**

Chairman & Managing Director

DIN-00036705

**(Ravi Arora)**

Company Secretary

**(Kavita Ahuja)**

Whole Time Director

DIN-00036803

**(Vijay Kumar Sharma)**

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2019-2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

<b>a. Equity share capital</b>		<b>(Rs. In lacs)</b>
<b>Particulars</b>	<b>Amount</b>	
<b>Balance at 31st March 2019</b>	<b>627.85</b>	
Changes in equity share capital during the year	0.00	
<b>Balance at the end of the reporting period</b>	<b>627.85</b>	

<b>b. Other equity</b>							<b>(Rs. In lacs)</b>
<b>Particulars</b>	<b>Reserves &amp; Surplus</b>			<b>Items of other comprehensive income</b>			
	<b>General Reserve</b>	<b>Securities Premium Account</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Equity Instrument through other comprehensive income</b>	<b>Total</b>	
<b>Balance at March 31, 2019</b>	<b>3,267.51</b>	<b>1,431.65</b>	<b>15,883.08</b>	<b>20,582.24</b>	-	<b>20,582.24</b>	
-Profit or Loss during the year	-	-	3,880.21	3,880.21		3,880.21	
-Other comprehensive income for the year	-	-		-		-	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,880.21</b>	<b>3,880.21</b>	<b>-</b>	<b>3,880.21</b>	
-Dividend paid during the year	-	-	(61.46)	(61.46)		(61.46)	
-Dividend Distribution Tax (DDT)	-	-	(12.64)	(12.64)		(12.64)	
-Transfer to General Reserve	250.00	-	(250.00)	-		-	
<b>Balance at March 31, 2020</b>	<b>3,517.51</b>	<b>1,431.65</b>	<b>19,439.20</b>	<b>24,388.36</b>	<b>-</b>	<b>24,388.36</b>	

### For Ambani & Associates LLP

Firm Registration No: 016923N

Chartered Accountants

#### (Hitesh Ambani)

Partner

Membership Number-506267

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

#### (Raj Chopra)

Chairman & Managing Director

DIN-00036705

#### (Kavita Ahuja)

Whole Time Director

DIN-00036803

Place: New Delhi

Date : 30-07-2020

#### (Ravi Arora)

Company Secretary

#### (Vijay Kumar Sharma)

Chief Financial Officer

## **Note No.1- SIGNIFICANT ACCOUNTING POLICIES**

### **A. General Information**

Competent Automobiles Company Limited (“The Company”) is a public limited company incorporated and domiciled in India and it is listed on the Bombay Stock Exchange (BSE). The address of its registered office is F-14, Competent House, Connaught Place New Delhi – 110001. The Company is Authorized Dealer of Maruti Suzuki India Limited for Delhi, Haryana and Himachal Pradesh area.

### **B. (i) Statement of Compliance**

The Financial Statements have been prepared as going concern in accordance with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Company has prepared the Financial Statements up to 31st March, 2017 in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules 2006 and other relevant provisions of the Act. These are the Company’s first Ind AS financial statements. The date of transition to the Ind AS is 1st April 2016.

### **(ii) Basis of preparation and presentation**

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair market value at the end of each reporting period as explained in the accounting policies.

All assets and liabilities have been classified as current or non-current according to the Company’s operating cycle and other criteria set out in the Act.

### **C. Significant Accounting Policies**

#### **1. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from operations includes sales of goods/vehicles/Spares parts/Accessories and services and amounts disclosed as revenue are net of trade allowances. The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Company’s activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement and based on the general trade practice as prevailing in the market.

#### **(i) Sale of Goods/Vehicles/Spare parts/Accessories**

Sales are accounted on transfer of significant risks and rewards to the customer and as per prevailing trade practice once the good are invoiced the risk and rewards are considered to be transferred and revenue is recognized in the books of account of that period. The trade rebate received from the manufacturer in form of purchase discount is accounted for as and when it is received. The amounts of rebate/discount received on purchase invoice are shown net of basis and other amount of purchase discount/rebate received is shown separately in financial statements.

#### **(ii) Income from services**

Income from services are accounted over the period of rendering of services.

#### **(iii) Dividend and interest income**

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised

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when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

## 2. Property, plant and equipment

- a. Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Freehold land is measured at cost and is not depreciated. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.
- b. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.
- c. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- d. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

### 2.1 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### 2.2 Depreciation methods, estimated useful lives and residual value

- (i) Depreciation on property, Plant and Equipment is provided based on useful life of the assets as prescribed in the Schedule -II to the Companies Act 2013, and charged on the basis of written down Value Method.
- (ii) The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- (iii) Any Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.
- (iv) The vehicle purchased for the purpose of the test drive are treated as an asset of the Company and depreciation is charged accordingly.

## 3. Impairment of Assets

- (i) At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
- (ii) An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not.

## 4. Borrowing costs

- (i) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



- (ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## **5. Inventories**

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

- (i) Cost of finishes goods are measured at cost or market value which ever is lower.
- (ii) Cost of Spares Parts and Accessories, Oils & Lubricants are measured at cost on FIFO basis.
- (iii) Vehicles and Spares parts has been taken into the stock in hand of the company as and when they are dispatched from Maruti Suzuki India Limited (“MSIL”).

