



# COMPETENT AUTOMOBILES CO. LTD.

## 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

Dinesh Mehta & Co.

## Regd. Office

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

## Bankers

HDFC Bank Ltd.  
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)
- Khasra No. 33/17, Main Bawana Road, Sameypur, North East Delhi-110042 (Commercial)
- Khasra No.622, Village Salhawas, Near BDPO Office, Kosli - Jhajjar Road, Salhawas - 124146
- 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
- A-25, Sector-33/34, Infocity, Gurugram - 122001 (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
- Khewat No. 270 & 273, Village Dadri Toye, Distt. Jhajjar
- Khasra No. 152/1153/1911/154/1913/155, 156/1, Moja Gutkar /208, Tehsil Balh, District, Mandi, Himachal Pradesh (NEXA)
- Khasra No. 492,493,494 Vill Chatter P.O Bhira Teh & Distt. Hamirpur, Shimla Road, (NH 74) 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)
- Opp. HPPWD Workshop, Jared, Bhutti Colony, Shamshi, Kullu, Himachal Pradesh

## Workshops

- Plot No. 3, Gazipur, Delhi - 110096
- 650/1A, 14, Shivaji Marg, New Delhi - 110015
- Khasra No. 30-14-2, Plot No.1 Village Matiala, West Delhi- 110059
- 34, Rajasthani Co-Operative Industrial Estate, G.T Karnal Road, Delhi - 110033
- Khasra no. 43/12 and 43/12 (5-1), Village Haibat Pura, Jharoda Kalan Road, Najafgarh, New Delhi - 110043
- Khasra No.622, Village Salhawas, Near BDPO Office, Kosli - Jhajjar Road, Salhawas -124146
- 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
- Khewat No. 270 & 273, Village Dadri Toye, Distt. 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
- Plot No. 3 & 4, Industrial Area, Shamshi, Kullu, 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 38th Annual General Meeting of the Members of Competent Automobiles Co. Ltd. will be held on Monday, the 28th day of August, 2023 at 11:00 A.M. through Video Conferencing/Other Audio Visual Means (VC/OAVM) to transact the following business:

### ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2023 together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mrs. Kavita Ahuja (DIN: 00036803), who retires by rotation and being eligible, offers herself for re-appointment.
4. 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 re-appoint Mr. Ashish Ahuja or his proprietary firm Ash Assure, 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, 2023 on following terms & conditions:

1.	Re-Appointment Period	Three Years Starting from September 23, 2023
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.
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

Place: New Delhi  
Date: 31.07.2023

### By order of the Board

For Competent Automobiles Co. Ltd.

**Ravi Arora**  
Company Secretary

**NOTES:**

1. **The Ministry of Corporate Affairs (“MCA”) has, vide its circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and December 28, 2022 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.**
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 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, August 22, 2023 to Monday, August 28, 2023 (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 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) @ 10% 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 2023-24 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.

Tax at source will be deducted @20% for a shareholder who falls in the category of “specified person” as defined in Section 206AB of Income Tax Act, 1961 or who has not submitted PAN, 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

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income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.

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 amount. 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, Tuesday, the 5th September, 2023.

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 / Form15H (as applicable) along with self-attested copy of the PAN is submitted.
- 10% 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 5th September, 2023.

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 income tax 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 Saturday, 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/DD as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of /



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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.

### 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, 2015 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, 2016 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
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
2019-20	Final Dividend	21-09-2020	29-10-2027
2020-21	Final Dividend	24-09-2021	01-11-2028
2021-22	Final Dividend	20-09-2022	28-10-2029

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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of

the Members to the EGM/AGM venue is not required and general meeting 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 authorised 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 Exchange i.e. BSE 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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on August 25, 2023 at 9:00 A.M. and ends on August 27, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 21, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 21, 2023.**

#### **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: Access to NSDL e-Voting system**



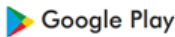

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities**

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### in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by <b>NSDL Mobile App is available on</b>  <b>App Store</b>  <b>Google Play</b> below for seamless voting experience.   </li> </ol>



Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
	2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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/>

## ANNUAL REPORT & ACCOUNTS 2022-2023

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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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. Password details for shareholders other than Individual shareholders 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 etc.
  - 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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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](http://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](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto: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 [cs@competent-maruti.com](mailto: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 [cs@competent-maruti.com](mailto:cs@competent-maruti.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

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4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **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.
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 by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 [cs@competent-maruti.com](mailto:cs@competent-maruti.com). The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [cs@competent-maruti.com](mailto:cs@competent-maruti.com) between August 22, 2023 (9.00 a.m. IST) and August 25, 2023 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

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

**Place: New Delhi**  
**Date: 31.07.2023**

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

**Explanatory statement pursuant to section 102 of the Companies Act, 2013****Item no. 4**

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.

The Members in their meeting held on September 21, 2020 had approved the appointment of Mr. Ashish Ahuja to hold office or place of Profit in the Company for the period of three years. The Three years period is going to expire on September 22, 2023. The Management has assessed the performance of Mr. Ashish Ahuja and the same was found satisfactory. The Company has benefitted from his appointment. Therefore, the Board is of the opinion that reappointment of Mr. Ashish Ahuja or his proprietary firm Ash Assure, 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.

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.

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 or his proprietary firm Ash Assure, 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. 04. 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. 04 of the Notice.

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

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

**Place: New Delhi**  
**Date: 31.07.2023**

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



# ANNUAL REPORT & ACCOUNTS 2022-2023

## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting this 38th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2023.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2023 is summarized below:

(Rs. in Lacs)		
Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Gross Income	173863.96	125064.10
<b>Profit before Dep. &amp; Tax</b>	<b>5377.62</b>	<b>5192.53</b>
Less : Depreciation & Amortisation	1934.34	2484.07
Less: Provision for Taxation including Deferred Tax and Reversal of MAT Credit	970.20	762.93
<b>Profit after tax</b>	<b>2473.08</b>	<b>1945.53</b>
Add: Surplus from Previous year	22995.21	21111.14
Add: Other Comprehensive Income	63.61	-
<b>Amount available for appropriation (A)</b>	<b>25531.90</b>	<b>23056.67</b>
<b>General Reserve (B)</b>	<b>3517.51</b>	3517.51
<b>Securities Premium Account (C)</b>	<b>1431.65</b>	<b>1431.65</b>
<b>Sub-Total (A+B+C)</b>	<b>30481.06</b>	<b>28005.83</b>
<b>Less Appropriations</b>		
Transfer to General Reserves	-	-
Dividend & tax thereon paid during the year	61.46	61.46
<b>Closing Balance</b>	<b>30419.60</b>	<b>27944.37</b>

### PERFORMANCE

Your Company has reported Total Income from Operations of Rs. 1,73,152.97 Lacs in the Current Financial Year against Total Income from Operations of Rs. 1,24,557.24 Lacs in the Previous Financial Year.

The Company's profit before tax is Rs. 3443.28 Lacs as compared to profit before tax of Rs. 2708.46 Lacs of previous year.

During the year 2022-23, your company sold 28,404 (including 397 vehicles sold through Direct Billing) Maruti Vehicles as compared with 22,843 (including 248 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/- per Equity Share of Rs. 10/- each for the year ended 31st March, 2023, which, if approved, by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

### TRANSFER TO RESERVES

NIL amount to be transferred to the reserves.