## **6. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

### **(i) Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **(ii) Subsequent Measurement**

#### **1. Financial Assets at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **2. Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

#### **3. Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

#### **4. Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit or loss.

## **7. Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand,

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balances with bank deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown as a part of Cash and Cash Equivalents in the cash flow statement.

### 8. Leases

#### Leases Prior to 01-04-2019 – Ind AS 17

A Lease is an agreement whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. A lease is classified at the inception date as a finance lease or an operating lease. Lease transactions that transfer substantially all the risk and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other lease agreements are classified as operating leases. Whether an agreement constitutes a lease or contain a lease is determined upon inception of the lease.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structure to increase in line with expected general inflation to compensate for expected inflationary cost increases.

“MCA” vide its notification dated 30th March 2019, has notified Ind AS 116 replacing existing Ind AS 17- Leases with effect from accounting year beginning on or after 01, April 2019.

#### Transition to Ind AS -116

The Company has elected to apply Modified Alternative-1 Approach for Transition from Ind AS 17 to Ind AS 116 as Notified by “MCA” vide Notification dated 30-03-2019, effective from 01-4-2019 onwards for which the company has initially measure its Lease Liabilities and Corresponding Right of use of underlying asset by considering the Incremental Borrowing Rate as on date of transition (i.e. 01st April, 2019) under Transitional Approach – Alternative -1

#### After 01-04-2019 Ind AS 116:

### LEASES

#### Company as a lessee

#### Recognition

At the inception of the lease, right of use is recognised at cost including any indirect costs to acquire the asset and dismantling costs (if any), reduced by lease incentives with a corresponding lease liability equal to the present value of unpaid lease payments except in the following cases:

- i. Short-term leases; or
- ii. Leases for which the underlying asset is of low value

In case of lease to be short term or low value lease payments associated with those leases are charged as an expense on either a straight-line basis over the lease term or another systematic basis. The company as a lessee applies another systematic basis if that basis is more representative of the pattern of the company as a lessee’s benefit.

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

#### Subsequent measurement (Depreciation)

The right of use is depreciated over the useful life of the underlying asset or the validity of the lease term whichever is shorter and is subject to impairment loss.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Subsequent measurement (Lease Liabilities)**

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments

### **Re-measurement of lease liability**

The lease liability is re-measured (with corresponding adjustment to the right of use asset) when:

1. The lease term is revised – the lessee must reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, if there is a significant event or change in circumstances that:
  - is within the lessee’s control; and
  - affects whether exercise (or non-exercise) is reasonably certain.
2. Future lease payment based on an index or rate are revised.
3. The lease is modified
4. There is a change in the amounts expected to be paid under residual value guarantees.

A lessee shall remeasure the lease liability by discounting the revised lease payments, if either:

- (a) there is a change in the amounts expected to be payable under a residual value guarantee. A lessee shall determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- (b) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). A lessee shall determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

**A lessee shall use an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate.**

### **Lease modification**

A lessee shall account for a lease modification as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification a lessee shall:

- (a) allocate the consideration in the modified contract
- (b) determine the lease term of the modified lease
- (c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee’s incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liability by:

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- (a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- (a) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

### **De-Recognition**

A right of use asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognised.

### **Company as a Lessor**

#### **Finance Lease**

The company recognise assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The company further recognises finance income over the lease term, based on straight-line basis reflecting a constant periodic rate of return on the net investment in the lease.

#### **Operating lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

## **9. Taxation**

### **(i) Tax Expense**

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

### **(ii) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period

### **(iii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **10. Foreign currencies**

- (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the group's functional and presentation currency.

- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

## **11. Earning per Share**

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

## **12. Employee benefits**

- (i) **Short Term obligations**

Liabilities for wages and salaries including other monetary benefits that expected to be settled within the period in which the employees render the related services are recognized in the period in which the related services and are measured at the undiscounted amount expected to be paid.

- (ii) **Other Long-term employee benefit**

Liabilities of leave encashment is provided on the basis of earned leave standing to credit of employees and the same is discharged by the company the end of the year and accounted for the same accordingly.

- (iii) **Post-employment obligations**

The company has defined contribution plan in respect of payment of gratuity to employees. The contributions are being made to the exclusive trust established under the Group Gratuity Scheme of Life Insurance Corporation of India (LIC). The premium and the contribution paid every year to the LIC are charged to revenue. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to State Plans namely Employee's State Insurance, Employee's Provident Fund Scheme and Employee's Pension Scheme are charged to the statement of profit and loss every year.

## **13. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.
- (ii) A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Indian Accounting Standard 37 – "Provisions, Contingent Liabilities and Contingent Assets" is made.
- (iii) Contingent Assets are not recognized in the Financial Statements.

## **14. Events occurring after Reporting Period**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

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## **15. Segment Reporting**

The accounting policies adopted for segment reporting are in accordance with the Ind AS -109 " Segment Reporting" issued by The Institute of Chartered Accountants of India. Segment revenue and expenses include amounts which can be directly identifiable to the segment on reasonable basis.

## **16. Rounding of amounts**

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs and two decimals thereof, as per the requirement of Schedule III of the Companies Act2013, unless otherwise stated.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In lacs)

**2 Property, Plants & Equipments**

Particulars	Land	Buildings	Plant & Machinery	Electric Installation	Office Equipments	Furniture & Fixtures	Vehicles	Total
<b>Balance as at March 31, 2018</b>	<b>2,728.06</b>	<b>1,627.30</b>	<b>1,617.80</b>	<b>273.65</b>	<b>1,076.75</b>	<b>778.94</b>	<b>2,329.91</b>	<b>10,432.42</b>
Additions	-	479.27	183.00	81.00	143.74	172.86	723.29	1,783.17
Disposals	-	-	(117.85)	(10.42)	(9.18)	(28.99)	(247.48)	(413.91)
<b>Balance as at March 31, 2019</b>	<b>2,684.63</b>	<b>2,106.57</b>	<b>1,682.95</b>	<b>344.24</b>	<b>1,211.31</b>	<b>922.81</b>	<b>2,805.73</b>	<b>11,801.68</b>
Additions	3,164.50	2,514.90	165.24	120.35	129.10	356.67	648.22	7,098.97
Disposals	(48.38)	(48.38)	(171.96)	(4.00)	(35.08)	(4.89)	(330.63)	(594.93)
<b>Gross Carrying value As at March 31, 2020</b>	<b>5,849.13</b>	<b>4,573.09</b>	<b>1,676.24</b>	<b>460.58</b>	<b>1,305.32</b>	<b>1,274.60</b>	<b>3,123.32</b>	<b>18,305.72</b>
<b>Accumulated Depreciation as at 31st March 2018</b>	-	1,047.26	1,105.46	181.29	921.77	509.84	1,071.21	4,836.84
Depreciation for the year	-	83.57	104.88	30.88	99.70	86.80	458.17	864.01
Disposals/adjustments during the year	-	-	(111.96)	(10.22)	(12.95)	(28.83)	(171.03)	(334.98)
<b>Balance as at March 31, 2019</b>	-	<b>1,130.83</b>	<b>1,098.38</b>	<b>201.95</b>	<b>1,008.52</b>	<b>567.81</b>	<b>1,358.35</b>	<b>5,365.87</b>
Depreciation for the year	-	198.48	112.13	42.88	114.11	111.44	492.42	1,071.47
Disposals/adjustments during the year	-	(43.21)	(138.24)	(3.80)	(32.86)	(4.30)	(229.37)	(451.77)
<b>Accumulated Depreciation As at March 31, 2020</b>	-	<b>1,286.11</b>	<b>1,072.26</b>	<b>241.04</b>	<b>1,089.77</b>	<b>674.95</b>	<b>1,621.40</b>	<b>5,985.56</b>
<b>Net carrying value as at 31st March 2018</b>	<b>2,728.06</b>	<b>580.04</b>	<b>512.34</b>	<b>92.36</b>	<b>154.98</b>	<b>269.10</b>	<b>1,258.70</b>	<b>5,595.58</b>
<b>Net carrying value as at 31st March 2019</b>	<b>2,684.63</b>	<b>975.74</b>	<b>584.58</b>	<b>142.29</b>	<b>202.78</b>	<b>355.00</b>	<b>1,447.38</b>	<b>6,392.40</b>
<b>Net carrying value as at 31st March 2020</b>	<b>5,849.13</b>	<b>3,286.98</b>	<b>603.97</b>	<b>219.55</b>	<b>215.55</b>	<b>599.64</b>	<b>1,501.92</b>	<b>12,276.74</b>

Note : Net Carrying value is calculated as (gross carrying value at the end of year - accumulated Depreciation at the end of year )

(Rs. In lacs)

**3a Capital Work in Progress**

<b>As at 31st March 2018</b>	<b>248.02</b>
Additions	571.92
Less: Amount capitalized in Property, Plant & Equipment	245.15
Less: Amount disposal during the year	-
Balance at March 31, 2019	<u>574.79</u>
Additions	1,213.96
Less: Amount capitalized in Property, Plant & Equipment	429.72
Less: Amount disposal during the year	-
Balance at March 31, 2020	<u>1,359.03</u>

(Rs. In lacs)

**3b Right of Use Assets**

<b>Balance as at April 01, 2019</b>	<b>8,682.79</b>
Additions	-
Disposals	-
<b>Gross Carrying value As at March 31, 2020</b>	<b>8,682.79</b>
<b>Accumulated Depreciation as at April 01, 2019</b>	<b>1,031.39</b>
Depreciation for the year	-
Disposals/adjustments during the year	-
<b>Balance as at March 31, 2020</b>	<u>1,031.39</u>
<b>Net carrying value as at 31st March 2020</b>	<u>7,651.40</u>



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## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs. In lacs)