## ACHIEVEMENTS

During the year, your Company has received following Awards & Recognition by Maruti Suzuki India Limited:

### List of Awards for the 2022-23 in C1 & C2 Region

S. No.	Name of Award Title
<b>ARENA</b>	
1	Platinum Dealer Award
2	Achivers Club 2023
3	Highest Growth in MI 1st Year ARENA Central 1
4	Highest Growth in ADD ONS - ARENA Central 1
5	Highest Grwoth in Web Penetration MI - ARENA Central 1
6	Highest Enquiry to Evaluation (Walk-in + Web) - ARENA Central 1
7	Maximum Months with Zero Clustomer Complaints - ARENA Central 2
8	Highest Celerio Contribution to Retail - ARENA Central 2
9	Highest Finance Penetration - ARENA Central 2
10	Highest Manpower Productivity - ARENA Central 1
11	Highest Retail Share in Central Cluster - ARENA Central 1
12	Highest Number of Bulk Deals in GEM Vehicles - ARENA Central 1
<b>NEXA</b>	
1	Zeta Dealer Award
2	Highest Increase in Retail Share in West Delhi Cluster - NEXA Central 1
3	RM Award NEXA Winner - NEXA Dilshad Garden
4	Highest Increase in Retail Share in East Delhi Cluster - NEXA Dilshad Garden
5	Highest Growth in Ciaz Sales - NEXA Dilshad Garden
6	Highest Growth in Baleno Sales - NEXA Dilshad Garden
7	Highest Growth in Volumes > 90 Monthly Volume - NEXA Dilshad Garden
8	Qulality Achievers Club Champions - NEXA Dilshad Garden
9	NEXA Elites Championship Sept.22 Runner-up-Group-A- Wazirpur
10	NEXA GEM Sales - Wazirpur
11	Mission 4000 Baleno+XL6 Bookings Winner Group-A - NEXA Dwarka
12	Best Performance in WOI Segment - NEXA Dwarka
13	Highest Increase in Retail Share in West Delhi Cluster - NEXA Dwarka

## 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 fulfills all the conditions specified in the Companies Act, 2013 & Listing Regulations making them eligible to act as Independent Directors.

## ANNUAL REPORT & ACCOUNTS 2022-2023

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

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

Following changes happen in Key Managerial Personnel of the company

S. No.	Name of KMP	Designation	Appointment/Cessation	Effective Date
1	Siddhant Mehra	Chief Financial Officer	Cessation	July 02, 2022
2	Krishan Kumar Mishra	Company Secretary & Compliance Officer	Cessation	July 05, 2022
3	Badri Nath	Chief Financial Officer	Appointment	July 05, 2022
4	Ravi Arora	Company Secretary	Appointment	July 05, 2022
5	Badri Nath	Chief Financial Officer	Cessation	March 31, 2023
6	Deepak Mehta	Chief Financial Officer	Appointment	April 01, 2023

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).

Annual Return of the Company can be accessible at [www.competent-maruti.com/annual\\_return](http://www.competent-maruti.com/annual_return)

### 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, 2023 and state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- 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;
- 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.
- The Directors had prepared the annual accounts on a going concern basis.
- 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 Akashiganga Foundation. The total contribution made to the implementing agency is Rs. 50,00,000/- (Rupees Fifty 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.

### **INVESTOR EDUCATION AND PROTECTION FUND**

In compliance with provisions of Section 124 of Companies Act, 2013, the Company has transferred Rs. 1,10,883/- to IEPF, being unpaid and unclaimed dividend for the FY 2014-15.

# ANNUAL REPORT & ACCOUNTS 2022-2023

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## LISTING FEE OF SHARES

Your Company's Equity Shares are listed with BSE Limited (BSE) and Listing Fee for the financial year 2023-24 has been paid in advance by the Company.

## AUDITORS

M/s Dinesh Mehta & Co., Chartered Accountants, (Firm Registration No. 000220N), were appointed as the Statutory Auditors of the Company at the 37th Annual General Meeting ("AGM") of the Company held on September 20, 2022, to hold office from the conclusion of the 37th AGM till the conclusion of the 42th AGM.

## 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 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 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 company has no foreign exchange earnings and expenditure of the Company during the year under review.

As required by the provisions of Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees are set out in **Annexure H**. However, as per the provisions of Section 136 of the Act, the annual report is being sent to all the members of the Company excluding the aforesaid information. The said information is available for inspection by the members at the registered office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## 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. 36 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 2022-23.

- 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: 31.07.2023**

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

# ANNUAL REPORT & ACCOUNTS 2022-2023

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, 2023 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.

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

# ANNUAL REPORT & ACCOUNTS 2022-2023

## 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 Ten (10) times – on 23rd May, 2022; 5th July, 2022; 12th August, 2022; 22nd August, 2022; 6th October, 2022; 11th November, 2022; 21st November, 2022; 16th January, 2023; 11th February, 2023 and 31st March, 2023. 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 20, 2022
	Held	Attended	
Mr. Raj Chopra	10	10	No
Mrs. Kavita Ahuja	10	10	Yes
Mr. K. K. Mehta	10	10	No
Mr. Raman Sehgal	10	10	No
Mr. R. C. Murada	10	10	Yes
Mr. Rohit Gogia	10	10	Yes

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, 2023, 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 Seven (7) times during the financial year from 1st April, 2022 to 31st March, 2023 on the following dates:

- **Meetings and attendance during the year**

The Audit Committee met Seven (7) times during the financial year from 1st April, 2022 to 31st March, 2023 on the following dates:

1	23rd May, 2022	2	05th July, 2022
3	12th August, 2022	4	11th November, 2022
5	16th January, 2023	6	11th February, 2023
7	31st March, 2023		

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	7	7
Mrs. Kavita Ahuja	7	7
Mr. Rohit Gogia	7	7

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, 2023 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, 2022 to 31st March, 2023 on the following dates:

1	23rd May, 2022	2	12th August, 2022
3	11th November, 2022	4	11th February, 2023



## ANNUAL REPORT & ACCOUNTS 2022-2023

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	4	4

- Compliance Officer**

The Compliance Officer for this committee is Company Secretary of the Company.

Shareholders' Complaints etc. received during the FY 2022-23

During the year from 1st April, 2022 to 31st March, 2023, 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, 2023 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 Six (6) times during the financial year from 1st April, 2022 to 31st March, 2023 on the following dates:

1	23rd May, 2022	2	5th July, 2022
3	12th August, 2022	4	11th November, 2022
5	16th January, 2023	6	31st March, 2023

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	6	6
Mr. Rohit Gogia	6	6
Mr. Raman Sehgal	6	6

### 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, 2023

(In Rs. lacs)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	42.00	80.00	122.00
Mrs. Kavita Ahuja	36.00	100.00	136.00
Mr. K. K. Mehta	12.00	-	12.00

## 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, 2023 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, 2022 to 31st March, 2023 on the following dates:

1	23rd May, 2022	2	12th August, 2022
3	11th November, 2022	4	11th February, 2023

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 Year ended	Date	Venue	Time
March 31, 2022	20.09.2022	Other Audio Video Means (OAVM)	11:00 a.m.
March 31, 2021	24.09.2021	Other Audio Video Means (OAVM)	11:00 a.m.
March 31, 2020	21.09.2020	Other Audio Video Means (OAVM)	11:00 a.m.

## ANNUAL REPORT & ACCOUNTS 2022-2023

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1. No special resolution was passed at the previous Annual General Meeting held on 20.09.2022.
2. No Special Resolution is passed at the forthcoming Annual General Meeting.

### E. DISCLOSURES:

- 1. Related Party Transactions:** For related party transactions please refer to note no. 36 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 & 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, 2023.
- 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, 2023.

**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 Managing Director and 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, shall retire by rotation and being eligible offer herself 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, 2023, 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

**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:

<b>Particulars</b>	<b>Month (Tentative and subject to change)</b>
Un-audited Financial results for the 1st quarter ended June 30, 2023	August, 2023
Un-audited Financial results for the 2nd quarter and half year ending September 30, 2023	November, 2023
Un-audited Financial results for the 3rd quarter ending December 31, 2023	February, 2024
Audited Financial results for the last quarter and whole year ending March 31, 2024	May, 2024

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### 4. WEBSITE

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

### 5. DIVIDEND PAYMENT DATE

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

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2023, 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 (%)
2021-2022	10
2020-2021	10
2019-2020	10

### 6. LISTING ON STOCK EXCHANGE

As on 31st March, 2023, 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 2023-24 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, 2023

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

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

Particulars	31st March, 2023	
	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	1,36,492	2.22
NBFC	1,79,520	2.92
Individuals	11,15,251	18.14
Others (NRIs/HUF/Clearing Member / House/IEPF etc.)	110,432	1.80
<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**