4 Investment	As at 31st March 2020	As at 31st March 2019
<b>Non current</b>		
<b>Investment in equity instruments</b>		
- Equity Shares of Raj Chopra & Company Pvt Ltd. (RCCPL) 85,00,000 (85,00,000 equity shares @ Rs. 40/- per share )	3,400.00	3,400.00
<b>Investments in equity Instruments at Fair Value through other comprehensive income</b>		
- Equity Shares of Raj Chopra & Company Pvt Ltd.(RCCPL)	85.00	85.00
	<u><b>3,485.00</b></u>	<u><b>3,485.00</b></u>
<b>5 Other Non Current Financial Assets</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Financial Assets measured at amortised cost		
-Security Deposit to MSIL	246.50	221.50
-Security Deposits for Showrooms	87.78	160.53
- Amortised cost of Security deposits	298.76	206.95
-Other Security Deposits*	67.71	36.78
	<u><b>700.75</b></u>	<u><b>625.76</b></u>
* These includes deposits with Public/ Government Authorities for utilities .		
<b>6 Deferred tax Liability/Assets (net)</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Deferred Tax Assets (on account of timing difference)	389.55	309.07
<b>Deferred tax Assets (Net)</b>	<u><b>389.55</b></u>	<u><b>309.07</b></u>
<b>7 Others Non current Assets</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Advance Income Tax and Tax Deducted at Source (Net of Provision)	705.79	415.80
Capital Advances	-	-
Prepaid Rent (SD)	94.61	72.04
-Other Security Deposits*	-	21.12
	<u><b>800.40</b></u>	<u><b>508.96</b></u>
<b>8 Inventories</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
(At cost or net realisable value whichever is lower)		
Vehicles *	10,579.79	9,319.81
Spare Parts, Accessories , Oil & Lubricants *	1,411.45	1,197.90
	<u><b>11,991.24</b></u>	<u><b>10,517.71</b></u>
*Refer to Point no 5 of Accounting policies Inventories are valued and certified by the mangement .		

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

(Rs. In lacs)

<b>9 Trade Receivables</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Unsecured & Considered good	1,099.20	6,192.56
Unsecured & Considered doubtful	-	-
	<b>1,099.20</b>	<b>6,192.56</b>
Less: Provision for Doubtful Debts	-	-
	<b>1,099.20</b>	<b>6,192.56</b>

Considering the past trends of complete recoverability of dues from Trade Receivables, company decides not to provide for expected credit loss for trade receivables under simplified approach

<b>10 Cash and Bank Balances</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Cash and Cash Equivalents:</b>		
Cash on hand	46.37	180.37
- Balance with Bank Accounts*	1,293.49	1,253.37
-Cheques in Hand	66.65	41.26
	<b>1,406.50</b>	<b>1,475.00</b>
<b>Other Bank Balances</b>		
- In Fixed Deposits (More than 3 months & less than 12 months maturity), and includes Fixed deposits with govt. authorities	1,024.47	1,328.63
Earmarked Balances with Banks		
Unpaid Dividend	7.38	7.61
	<b>1,031.85</b>	<b>1,336.24</b>
	<b>2,438.35</b>	<b>2,811.24</b>

Cash and Cash equivalent includes cash in hand, bank balances and deposits whereas for the purpose of cash flow statement bank overdraft is considered as component of Cash and cash equivalent.

<b>11 Loans</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
(Unsecured and considered good)		
<b>Others:</b>		
Staff Advances	26.82	15.00
	<b>26.82</b>	<b>15.00</b>

<b>12 Other Current Assets</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Interest accrued but not due on Fixed Deposits	73.90	159.89
Advance Recoverable in Cash or in Kind	314.03	156.34
Recoverable from MSIL	1,178.59	1,986.35
Staff Imprest	47.23	37.23
Prepaid Expenses	60.10	51.55
GST paid on Advance receipts	37.73	47.67
GST INPUT	1,801.38	786.20
	<b>3,512.97</b>	<b>3,225.23</b>

## ANNUAL REPORT & ACCOUNTS 2019-2020

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs. In lacs)

13 Assets Classified as Held for Sale	As at 31st March 2020	As at 31st March 2019
Land at Mehrauli	-	43.43
	<u>-</u>	<u>43.43</u>

Land at Mehrauli has been reclassified as : Assets classified as held for sale " at Lower of cost or Fair Market Value less cost of Sale. Land at Mehrauli has been reclassified as " Asset held for sale" as per Ind AS -105 in financial statement and the cost incurred on such project also reclassified with land cost. The company had received an advance amounting to Rs. 598.97 lacs in Previous Year. During the Current financial Year sale transaction has been completed.

14 Equity Share Capital	As at 31st March 2020	As at 31st March 2019
<b>Authorized</b>		
1,00,00,000 Equity shares of ₹ 10 each (As at 31st March 2020, 1,00,00,000 Equity shares of ₹ 10 each)	1,000.00	1,000.00
<b>Issued, Subscribed</b>		
64,09,500 Equity shares of ₹ 10 each (As at 31st March 2020, 64,09,500 Equity shares of ₹ 10 each )	640.95	640.95
<b>Paid -up</b>		
61,46,000 Equity Shares of Rs. 10/ each (As at 31st March 2020, 61,46,000 Equity Shares of Rs. 10/ each)	614.60	614.60
Add : Amount paid up on Forfeited 2,63,500 Equity Shares (As at 31st March 2020: Amount Paid up on forfeited 2,63,500 Equity Shares)	13.25	13.25
	<u>627.85</u>	<u>627.85</u>

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares outstanding at the beginning of the year and at the end of the year	61,46,000	614.60	61,46,000	614.60
Changes in equity share capital during the year		-		-
<b>Balance at the end of the reporting period</b>		<u>614.60</u>		<u>614.60</u>

#### The Details of shareholders holding more than 5 % of the aggregate shares in the company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Name of the Share Holder	%	Number of Shares	Number of Shares
Mrs. Kavita Ahuja	61.48%	37,78,680	61.48%	37,78,680
Ms. Priya Chopra	13.43%	8,25,625	13.43%	8,25,625

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

(Rs. In lacs)

<b>15</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>i. General Reserve</b>		
As per last Balance Sheet	3,267.51	3,017.51
Add : Balance Transferred from Profit and Loss Account	250.00	250.00
Closing balance	<b>3,517.51</b>	<b>3,267.51</b>
<b>ii Securities Premium Account</b>		
As per last Balance Sheet	1,431.65	1,431.65
Add : Balance Transferred from Profit and Loss Account	-	-
Closing balance	<b>1,431.65</b>	<b>1,431.65</b>
<b>iii Surplus in Statement of Profit and Loss</b>		
As per last Balance Sheet	15,883.07	14,541.04
Add : Net Profit for the Year	3,880.21	1,581.00
Add : Other comprehensive income ( Effect of Fair Valuation of Investment in OCI )	-	85.00
<b>Amount available for Appropriations</b>	<b>19,763.28</b>	<b>16,207.04</b>
<b>Less:</b>		
Dividend on Equity Shares	61.46	61.46
Dividend tax	12.64	12.51
Tax adjustments for earlier years	-	-
Transferred to General Reserve	250.00	250.00
	<b>19,439.19</b>	<b>15,883.07</b>
<b>Total</b>	<b>24,388.35</b>	<b>20,582.23</b>
<b>16 Non current Financial Liabilities</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Borrowings (Secured )		
Vehicle Loan	54.70	167.62
	<b>54.70</b>	<b>167.62</b>
<b>17 Other Financial Liabilities</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Security Deposits	137.37	92.38
	<b>137.37</b>	<b>92.38</b>

# ANNUAL REPORT & ACCOUNTS 2019-2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs. In lacs)

18 Borrowings	As at 31st March 2020	As at 31st March 2019
<b>Loan repayable on Demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
- Cash Credit Facility From HDFC *	1,142.27	935.29
- Cash Credit Facility From State Bank of India #	505.18	301.14
- Inventory Funding From HDFC Bank/SBI **	6,567.33	7,655.60
-O/D Limit from HDFC***	-	356.52
<b>Unsecured</b>		
<b>From others</b>	-	
Due to Directors ****	2,328.15	1,406.31
	<b>10,542.92</b>	<b>10,654.87</b>

\* Cash Credit from HDFC Bank is secured by hypothecation of Stock in Trade, mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 9.25% P.A. (Previous Year @ 9 %PA)

# Cash Credit from SBI Banks is secured by mortgage of immovable property and personal guarantees of Directors. The Cash credit is repayable on demand and carries interest at 9.75% P.A. ( Previous Year from @ 10.40 % P.A.)

\*\* Inventory funding (HDFC) is repayable on demand and carries interest of 9%. P.A. (Previous Year interest rate @ 8.75% P.A.)

\*\* Inventory funding (SBI ) is repayable on demand and carries interest of 8.75%. P.A. (Previous Year interest rate @ 8.55% P.A.)

\*\*\* Bank overdraft was secured by FDR in Previous Year (interest 1% Plus FDR )

\*\*\*\* Loans from Directors is repayable on demand and carries interest rate of 8% P.A. (Previous Year interest rate @ 8% P.A.)

19 Trade Payables	As at 31st March 2020	As at 31st March 2019
<b>Due to Micro, Small and Medium Enterprises</b>	25.01	27.78
<b>Due to Others</b>	531.98	575.39
	<b>556.99</b>	<b>603.17</b>

The Disclosure in respect of MSME have been made in the financial statements based on the informtion/ confirmation received and available with the company.

20 Other Current Financial Liabilities	As at 31st March 2020	As at 31st March 2019
Current Maturities of Long Term Loans	110.39	94.98
- Expenses Payable	323.43	154.98
-Unclaimed Dividend**	7.38	7.61
	<b>441.20</b>	<b>257.57</b>

\*\* There are no amount due for Payment to the Investor Education and protection Fund under Section 125(1) of the Companies Act , 2013.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

(Rs. In lacs)

<b>21 Provision for Employees Benefits :</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Salary and other benefits *	755.97	608.25
	<b><u>755.97</u></b>	<b><u>608.25</u></b>
<i>*(includes Salary, Bonus, Exgratia, contribution to PF and other funds)</i>		
<b>22 Other Current Liabilities</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Advance from Customers	364.46	447.74
- Taxes Payable *	54.69	60.50
	<b><u>419.15</u></b>	<b><u>508.24</u></b>
<i>*(includes T.C.S and T.D.S. payable)</i>		
<b>23 Liabilities Directly Associated with Assets Classified as held for sale</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Advance against sale of Land	-	598.97
	<b><u>-</u></b>	<b><u>598.97</u></b>

Advance received against sale of mehrauli Workshop land & Building has been reclassified as "Liabilities directly associated with Assets classified as held for sale". The company had received an advance amounting to Rs. 598.97 lacs and shown as advance against sale of land as at 31st March 2019. During the current financial year, the sale transaction has been completed

## ANNUAL REPORT & ACCOUNTS 2019-2020

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs. In lacs)