No. of Shares or Debentures	Number of Shareholders	% to Total Numbers	Share or Debenture Holding	% to Total Shareholding
1	2	3	4	5
Up To 500	2666	90.56	249080.00	4.05
501 To 1000	132	4.48	109160.00	1.78
1001 To 2000	65	2.21	96128.00	1.56
2001 To 3000	25	0.85	63775.00	1.04
3001 To 4000	14	0.48	49347.00	0.80
4001 To 5000	5	0.17	23912.00	0.39
5001 To 10000	20	0.68	138629.00	2.26
10000 and Above	17	0.58	5415969.00	88.12
<b>Total</b>	<b>2944</b>	<b>100.00</b>	<b>6146000.00</b>	<b>100.00</b>

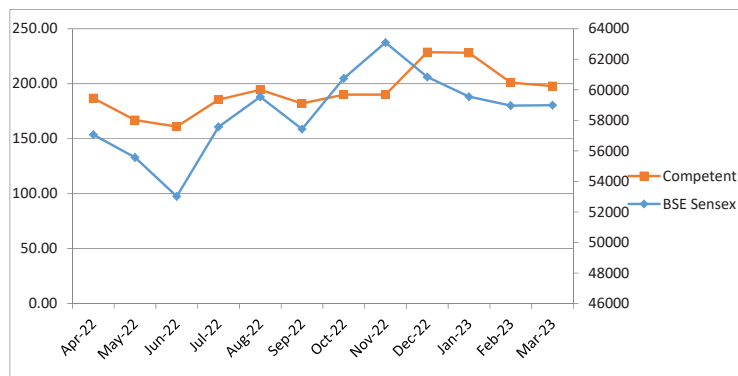
**10. MARKET PRICE DATA**

Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2022-23 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-22	205.95	161.00
May-22	195.00	140.00
Jun-22	169.90	147.05
Jul-22	187.95	150.65
Aug-22	214.00	173.75
Sep-22	201.00	173.05
Oct-22	199.70	175.10
Nov-22	204.80	183.25
Dec-22	284.80	184.25
Jan-23	241.80	205.25
Feb-23	235.00	196.00
Mar-23	222.90	188.60

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

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



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### 12. DEMAT

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

As on 31st March, 2023, 97.69% (i.e. 60,04,092 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, 2023.

### 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>	Mrs. Kavita Ahuja
<b>Date of Birth</b>	22/01/1972
<b>Qualification</b>	B.A.
<b>Expertise in Specific functional area</b>	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>	01/04/1991
<b>Name of the other Companies in which he holds Directorship</b>	<ul style="list-style-type: none"> <li>- Raj Chopra &amp; Company Pvt. Limited</li> <li>- Competent International Resorts &amp; Hotels Limited</li> <li>- Competent Wellness Ventures Private Limited</li> <li>- Competent Car Care Pvt. Ltd.</li> </ul>
<b>Name of the Committees* of the Companies of which he holds Membership / Chairmanship</b>	Audit Committee
<b>Shareholding in the Company</b>	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, 2023, 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 Dinesh Mehta & Co.,**  
**Firm Registration No.- 000220N**  
**Chartered Accountants**

**Anup Mehta**  
**Partner**  
**Membership No. - 093133**  
**UDIN: 23093133BGVSBBC2783**

**Place: New Delhi**  
**Date: 29.07.2023**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OVERALL VIEW**

The automotive industry in India is set to expand at a compound annual growth rate (CAGR) of 11.3% till 2027. This growth will most likely occur due to factors like rising disposable income, wide availability of credit and financing options, and growth of population. Furthermore, with the growth of the passenger transport sector and the rise in demand for commercial vehicles, the potential for future growth of India's automotive sector is pretty high, however, energy crisis, gas shortages, rising inflation and Interest rates, labour shortages, high consumer demand, and unpredictability in the supply chain are some of the handicaps being faced by the automotive industry.

Apart from this, industry-friendly policies and initiatives by the Indian Government will also play a major role in fuelling this development in the years to come.

In the immediate future, India's automobile industry is on its way to adopting cleaner technology to reduce emissions. The government has implemented the second phase of BS VI emission norms from April 2023; this may increase the cost of manufacturing gas-powered vehicles considerably.

The Passenger Vehicle demand is expected to remain towards new launches in electric, Hybrid and CNG categories as well as SUVs.

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

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

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

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

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

**Industry Structure:** The automobile dealer industry is comprised of two segments. New car dealers, often called franchised dealers, primarily sell new cars, sport utility vehicles (SUVs), and passenger and 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**

Demand for Electric Vehicles (EV) are on the rise. The Current Market Share of EVs in India's Automotive sector is standing at 0.7%, however, by 2027, this figure is set to reach at 3.8%.

Further, the availability and adoption of advanced technology solutions is driving the majority of the underlying trends in the auto industry. Connected cars, sensors, electrification, and new business models (including mobility-as-a-service) all take advantage of advanced technology solutions. That's where industry experts say the automotive industry needs to focus going forward. The entire industry, from suppliers to automakers, is challenged to keep existing operations profitable, while simultaneously building out capacity to tackle these new innovations.

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Companies must find the right balance between continuity of a stable and profitable business, while at the same time lead the way in disrupting their own business models.

While many automakers and suppliers learned from the past to help them survive recent disruptions and make their existing operations more efficient, some industry leaders say that flexibility and innovation will be critical when it comes to the unique challenges facing the future direction of the automotive industry.

Automotive companies need to innovate and develop solutions quickly in order to react fast to changing customer demands and market opportunities. In a digital world, innovation must become an integral part of each department and discipline, so the entire enterprise contributes to generating top-line, bottom-line, and green-line improvements.

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

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.

Moreover, sales of automobiles on digital platforms, integration of wireless technology in cars, and entry of connected and autopilot-enabled vehicles in the market are some of the factors that are going to fuel the growth of the automotive industry.

### OPPORTUNITIES AND THREATS

#### Opportunities

India being one of the largest automobile markets in the world, has a bright future because of several factors like rising of living Standards, strong Research & Development advancement, shifting of manufacturing hub to India, Growing teenage drivers, 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.

#### Threats

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

Government are enforcing strict rules relating to pollution, safety, and other aspects on the vehicle sector. These regulations can significantly raise the costs of vehicle manufacturing because companies may need to invest in new technologies or processes to comply with such laws.

Also, the growing popularity of ride-sharing services such as Uber has reduced car ownership and demand for new vehicles. This trend is expected to continue, especially in urban areas with easy access to public transportation and ride-sharing services, which may result in lower vehicle demand.

Consumer confidence, interest rates, and employment levels are all highly dependent on macro and microeconomic factors in the automobile industry. Consumers may be more cautious about spending money on large-ticket items such as cars during economic downturns.



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**

The automotive industry in India is set to expand at a compound annual growth rate (CAGR) of 11.3% till 2027. This growth will most likely occur due to factors like rising disposable income, wide availability of credit and financing options, and growth of population. The management of the Company believes 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 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 imports cars and car components and to some India exports.

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

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

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

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

## **SEGMENT WISE BUSINESS PERFORMANCE**

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

## **OPERATIONAL & FINANCIAL PERFORMANCE**

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

## **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

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improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2023, there were 2183 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.

### 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	2021-22	2022-2023	Remarks
Debtors Turnover Ratio	24.88	34.66	Increase in ratio due to effective collection of receivables
Inventory Turnover Ratio	18.47	17.04	No Significant Change
Interest Coverage Ratio	4.28	3.09	Increase in ratio due to increase short term borrowing
Current Ratio	1.656	1.26	No Significant Change
Debt Equity Ratio	0.45	0.54	No Significant Change
Operating Ratio	2.8	2.90	No Significant Change
Net Profit Ratio	1.52	1.38	No Significant Change
Return on Net Worth	6.81	8.51	Increase in ratio due to increase in profits

**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

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

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

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

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

### **CSR Budget:**

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

### **Treatment of Surpluses:**

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

**Annual Report on Corporate Social Responsibility Activities**  
**[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

**1. Brief outline on CSR Policy of the Company.**

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 Akashiganga Foundation, for Plantation and Prevention of Environment Pollution.