<b>24 Revenue from Operations</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
<b>Sale of products</b>	-	
Vehicles	1,02,547.88	1,10,086.84
Spare Parts & Accessories	7,877.91	7,909.08
Sales Others	38.29	28.56
<b>Services Rendered</b>	-	
-Services & Labour Charges	3,853.37	3,917.88
<b>Commission Received</b>		
- Extended Warranty	207.60	285.78
- Insurance Business	1,021.39	1,032.97
- Direct Billing & Other	273.49	67.57
- Sourcing Fees	538.39	596.00
- Other Commission	112.36	14.82
-Interest Income	53.85	57.76
	<b><u>1,16,524.53</u></b>	<b><u>1,23,997.26</u></b>
<b>25 Other income</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
Net Gain on Sale of (Property , Plant & Equipment )	2,949.36	40.39
Booking Cancellation Charges	5.85	4.32
Miscellaneous income*	110.18	139.21
Other non operating income**	19.99	13.19
Interest Income on FDR	121.57	230.35
unwinding of amortised cost of security Deposits	0.43	(0.92)
	<b><u>3,207.38</u></b>	<b><u>426.54</u></b>
(* includes Unclaimed Balance write back )		
(** includes MDS school income )		
<b>26 Purchase of Stock In Trade</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
<b>Purchases during the year</b>		
- Vehicle	1,00,678.80	1,10,834.59
- Less : Rebate /Discount Received	(4,071.77)	(3,824.17)
- Spare Parts & Accessories	6,917.93	6,776.72
<b>Less:</b>		
- Spares issued against Warranty	(8.13)	(27.85)
-Short & Excess (MSIL )	(0.15)	(0.46)
	<b><u>1,03,516.68</u></b>	<b><u>1,13,758.83</u></b>



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

(Rs. In lacs)

<b>27 Changes in Inventories of Stock in Trade</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
<b>Inventories at the end of the year:</b>		
- Vehicles	10,579.79	9,319.81
- Spare Parts & Accessories	1,411.45	1,197.90
	<b>11,991.23</b>	<b>10,517.71</b>
<b>Less:</b>		
<b>Inventories at the beginning of the year:</b>		
- Vehicles	9,319.81	4,223.97
- Spare Parts & Accessories	1,197.90	1,075.29
	-	-
	<b>10,517.70</b>	<b>5,299.26</b>
	<b>(1,473.53)</b>	<b>(5,218.45)</b>
<b>28 Employee Benefit Expenses</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
Salaries, Wages and Bonus	3,961.20	3,843.16
Directors Remuneration	56.00	42.00
Commission paid to Directors	47.00	35.00
Contribution to Provident Fund and Other Funds	364.52	443.05
Staff Welfare Expenses	145.87	175.20
	<b>4,574.59</b>	<b>4,538.41</b>
<b>29 Finance Cost</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
Interest on Term Loan	17.84	25.90
Interest on Working capital	132.01	256.80
Interest on Inventory Funding	566.14	558.21
Interest Paid To MSIL	7.23	4.62
Interest Paid to others	136.44	133.64
Other Finance charges	85.81	34.25
Finance Cost (IND AS 116)	254.53	-
	<b>1,200.01</b>	<b>1,013.41</b>
<b>30 Depreciation and Amortization Expenses</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
Depreciation on Property, Plant and Equipments	1,071.47	864.00
Amorisaion expense on Account of IND AS 116	1,031.39	-
	<b>2,102.86</b>	<b>864.00</b>

## ANNUAL REPORT & ACCOUNTS 2019-2020

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs. In lacs)

<b>31 Other Expenses</b>	<b>For the Year ended 31st March 2020</b>	<b>For the Year ended 31st March 2019</b>
Consumable Stores	477.68	340.59
Jobwork & Labour Charges	535.83	565.38
Security Services Charges	211.88	196.63
Free Services Charges	312.54	355.07
Petrol For New Car	137.72	166.31
Delivery Charges	103.97	127.04
Insurance	107.29	112.09
<b>Repair &amp; Maintainance</b>		
Building	225.41	271.87
Plant & Machinery	91.70	136.36
Others	108.40	73.78
Legal & Professional Charges	114.49	167.25
Rent *	245.55	1,316.67
Rates & Taxes	58.29	121.23
Facility Charges	72.00	72.00
Communication Expenses	115.90	118.12
Charity & Donation	0.16	9.88
CSR Expenditure **	47.00	44.00
Power & Fuel	428.25	374.59
Printing & Stationery	101.70	122.30
Travelling & Conveyance	117.37	172.09
Auditors Remuneration (Refer Note No. 34 )	9.95	9.95
Miscellaneous Expenses	27.33	45.11
Advertising & Publicity	46.18	24.51
Discount	1,637.60	1,792.85
Sales Promotion	217.35	283.98
	<b>5,551.56</b>	<b>7,019.64</b>

\* Rent Expenses for Current Financial year is after including impact of Ind AS 116.

\*\* Expenditure incurred for CSR includes payment made for promotion of Education.

<b>32 Earnings per Share</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Basic earning per share</b>	63.13	25.72
<b>Diluted earning per share</b>	63.13	25.72
Profit After Tax	3,880.21	1,581.00
Weighted average number of Equity Shares	61.46	61.46

### 33 Contingent Liabilities

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
(i) Bank Guarantee obtained from Banks	250.00	250.00
	<b>250.00</b>	<b>250.00</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

(Rs. In lacs)

<b>34 Auditors Remuneration</b>	<b>2019-20</b>	<b>2018-19</b>
(i) Audit Fees	8.85	8.85
(ii) Tax Audit Fees	1.10	1.10
(iii) Other Matters	-	-
	<u><b>9.95</b></u>	<u><b>9.95</b></u>

\*Excluding GST

<b>35 Expenditure in Foreign Currency</b>	<b>2019-20</b>	<b>2018-19</b>
Tours and Travelling	9.96	12.11
	<u><b>9.96</b></u>	<u><b>12.11</b></u>

<b>36 Managerial Remuneration</b>	<b>2019-20</b>	<b>2018-19</b>
Salary	56.00	42.00
Commission on Net Profit	47.00	35.00
	<u><b>103.00</b></u>	<u><b>77.00</b></u>

<b>37 Computation of Net Profit in accordance with Section 197 r/w Section 198 of Companies Act 2013</b>	<b>2019-20</b>	<b>2018-19</b>
Net Profit after Tax as per Profit and Loss Account	3,880.21	1,581.00
<b>Add:</b>		
Income Tax	379.52	866.95
Director Remuneration	103.00	77.00
<b>Less:</b>		
Profit on Sale of Fixed Assets	2,949.36	40.39
	<u><b>1,413.38</b></u>	<u><b>2,484.56</b></u>
<b>Maximum Remuneration payable including commission @ 11%</b>	<b>155.47</b>	<b>273.30</b>

<b>38 CSR Expenditure</b>	
<b>a) Gross amount required to be spent by the company during the year</b>	<b>46.70</b>

- b) Amount Spent during the year**
- i. Construction / acquisition of any asset
  - ii. On purposes other than i above

	Spent	Unspent
i.	-	-
ii.	47.00	-

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

## ANNUAL REPORT & ACCOUNTS 2019-2020

### 39 Unclaimed /Unpaid Divided

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124 of The Companies Act, 2013, will be transferred to the Investors Education and Protection Fund ( IEPF) established by the Government of India. Total amount of Rs. 7.38 lacs as on 31st March, 2020 is lying in unclaimed / unpaid dividend account as under :

Financial Year	Amount (in lacs )
2012-2013	0.98
2013-2014	1.02
2014-2015	1.22
2015-2016	1.44
2016-2017	1.44
2017-2018	0.70
2018-2019	0.58
<b>Total</b>	<b>7.38</b>

40 Information about Business Segment	2019-20	2018-19
<b>Segment Revenue</b>		
(a) Showroom Revenue	1,05,514.86	1,13,296.86
(b) Service & Spares	11,009.66	10,700.40
<b>Total</b>	<b>1,16,524.53</b>	<b>1,23,997.26</b>
<b>Segment Results</b>		
(a) Showroom Revenue	986.38	1,801.06
(b) Service & Spares	1,265.99	1,233.75
<b>Total</b>	<b>2,252.37</b>	<b>3,034.81</b>
Less:		
Interest and Financial Charges	1,200.01	1,013.41
<b>Add:</b>		
Un-Allocated Income	3,207.38	426.54
<b>Profit before Tax and Extraordinary item</b>	<b>4,259.73</b>	<b>2,447.94</b>
Less :Taxation Expenses including Deferred Tax	379.52	866.95
<b>Profit after Tax</b>	<b>3,880.21</b>	<b>1,580.99</b>
<b>Total Capital Employed</b>	<b>35,724.21</b>	<b>32,127.54</b>

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

The segment report of the Company as stated above has been prepared in accordance with Ind AS 108 Operating Segments.

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

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

- (i) Showroom:- Purchase and sales of vehicles manufactured by Maruti Suzuki India Ltd.  
(ii) Service & Spares: Servicing of Maruti Vehicles and Sale of their Spare parts.

#### 41 Related party Disclosure

**(a) Enterprises over which Directors/Key Management Personnel of the Company were able to exercise significant influence during the year :**

- Competent Builders Private Limited
- Competent International Tradex Company Private Limited
- Competent International Resorts and Hotels Limited
- Raj Chopra & Co. Private Limited
- Competent Infrapromoters Private Limited
- Enchanted Properties Private Limited
- Competent Construction Company
- Competent Exporters
- Competent Leasing & Finance
- Competent Film Enterprises
- Competent Wellness Ventures Pvt. Limited
- Competent Car Care Pvt Limited.

**(b) Key Managerial Personnel**

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

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

S.No.	Name of Related Party	Relationship	Nature of Transaction	Amount in lacs
1	Raj Chopra	CMD	Salary	32.00
			Commission	30.00
			Rent	96.00
			Interest	83.90
2	Kavita Ahuja	Whole time Director	Salary	12.00
			Rent	20.00
			Interest	50.53
			Facility Charges	72.00
			Commission	12.00
3	K.K.Mehta	Whole time Director	Salary	12.00
			Commission	5.00
4	Ravi Arora	Company Secretary	Salary	13.51
5	Vijay Kumar Sharma	CFO	Salary	23.65
6	PGR Enterprises LLP	Sister concern	Service Charges	196.00

**42** Some of the outstanding balances as at 31st March 2020 in respect of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation.

## ANNUAL REPORT & ACCOUNTS 2019-2020

### 43 Leases ( IND AS-116)

Rs. in lacs

#### (i) Amount recognised in the balance sheet

The balance sheet shows the carrying value relating to ROU Assets.