The CSR policy available at web link: <https://competent-maruti.com/policies>

**2. Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	R C Murada	Independent Director and Chairman - CSR Committee	4	4
2	Rohit Gogia	Independent Director and Committee Member	4	4
3	Kavita Ahuja	Whole-Time Director and Committee Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:- [www.competent-maruti.com](http://www.competent-maruti.com)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):- NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:- NIL
6. Average net profit of the company as per section 135(5) (Amt. in Lacs):- Rs. 2413.79
7. (a) Two percent of average net profit of the company as per section 135(5) (Amt. in Lacs):- Rs. 48.28  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- NIL  
 (c) Amount required to be set off for the financial year, if any:- NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c):- Rs. 48.28

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
50,00,000	-	-	Donation - Akashiganga Foundation	50,00,000	03-03-2023

- (b) Details of CSR amount spent against **ongoing projects** for the financial year: NIL

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(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Plantation and Prevention of Environment Pollution	Item No. (iv)	Yes	Delhi/NCR	Delhi/NCR	50,00,000	No	Akashiganga Foundation (NGO)	CSR00011882
	<b>Total</b>					<b>50,00,000</b>			

(d) Amount spent in Administrative Overheads:- NIL

(e) Amount spent on Impact Assessment, if applicable:- NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- NIL

(g) Excess amount for set off, if an

Sr. No.	Particular	Amount (in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)*	48.28
(ii)	Total amount spent for the Financial Year	50.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.72
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.72

\*Please refer to point 7 above

9. (a) Details of Unspent CSR amount for the preceding three financial years: please refer to point 7 above  
 (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).  
 (a) Date of creation or acquisition of the capital asset(s):- NA  
 (b) Amount of CSR spent for creation or acquisition of capital asset:- NA  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:- NA  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):- NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):- NA

**By Order of the Board**  
**For Raj Chopra & Company Private Limited**

**Ramesh Chander Murada**  
**Chairman – CSR Committee**

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



## **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 per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives —
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding

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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.

**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 (as amended from time to time) and Companies Act, 2013.

**Term / Tenure:**

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

**Removal:**

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

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

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

**1. Executive Directors:**

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

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

The Non - Executive Director/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.

# ANNUAL REPORT & ACCOUNTS 2022-2023

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## **Policy on Board diversity:**

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

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

## **Remuneration:**

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

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

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

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

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

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

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

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

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

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.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'). The 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 March 31, 2023 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 March 31, 2023, 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 Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('the 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').
- (vi) As informed by the management of the Company based on its sector/ industry there are no specific laws applicable to the Company.

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We further report that in our opinion adequate systems and processes exist in the Company to monitor and ensure required compliance with the applicable labour laws and other general laws.

We have also examined compliance with the applicable clauses of the 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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent they were applicable.

### **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 compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent adequately 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.
- Based on the review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

**For P. P. AGARWAL & CO.**  
Company Secretaries

**Pramod Prasad Agarwal**  
Proprietor  
M. No. F4955, C.P. No. 10566  
P. R.C. No. 1241/2021  
UDIN: F004955E000702069

Place: New Delhi  
Date: 29.07.2023

Note: 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.





To,

The Members,

**Competent Automobiles Company Limited**

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 the random 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. P. AGARWAL & CO.**

Company Secretaries

**Pramod Prasad Agarwal**

Proprietor

M. No. F4955, C.P. No. 10566

P. R.C. No. 1241/2021

UDIN: F004955E000702069

Place: New Delhi

Date: 29.07.2023

# ANNUAL REPORT & ACCOUNTS 2022-2023

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Competent Automobiles Company Limited (hereinafter referred 'the Company') having CIN: L34102DL1985PLC020668 and having registered office at F-14, Connaught Place, New Delhi- 110001 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 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 & its Directors, 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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S.No.	Name of Director	DIN	Date of appointment in Company
1.	Raj Chopra	00036705	11-04-1985
2.	Kavita Ahuja	00036803	01-04-1991
3.	Kanwal Krishan Mehta	00036902	15-03-1999
4.	Rohit Gogia	00148977	31-10-2011
5.	Ramesh Chander Murada	01157406	02-11-2006
6.	Raman Sehgal	08535351	04-09-2019

Ensuring the eligibility of 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 the basis of 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.

**For P. P. AGARWAL & CO.**  
Company Secretaries

**Pramod Prasad Agarwal**  
Proprietor  
M. No. F4955, C.P. No. 10566  
P. R.C. No. 1241/2021  
UDIN: F004955E000701981

Place: New Delhi  
Date: 29.07.2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Competent Automobiles Co. Ltd.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Competent Automobiles Co. Ltd.** ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including 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 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 31st March, 2023, its profit, statement of changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1.	Key Audit Matter
	<p><b>IIND AS-116- Leases (Accounting for rent concession arrangements)</b></p> <p>The company has INR 6,274.74 Lakhs (previous year INR 6,755.19 lacs) of Right of Use (Rou) assets and INR 6,093.75 Lakhs (previous year INR 7,440.97) of Lease Liabilities recognized under IND AS-116 pertaining leased by the Company.</p> <p>During the year, considering the impact of COVID-19 pandemic on its business. The Company negotiated rent concessions with its lessors for its showrooms and workshops and other leased premises till 30th June, 2022</p> <p>The Ministry of Corporate Affairs vide notification dated 24th July, 2020 issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent Concessions" effective from the period beginning on or after 01 April 2020. Pursuant to the above amendment, the Company has applied the practical expedient with effect from 01 April 2020. Accordingly, the Company accounted unconditional rent concessions of INR 10.00 Lacs (previous year INR 138.11 Lacs) during the year till 30th June, 2022 in accordance with MCA Notification dated 18th June, 2021 under the Head "Other income" in the Statement of Profit and Loss, not considering as a lease modification. Accounting of rent concessions pursuant to amendment to Ind AS 116 is considered as a key audit matter considering the number of lease arrangements the assessment of whether individual rent concession arrangements meet the criteria of the practical expedient under Ind AS 116, and the amounts involved.</p>

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

Our audit procedures included the following:

- Assessing the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116, including accounting for rent concession arrangements.
- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of rent concession arrangements under Ind AS 116.
- Tested on a sample basis, the rent concessions accounted by the Company, to agreed rent concession arrangements/ underlying documents, calculations and assessed the terms of the same against the requirements of the practical expedient under Ind AS 116.
- Assessed the Company's disclosures made in accordance with the requirements of Ind AS 116 in this matter.

## **Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors & Management are 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, 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.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors & Management are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Those Board of Directors & Management are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure - A'**, a

## ANNUAL REPORT & ACCOUNTS 2022-2023

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statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure - B**'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and





- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- vi. Provisio to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For, Dinesh Mehta & Co**

Chartered Accountants

Firm Regn. No. – 000220-N

**Anup Mehta**

Partner

M.No. – 093133

UDIN – 23093133BGVRZH2638

Place – New Delhi

Dated – 30th May, 2023

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### Annexure 'A'

#### The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

##### We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.
- (b) The company has been sanctioned during the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of inventories and returns/ statements filed on quarterly basis are in agreement of books of accounts.
- (iii) As per information and explanation given to us, the Company has not made Investment in, provide any guarantee or security or granted any loan or advances in the nature of Loans, Secured or Unsecured to Companies, Firms, Limited Partnerships or any other party. Accordingly, clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provision of section 85 and 186 of the Act, with respect to the loan and investment, guarantee and securities.
- (v) 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 Act, and the Rules framed thereunder could not apply. Accordingly, para 3(v) of the order is not applicable.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Accordingly, para 3(vi) of the order is not applicable.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no statutory dues which have not been deposited with the appropriate authority on account of any dispute.

- (viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix)
  - (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or any other lender;
  - (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.
  - (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
  - (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x)
  - (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
  - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi)
  - (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
  - (c) We have taken into consideration the whistle blower complains received by the company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) The company is not a Nidhi Company. Therefore, clause 3 (xii) of the order is not applicable on the company.
- (xiii) The company has entered into transactions with related parties in compliance with the provision of section 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the Ind AS Financial Statement as required under Ind AS 24, Related Party Disclosures specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules 2014.
- (xiv)
  - (a) According to the information and explanations given by the management, the company has an in house internal audit system commensurate with the size and nature of its business;
  - (b) We have considered the Internal Audit reports of Internal Auditor appointed by the management till date for the period under audit.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.

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- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the order is not applicable.
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the order is not applicable.
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order is not applicable.
- (d) According to the information and explanations given by the management, the Group does not have more than one CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the order is not applicable.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) (a) As per information and explanation provided to us and on the basis of our examination of books of accounts of company, there are no unspent amounts other than ongoing projects which are required to be transferred to a fund as specified in Schedule VII to the companies act within a period of six months of expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said act.
- (b) There are no ongoing projects against which unspent amount is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said act.

**For, Dinesh Mehta & Co**  
Chartered Accountants  
Firm Regn. No. – 000220N

**ANUP MEHTA**  
Partner  
M.No. – 093133  
UDIN – 23093133BGVRZH2638

Place – New Delhi  
Dated – 30th May, 2023

**Report on Internal Financial Controls with reference to Financial Statements****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 Co. Ltd. ("the Company") as of March 31, 2023 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. 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 judgement, 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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. 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

## ANNUAL REPORT & ACCOUNTS 2022-2023

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3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Dinesh Mehta & Co**

Chartered Accountants

Firm Regn. No. – 000220N

**Anup Mehta**

Partner

M.No. – 093133

UDIN – 23093133BGVRZH2638

Place – New Delhi

Dated – 30th, May 2023



# **COMPETENT AUTOMOBILES CO. LTD.**

## BALANCE SHEET AS AT 31ST MARCH 2023

		(Rs. In lacs)	
Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	2	13,127.22	12,303.24
b Capital work in progress	3 a	126.93	143.49
c Right of use Assets	3 b	5,612.38	6,755.19
d Financial Assets			
i) Investments	4	5,769.90	3,485.00
ii) Other financial assets	5	5,907.99	1,740.54
e Deferred Tax Assets (Net)	6	477.55	559.14
f Other non-current assets	7	479.68	570.85
<b>Total Non-Current assets</b>		<b>31,501.64</b>	<b>25,557.45</b>
<b>2 Current assets</b>			
a Inventories	8	11,167.54	6,938.74
b Financial Assets			
i) Trade receivables	9	4,437.87	5,554.58
ii) Cash and cash equivalents	10	2,571.46	5,245.64
iii) Bank balances other than (iii) above	10	6.02	6.70
iv) Other Current Financial Assets	11	720.65	3,407.24
c Other current assets	12	6,046.87	4,182.96
<b>Total Current assets</b>		<b>24,950.41</b>	<b>25,335.85</b>
<b>Total Assets</b>		<b>56,452.05</b>	<b>50,893.30</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share Capital	13	627.85	627.85
b Other Equity	14	30,419.60	27,944.37
<b>Total equity</b>		<b>31,047.45</b>	<b>28,572.22</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
a Financial Liabilities			
i) Other financial liabilities	15	235.28	196.63
ii) Lease liability		5,150.68	6,606.37
b Other non-current liabilities	16	258.71	222.26
<b>Total non-current liabilities</b>		<b>5,644.68</b>	<b>7,025.26</b>
<b>3 Current liabilities</b>			
a Financial Liabilities			
i) Borrowings	17	16,792.76	12,932.72
ii) Trade payables due to:	18		
Micro and Small Enterprises		29.49	27.32
Other than Micro and Small Enterprises		584.37	515.10
iii) Other financial liabilities	19	300.57	212.35
iv) Lease Liability		943.07	834.59
b Other current liabilities	20	1,109.66	773.74
<b>Total current liabilities</b>		<b>19,759.93</b>	<b>15,295.82</b>
<b>Total Equity and Liabilities</b>		<b>56,452.05</b>	<b>50,893.30</b>

Significant Accounting policies and Notes to Accounts forming part of Financial Statements 1 to 52

As Per our report of even date attached

**For Dinesh Mehta & Co.**

Firm Registration No: 000220N

Chartered Accountants

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

**(Anup Mehta)**

Partner

Membership Number-093133

**(Raj Chopra)**

Chairman & Managing Director

DIN-00036705

**(Kavita Ahuja)**

Whole Time Director

DIN-00036803

Place: New Delhi

Date : May 30, 2023

**(Kamal K Kumar)**

CEO

**(Ravi Arora)**

Company Secretary

**(Deepak Mehta)**

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2022-2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(Rs. In lacs)

	Note No.	For the Year ended 31st March 2023	For the Year ended 31st March 2022
<b>A Revenue</b>			
I Revenue from Operations	21	1,73,152.97	1,24,557.24
II Other Non Operating Revenue	22	710.99	506.87
<b>III Total Income (I+II)</b>		<b>1,73,863.96</b>	<b>1,25,064.10</b>
<b>IV Expenses</b>			
Purchases of Stock in Trade	23	1,58,539.37	1,11,409.75
Changes in Inventories of Stock in Trade	24	(4,257.76)	(2,036.99)
Employee Benefit Expenses	25	6,949.51	5,224.86
Finance Cost	26	1,650.83	826.08
Depreciation and Amortization Expense	27	1,934.34	2,484.07
Other Expenses	28	5,604.38	4,447.87
<b>Total Expenses (IV)</b>		<b>1,70,420.67</b>	<b>1,22,355.64</b>
<b>V Profit before Exceptional items and Tax (V)=(III)-(IV)</b>		<b>3,443.28</b>	<b>2,708.46</b>
VI Exceptional items			-
<b>VII Profit / (Loss) After Exceptional items items and Taxes VII=(V-VI)</b>		<b>3,443.28</b>	<b>2,708.46</b>
<b>VIII Profit / (Loss) before Tax</b>		<b>3,443.28</b>	<b>2,708.46</b>
IX Less :Tax Expenses			
- Current Tax		910.00	850.00
- Deferred Tax		60.20	(87.07)
<b>Profit after Tax for the Year (VIII-IX)</b>		<b>2,473.08</b>	<b>1,945.53</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		(21.39)	-
(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>XI Total Comprehensive Income (IX+X)</b>		<b>2,536.69</b>	<b>1,945.53</b>
<b>Earnings per Equity share</b>			
Basic and Diluted	29	<b>40.24</b>	<b>31.66</b>
<b>Earnings per Equity share</b>			
Basic and Diluted	29	<b>40.24</b>	<b>31.66</b>

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

**1 to 52**

As Per our report of even date attached  
**For Dinesh Mehta & Co.**  
 Firm Registration No: 000220N  
 Chartered Accountants

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

**(Anup Mehta)**  
 Partner  
 Membership Number-093133

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

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

Place: New Delhi  
 Date : May 30, 2023

**(Kamal K Kumar)**  
 CEO

**(Ravi Arora)**  
 Company Secretary

**(Deepak Mehta)**  
 Chief Financial Officer



# COMPETENT AUTOMOBILES CO. LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

	(Rs. In lacs)	
	Year ended 31st March 2023	Year ended 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,443.28	2,708.46
Adjustments for :		
Depreciation and Amortisation	1,934.34	2,484.07
Loss/(Profit) on Sale of Tangible Assets	(79.87)	(47.38)
Impact On Lease Modification	(150.56)	-
Impact On Lease Termination	(2.69)	-
Provision for Impairment of Fixed Assets	23.35	-
Provision for Obselecent of Stock	28.96	-
Rent Concession due to COVID	(10.00)	(138.11)
Bad Debts Written Off	15.00	-
Financial Expenses	1,650.83	826.08
Interest Income	(318.27)	(186.13)
	<b>3,091.10</b>	<b>2,938.53</b>
Operating gain before working capital changes	<b>6,534.38</b>	<b>5,646.99</b>
Changes in working capital		
(Increase)/ Decrease in Inventories	(4,228.80)	(2,036.99)
(Increase)/Decrease in Trade Receivables	1,116.71	(1,096.10)
(Increase)/Decrease in Loans and Advances	(1,940.64)	(1,122.76)
Increase/(Decrease) in Current Liabilities and Provisions	570.70	97.38
	<b>(4,482.03)</b>	<b>(4,158.48)</b>
Cash generated from Operating activities before Taxes	<b>2,052.35</b>	<b>1,488.52</b>
Direct Taxes paid (net of refunds)	(820.81)	(851.67)
Net cash generated from/ (used in) Operating activities	<b>1,231.54</b>	<b>636.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments	(909.59)	(593.06)
Purchase of CWIP	(1,239.76)	-
Purchase of Investments	(2,199.90)	-
Proceeds from Sale of Investments	-	-
Proceeds from Sale of Tangible Assets	234.04	203.31
Interest received	318.27	186.13
(Increase)/Decrease in Fixed Deposits	(1,402.16)	243.52
Net cash generated from / (used in) investing activities	<b>(5,199.09)</b>	<b>39.90</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Bank and other Borrowings	3,860.04	6,683.98
Proceeds/(Repayment) from Long Term Bank Borrowings	-	(1,926.81)
Repayment of lease liability	(1,387.48)	(999.12)
Financial expenses paid	(1,118.31)	(826.08)
Dividend paid	(61.46)	(61.46)
Net cash generated from/ (used in) financing activities	<b>1,292.79</b>	<b>2,870.50</b>
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,674.76)	3,547.25
Cash and Bank balance at the beginning of the year	5,252.33	1,705.08
Effect of exchange gain on cash and cash equivalents		
Cash and Bank balance at the end of the year	<b>2,577.57</b>	<b>5,252.33</b>
Component of Cash and Bank balance		
Cash and cash equivalents include :		
Cash on hand	154.16	108.81
Cheques on hand	40.96	32.70
Balances with Banks:		