Right of Use Assets	As at March 31, 2020
Building	7651.40

#### Lease Liabilities

Particulars	As at March 31, 2020
Non Current	7054.17
Current	752.73
<b>Total</b>	<b>7806.90</b>

#### (ii) Amount recognised in the statement of Profit & Loss Account :

The statement of Profit and loss shows the following amount relating to ROU Assets :

Particulars	2019-20
<b>Depreciation charge of Right of use assets</b>	
Building	1031.39
Interest Expense included in Finance Cost	<b>254.53</b>

#### (iii) Future minimum lease payments as on March 31, 2020 are as follows:

Particulars	Lease payments	Finance Charges	Net present Values
Within 1 year	1,056.20	303.47	752.73
1-2 year	1,127.77	268.60	859.17
2-3 year	1,171.47	233.00	938.47
3-4 year	1,159.78	194.73	965.06
4-5 year	1,102.26	157.21	945.05
After 5 year	3,985.21	638.79	3,346.42
<b>Total</b>	<b>9,602.70</b>	<b>1,795.80</b>	<b>7,806.90</b>

### 44 Financial Instruments and Risk Management

Financial Instruments	As at 31st March 2020		As at 31st March 2019	
	FVOCI	Amortized cost	FVOCI	Amortized cost
<b>Financial Assets</b>				
Investments in Equity Instruments (unquoted shares- Level 3 )	3,485.00	-	3,485.00	-
Trade Recivables	-	1,099.20	-	6,192.56
Cash and Bank Balances	-	2,438.35	-	2,811.24
Loans	-	26.82	-	15.00
Other Financial Assets	-	700.75	-	625.76
<b>Total Financial Assets</b>	<b>3,485.00</b>	<b>4,265.12</b>		<b>9,644.56</b>
<b>Financial Liabilities</b>				
Borrowings	-	10,597.63	-	10,822.49
Other current maturities of Long term Debts	-	110.39	-	94.98
Trade Payables	-	556.99	-	603.17
Others	-	468.18	-	254.97
<b>Total Financial Liabilities</b>	<b>-</b>	<b>11,733.18</b>		<b>11,775.61</b>

**Fair Value hierarchy**

<b>Financial Assets valued according to Level 3 valuation</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Unquoted Equity Instruments	3,485.00	3,485.00

**Level 1:** Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

**Level 2:** Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

**Level 3:** Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

<b>Reconciliation of Level 3 Fair value measurement</b>	<b>(Rs. In lacs)</b>
<b>Particulars</b>	<b>Unquoted Equity shares</b>
<b>As at 31st March 2019</b>	<b>3485.00</b>
Acquisition	
gain and loss recognised in Other Comprehensive Income	
<b>As at 31st March 2020</b>	<b>3485.00</b>

**Financial risk management**

The Company's activities expose it to credit risk, liquidity risk and market risk. The financial risk management of the Company is carried out under the procedures approved by the Managements. Within these policies, the management provides written principles for overall risk management including procedures covering specific areas, such as interest rate, market challenges and financial budgets to ascertain the adequate liquidity in the company.

**A. Credit Risk**

The credit risk is the risk that counter party will not meet its obligations under the financial instrument or customer contract, relating to a financial loss

"The credit risk of the company is very much on the lower side. The trade receivables of the company at large are secured in nature. The trade receivable primarily includes receivables from various Banks, finance companies and insurance companies against delivery of vehicles to customers who have availed bank/private finance for which disbursement is due and accidental claims for repairs of vehicles, respectively. The obligation due on them are secured against the documents issued against the credit. To manage trade receivable, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends. None of the financial instruments of the Company result in material concentrations of credit risks."



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### B. Liquidity risk

Liquidity risk is the risk that company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's main objective is to maintain the optimum level of liquidity to meet its cash and collateral requirement. The Company operates with a low Debt Equity ratio. The company's main sources of liquidity are cash and cash equivalents and cash flow generated from operations. However to maintain the liquidity flow of cash and cash equivalents, the company has obtained the cash credit and inventory funding facilities from banks to meet its working capital requirements. The position of the same is as under:

### Financing arrangements

The company had access to the following facilities at the end of reporting period :

Particulars	As at 31st March 2020	As at 31st March 2019
Cash Credit Facilities and other Facilities within one year	10,542.92	10,654.87
More than one Year	-	-
	<b>10,542.92</b>	<b>10,654.87</b>

Market risk is the risk that fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. The market risk at large are categorised as 1) Foreign Currency Risk ; 2) Interest Rate Risk ; 3) Price Risk.

The company's exposure to the market risk is very minimal.

Foreign Risk : The company do not have any exposure to Foreign Currency risk.

Interest Rate and Price Risk :- The Company do not have any investment in Govt securities, quoted shares and any other bond etc.

**45** The Previous Year Figures have been restated, regrouped and rearranged wherever necessary to make them Comparable with current year.

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

**For Ambani & Associates LLP**

Firm Registration No: 016923N  
Chartered Accountants

**(Hitesh Ambani)**

Partner  
Membership Number- 506267

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

**(Raj Chopra)**

Chairman & Managing Director  
DIN-00036705

**(Ravi Arora)**

Company Secretary

**(Kavita Ahuja)**

Whole Time Director  
DIN-00036803

**(Vijay Kumar Sharma)**

Chief Financial Officer

Place: New Delhi

Date : 30-07-2020