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

		(Rs. In lacs)
	Year ended 31st March 2023	Year ended 31st March 2022
Deposit accounts		
Current accounts	2,376.33	5,104.12
<b>Cash and cash equivalents at the end of the year</b>	<b>2,571.46</b>	<b>5,245.64</b>
<b>Add:</b>		
Fixed deposits with original maturity of more than 90 days	-	-
Unpaid Dividend	6.02	6.70
<b>Cash and Bank balances at the end of the year</b>	<b>2,577.47</b>	<b>5,252.33</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  
**For Dinesh Mehta & Co.**  
Firm Registration No: 000220N  
Chartered Accountants

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

**(Anup Mehta)**  
Partner  
Membership Number-093133

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

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

Place: New Delhi  
Date : May 30, 2023

**(Kamal K Kumar)**  
CEO

**(Ravi Arora)**  
Company Secretary

**(Deepak Mehta)**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023**
**A. EQUITY SHARE CAPITAL**
**(Rs. In lacs)**

PARTICULARS		AMOUNT
<b>BALANCE AS AT 1ST APRIL, 2021</b>	Refer Note No 13	<b>627.85</b>
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the 31st March 2021		-
Changes in Equity Share Capital during the year		-
<b>BALANCE AS AT 31ST MARCH, 2022</b>		<b>627.85</b>
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the 31st March 2022		-
Changes in Equity Share Capital during the year		-
<b>BALANCE AS AT 31ST MARCH, 2023</b>		<b>627.85</b>

**B. OTHER EQUITY**

(Refer Note No 14)

	RESERVES AND SURPLUS				TOTAL
	GENERAL RESERVE	SECURITIES PREMIUM	RETAINED EARNINGS	OTHER COMPRE-HENSIVE INCOME	
<b>BALANCE AS AT 1ST APRIL, 2021</b>	<b>3,517.51</b>	<b>1,431.65</b>	<b>21,026.14</b>	<b>85.00</b>	<b>26,060.30</b>
Changes in other equity due to accounting policy or prior period errors	-	-	-	-	-
Restated balances at the 31st March 2021	-	-	-	-	-
Profit after Tax for the Year	-	-	1,945.53	-	1,945.53
Fair market value of equity shares	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-
<b>Payment of dividend</b>	-	-	<b>(61.46)</b>	-	<b>(61.46)</b>
<b>BALANCE AS AT 31ST MARCH, 2022</b>	<b>3,517.51</b>	<b>1,431.65</b>	<b>22,910.21</b>	<b>85.00</b>	<b>27,944.37</b>
Changes in other equity due to accounting policy or prior period errors	-	-	-	-	-
Restated balances at the 31st March 2022	-	-	-	-	-
Profit after Tax for the Year*	-	-	2,473.08	-	2,473.08
Fair market value of equity shares (unquoted of RCCPL)#	-	-	-	63.61	63.61
Transfer to General Reserves	-	-	-	-	-
Payment of dividend	-	-	(61.46)	-	(61.46)
<b>BALANCE AS AT 31ST MARCH, 2023</b>	<b>3,517.51</b>	<b>1,431.65</b>	<b>25,321.83</b>	<b>148.61</b>	<b>30,419.60</b>

\*Includes Unwinding interest on Security Deposits amounting to INR 4.84 Lakhs and Interest Charged on Lease Liabilities amounting to INR 527.68 Lakhs.

# Net of Deferred tax Asset/Liability."

The accompanying notes are an integral part of the Standalone Financial Statements

As per our Report of even date

For Dinesh Mehta & Co.

Firm Registration No: 000220N

Chartered Accountants

For and on behalf of the Board of Directors

**(Anup Mehta)**

Partner

Membership Number-093133

**(Raj Chopra)**

Chairman & Managing Director

DIN-00036705

**(Kavita Ahuja)**

Whole Time Director

DIN-00036803

Place: New Delhi

Date : May 30, 2023

**(Kamal K Kumar)**

CEO

**(Ravi Arora)**

Company Secretary

**(Deepak Mehta)**

Chief Financial Officer

# ANNUAL REPORT & ACCOUNTS 2022-2023

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## 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 areas.

### B. (i) Statement of Compliance

The Financial Statements have been prepared on going concern basis 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 as amended and other relevant provisions of the Act.

### (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, and IndAS-1 "Presentation of Financial Statements"

### C. Significant Accounting Policies

#### 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

Revenue from Sale of product is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point of time i.e. when the material is dispatched to the customer or on the delivery to the customer, as may be specified in the contracts.

#### (ii) Rendering of services

Revenue from service is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The company uses output method for measurement of revenue from rendering of services based on time elapsed and / or parts delivered.

#### (iii) Dividend and Interest income

Dividend income from investments is recognized 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 is reported on accrual basis using the effective interest rate method.

Interest incomes on bank deposits are recognized on timely accrual basis.

### **Property, plant and equipment & Intangible Assets**

- 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 recognized 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.

### **Subsequent measurement (Depreciation, review of estimate useful life 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.

<b>Asset Category</b>	<b>Estimated Useful Life (in years)</b>
Building	60
Plant & Machinery	15
Electrical Installations	10
Office Equipment	5
<b>Computers and data processing Units</b>	
- End user devices, such as desktops, laptops, etc.	3
Furniture & Fixtures	10
Vehicles	8

- (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) The vehicle purchased for the purpose of the test drive are treated as an asset of the Company and depreciation is charged accordingly.

### **Derecognition**

An item of Property, Plant & Equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain/ loss arising on derecognition of asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss for the year ended.

### **Impairment of Non- Financial 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



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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.

### **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 is 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.

### **Inventories**

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

- (i) Cost of finishes goods are measured at cost or market value whichever 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").

### **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.

#### **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.

#### **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. Derecognition of Financial Assets**

The financial assets are primarily derecognized when the right to receive cashflows from the asset have expired or the company has transferred its right to receive cashflow from the asset.

#### **Financial liabilities**

##### **1. Initial recognition and measurement**

All Financial liabilities are recognized initially at fair value and transition cost that is attributable to the acquisition of financial liabilities is also adjusted. Financial liabilities are classified at amortized cost.

##### **2. Subsequent measurement**

Subsequently to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

##### **3. Derecognition of Financial Assets**

When an existing financial liability is replaced by another from the same lender on the subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit & loss for the year ended

##### **4. Offsetting of Financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amount and there is an intention to settle on a net basis. To realize the asset and settle the liabilities simultaneously.

#### **IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-As 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for Financial Assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following: -

- All contractual terms of the Financial Assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### **Trade Receivables**

As a practical expedient the Company has adopted 'simplified approach' using the Provision Matrix Method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine life time Expected Credit Losses.

#### **Contract assets**

The allowance for expected credit losses for contract assets are calculated at individual level when there is an indication of impairment. For contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information in macro economic factors effecting the credit risk.

#### **Other Financial Assets**

For recognition of impairment loss on Other Financial Assets and Risk Exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly,

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impairment loss is provided.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and 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.

## **Equity, Reserves and Dividend Payments**

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.

Other components of equity include Other Comprehensive Increase or decrease in fair of Investments including tax effects.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity. Proposed dividend distribution to shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Proposed dividend as and when it is paid is recognized directly in equity.

## **Leases**

### **Company as a lessee**

#### **Recognition**

At the commencement date of the lease, Right Of Use of Asset (ROU asset) is recognized 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.

#### **Lease Liability**

At the Commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

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**

##### **ROU Asset**

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.

##### **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 discounts 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:

- (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 recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.
- (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

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- (c) As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in Para 46B is a lease concession. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification
- (d) rent concession occurring as a direct consequence of Covid 19 pandemic and only if all of the following conditions are met:
  - i) the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
  - ii) any reduction in lease payments affects only payments originally due on or before the 30th June, 2022 (a concession would meet this condition if it results in reduced lease payments on or before the 30th June 2022, and increased lease payments that extend beyond the 30th June 2022);
  - iii) there is no substantive change to other terms and conditions of the lease.

### **De-Recognition**

A right of use asset initially recognized is derecognized 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 derecognized.

### **Company as a Lessor**

#### **Finance Lease**

The Company recognize assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The Company further recognizes 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.

### **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. Calculation of current tax is based on tax rates and tax laws that have been enacted or subsequently enacted by the end of the reporting period. Deferred income taxes are calculated using Balance Sheet approach. The current tax and deferred tax so calculated are adjusted for the uncertainty of the tax treatment by the tax authorities at each reporting date.

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

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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.

### **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 company operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the company'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 recognized in statement of profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

### **Earnings per Share**

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

### **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 are rendered and are measured at the undiscounted amount expected to be paid.

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

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

#### **(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 Statement of Profit & Loss. 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.

### **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

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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.**

### **Segment Reporting**

The Company publish this Financial statement in accordance with IndAS 108, Operating segments, the company has disclosed the segment information in the financial statement.

### **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 Act 2013, unless otherwise stated as amended by 24th March 2021.

### **Standards Issued But Not Effective**

Ministry of Corporate Affairs (“MCA”) notifies new Standards or amendments to the existing Standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below: -

**Ind AS -1: - Presentation of Financial Statements:** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS – 8:** - Accounting Policies, Changes in Accounting Estimates and Errors: - This amendment has introduced a definition of “accounting estimates” and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 – Income Taxes:** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.




**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**2 Property, Plants & Equipments#** (Rs. In lacs)

Particulars	Land*	Buildings*	Plant & Machinery	Electric Installation	Office Equipments	Furniture & Fixtures	Vehicles	Total
<b>Balance as at March 31, 2021</b>	<b>5,849.13</b>	<b>4,698.35</b>	<b>1,743.49</b>	<b>489.27</b>	<b>1,378.68</b>	<b>1,357.62</b>	<b>2,547.94</b>	<b>18,064.49</b>
Additions	289.35	952.91	211.32	157.61	177.68	46.58	315.73	2,151.18
Disposals	-	-	-	(28.18)	(2.03)	-	(510.72)	(540.93)
<b>Balance as at March 31, 2022</b>	<b>6,138.48</b>	<b>5,651.26</b>	<b>1,954.81</b>	<b>618.70</b>	<b>1,554.33</b>	<b>1,404.20</b>	<b>2,352.95</b>	<b>19,674.74</b>
Additions	-	958.51	153.67	164.23	153.15	270.10	402.35	2,102.00
Disposals	-	-	(1.75)	-	(10.62)	-	(463.83)	(476.21)
<b>Gross Carrying value As at March 31, 2023</b>	<b>6,138.48</b>	<b>6,609.77</b>	<b>2,106.72</b>	<b>782.94</b>	<b>1,696.86</b>	<b>1,674.30</b>	<b>2,291.46</b>	<b>21,300.53</b>
<b>Accumulated Depreciation as at 31st March 2021</b>	<b>6,138.48</b>	<b>6,609.77</b>	<b>2,106.72</b>	<b>782.94</b>	<b>1,696.86</b>	<b>1,674.30</b>	<b>2,291.46</b>	<b>21,300.53</b>
Depreciation for the year	-	1,535.54	1,185.48	299.71	1,198.97	835.93	1,564.57	6,620.20
Disposals/adjustments during the year	-	320.61	131.46	85.56	143.22	144.22	311.26	1,136.33
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>1,856.15</b>	<b>1,316.94</b>	<b>362.59</b>	<b>1,340.41</b>	<b>980.15</b>	<b>1,515.25</b>	<b>7,371.49</b>
Depreciation for the year	-	337.69	124.37	84.87	114.88	134.74	304.52	1,101.06
Disposals/adjustments during the year	-	-	(1.55)	-	(10.09)	-	(310.85)	(322.49)
Impairment Made during the year**	-	-	-	-	23.34	-	-	23.35
<b>Accumulated Depreciation As at March 31, 2023</b>	<b>-</b>	<b>2,193.84</b>	<b>1,439.77</b>	<b>447.46</b>	<b>1,468.53</b>	<b>1,114.89</b>	<b>1,508.92</b>	<b>8,173.41</b>
<b>Net carrying value as at 31st March 2021</b>	<b>5,849.13</b>	<b>3,162.81</b>	<b>558.01</b>	<b>189.56</b>	<b>179.71</b>	<b>521.69</b>	<b>983.37</b>	<b>11,444.28</b>
<b>Net carrying value as at 31st March 2022</b>	<b>6,138.48</b>	<b>3,795.11</b>	<b>637.87</b>	<b>256.11</b>	<b>213.92</b>	<b>424.05</b>	<b>837.70</b>	<b>12,303.24</b>
<b>Net carrying value as at 31st March 2023</b>	<b>6,138.48</b>	<b>4,415.93</b>	<b>666.95</b>	<b>335.47</b>	<b>228.32</b>	<b>559.41</b>	<b>782.55</b>	<b>13,127.11</b>

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

\*All title deeds of immovable properties are held in the name of Company.

#The Company has not revalued any of its Property, Plant and Equipment under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

\*\*During the financial year, management has internally identified certain class of PPE which includes Computers, office equipments having their carrying values of Rs. 23.35 Lakhs as at 01st April 2022 (Previous year Rs. 23.35 Lakhs) which are not used adequately to their capacity of utilisation and contribution towards economic benefits of the Company. These assets were written down to its recoverable amount of INR 885 (PY NIL), which was determined by reference to the higher of their value in use which is negligible and there fair value less cost of disposal. Since the estimated cost of repairs of aforesaid PPE were significant unobservable input, the fair value of these assets is classified as a level III fair value. As these assets were so inadequate to use in operating day to day activities, there fair value less cost of disposal was identified at Re.1. The impairment and end use of useful life loss of INR 23.35 lakhs (PFY NIL) is included in administrative expenses in the Statement of Profit &amp; Loss. (Refer Note No. 28)

**3a Capital Work in Progress (CWIP)**

(Rs. In Lakhs)

<b>As at 31st March 2021</b>	<b>1,698.41</b>
Additions	130.05
Less: Amount capitalized in Property, Plant & Equipment	1,684.97
<b>Balance at March 31, 2022</b>	<b>143.49</b>
Additions	1,239.76
Less: Amount capitalized in Property, Plant & Equipment	1,256.31
<b>Balance at March 31, 2023</b>	<b>126.93</b>

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

For the CWIP, ageing schedule shall be given as at 31st March, 2023

(Rs. In Lakhs)

Capital Work in progress (CWIP)	Amount of CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
<b>Project in progress</b>					
- Showroom at Hamirpur	43.97	-	-	-	<b>43.97</b>
- Workshop at Gagret	82.97	-	-	-	<b>82.97</b>
<b>Total</b>	<b>126.93</b>	-	-	-	<b>126.93</b>

CWIP, ageing schedule shall be given as at 31st March, 2022

(Rs. In Lakhs)

Capital Work in progress (CWIP)	Amount of CWIP for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
<b>Project in progress</b>					
- Showroom at Kullu	39.43	7.21	-	-	<b>46.64</b>
- Workshop at Kullu	90.61	6.23	-	-	<b>96.84</b>
<b>Total</b>	<b>130.05</b>	<b>13.44</b>	-	-	<b>143.49</b>

(Rs. In lacs)

### 3b Right of Use Assets

	Immovable Property	Vehicles
<b>Net Carrying Value as at April 01, 2022</b>	<b>6,755.19</b>	-
Additions	406.65	170.93
Disposals	(887.11)	-
<b>Carrying value As at March 31, 2023</b>	<b>6,274.74</b>	<b>170.93</b>
<b>Depreciation as at April 01, 2022</b>		
Depreciation for the year	786.94	46.34
<b>Net Carrying Value as at March 31, 2023</b>	<b>5,487.79</b>	<b>124.59</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

		(Rs. In lacs)	
4 Investment		As at 31st March 2023	As at 31st March 2022
<b>Non current</b>			
<b>a. Investment in equity instruments- Unquoted</b>			
- Equity Shares of Raj Chopra & Company Pvt Ltd.(RCCPL) 1,37,38,095 shares @ Rs. 42/- per share (31st March 2022: 85,00,000 equity shares @ Rs. 40/- per share)		5,599.90	3,400.00
<b>b. Fair Value through other comprehensive income</b>			
- Equity Shares of Raj Chopra & Company Pvt Ltd.(RCCPL)		170.00	85.00
		<u><b>5,769.90</b></u>	<u><b>3,485.00</b></u>
<b>5 Other Non Current Financial Assets</b>		<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Fixed Deposits#		5,437.45	1,086.43
Security Deposit to MSIL		261.50	261.50
Security deposits at Amortised Cost		206.11	331.06
Other Security Deposits*		2.94	61.56
		<u><b>5,907.99</b></u>	<u><b>1,740.54</b></u>

\* These includes deposits with Public/ Government Authorities for utilities.

#Fixed Deposit receipts with scheduled banks having maturity of more than 12 months and includes Fixed deposits with govt. authorities

6 Deferred tax Liability/Assets (net)		As at 31st March 2023	As at 31st March 2022
on account of:	Recognised in Statement		
<u>Deferred Tax Assets</u>	of Profit & Loss		
- Property, Plant & Equipments	(11.15)	293.45	304.60
- Right-of-use assets	(69.06)	121.15	190.21
<b>Through Profit &amp; Loss</b>	<u><b>(80.22)</b></u>		
- Through OCI	(21.39)	(21.39)	-
<u>Deferred Tax Assets</u>			
- Employee benefits	20.02	84.34	64.32
<b>Deferred tax Assets (Net)</b>	<u><b>(81.59)</b></u>	<u><b>477.55</b></u>	<u><b>559.14</b></u>

## ANNUAL REPORT & ACCOUNTS 2022-2023

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

<b>7 Others Non current Assets</b>	<b>As at 1st March 2023</b>	<b>As at 31st March 2022</b>
Prepaid Taxes (Net of Provision)	416.36	505.55
Capital Advances	8.47	14.80
Prepaid Security Deposits	54.85	50.50
	<b>479.68</b>	<b>570.85</b>
<b>8 Inventories</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Vehicles*	9,936.05	5,107.53
Spare Parts, Accessories , Oil & Lubricants *	1,204.96	1,141.53
Goods-in-transit	55.49	689.68
<b>Total Inventories</b>	<b>11,196.50</b>	<b>6,938.74</b>
Less: Provision for Obsolescence of stock**	(28.96)	-
	<b>11,167.54</b>	<b>6,938.74</b>

\*Refer to Point no 5 of Accounting policies

Inventories are valued and certified by the management

\*\*Provision for Obsolete value of inventories to net realisable value has been recognised as an administrative expense during the financial year. (Refer Note No. 28)

<b>9 Trade Receivables</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Unsecured & Considered good	4,437.87	5,554.58
Unsecured & Considered doubtful	-	-
	<b>4,437.87</b>	<b>5,554.58</b>
Less: Provision for Doubtful Debts	-	-
	<b>4,437.87</b>	<b>5,554.58</b>

**9.1** 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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**9.2 Age to Trade receivables**

(Rs. In lacs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Undisputed trade receivable-Considered good		
Less than 6 months	4,298.82	5,395.33
6 months - 1 year	25.71	33.56
1-2 years	46.49	50.13
2-3 years	66.86	75.56
More than 3 years	-	-
(ii) Undisputed trade receivable-Significant increase in Credit risk	-	-
(iii) Undisputed trade receivable-Credit impaired	-	-
(iv) Disputed trade receivable-Considered good	-	-
(v) Disputed trade receivable-Significant increase in Credit risk	-	-
(vi) Disputed trade receivable-Credit impaired	-	-
	<b>4,437.87</b>	<b>5,554.58</b>

**10 Cash and Bank Balances**

	As at 31st March 2023	As at 31st March 2022
<b>Cash and Cash Equivalents:</b>		
Cash on hand	154.16	108.81
-Balance with Bank Accounts	2,376.33	5,104.12
-Cheques in Hand	40.96	32.70
	<b>2,571.46</b>	<b>5,245.64</b>
<b>Other Bank Balances</b>		
- In Fixed Deposits* (Less than 3 months maturity)	-	-
<b>Earmarked Balances with Banks</b>		
Unpaid Dividend	6.02	6.70
	<b>2,577.47</b>	<b>5,252.33</b>

Cash and Cash equivalent includes cash in hand, bank balances in current accounts with scheduled banks.

**11 Other Current Financial Assets**

	As at 31st March 2023	As at 31st March 2022
Fixed Deposits*	271.15	3,220.00
Interest accrued but not due on Fixed Deposits	219.37	104.54
Staff Advances	40.65	38.55
Security Deposits for Showrooms	189.49	44.14
	<b>720.65</b>	<b>3,407.24</b>

\* Fixed Deposit receipts with scheduled banks having maturity of less than 12 months

# ANNUAL REPORT & ACCOUNTS 2022-2023

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

12 Other Current Assets	As at 31st March 2023	As at 31st March 2022
Advance Recoverable in Cash or in Kind	775.93	629.33
Recoverable from MSIL	4,199.38	2,902.05
Staff Imprest	43.93	42.44
Prepaid Expenses	70.24	67.44
GST paid on Advance receipts	17.97	19.71
GST INPUT	925.14	508.32
Prepaid Security Deposits	14.28	13.67
	<b>6,046.87</b>	<b>4,182.96</b>

13 Equity Share Capital	As at 31st March 2023	As at 31st March 2022
<b>Authorized</b>		
1,00,00,000 Equity shares of Rs. 10 each (As at 31st March 2022, 1,00,00,000 Equity shares of Rs. 10 each )	1,000.00	1,000.00
<b>Issued, Subscribed</b>		
64,09,500 Equity shares of ₹ 10 each ( As at 31st March 2022, 64,09,500 Equity shares of Rs. 10 each )	640.95	640.95
<b>Paid -up</b>		
61,46,000 Equity Shares of Rs. 10/ each (As at 31st March 2022, 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 2022: Amount Paid up on forfeited 2,63,500 Equity Shares)	13.25	13.25
	<b>627.85</b>	<b>627.85</b>

Particulars	As at 31st March 2023		As at 31st March 2022	
	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>		<b>614.60</b>		<b>614.60</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. In lacs)

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

Particulars	As at 31st March 2023		As at 31st March 2022	
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

**Details of share held by promoters of the Company are as under**

Name of the Promoters	As at 31st March 2023		As at 31st March 2022	
	Number (in lakhs)	% Holding	Number (in lakhs)	% Holding
Mrs. Kavita Ahuja	37,78,680	61.48%	37,78,680	61.48%
Ms. Priya Chopra	8,25,625	13.43%	8,25,625	13.43%

14 Other Equity	As at 31st March 2023	As at 31st March 2022
<b>i. General Reserve</b>		
As per last Balance Sheet	3,517.51	3,517.51
Add : Balance Transferred from Profit and Loss Account		-
Closing balance	<b>3,517.51</b>	<b>3,517.51</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	22,995.21	21,111.14
Add : Net Profit for the Year	2,473.08	1,945.53
Add : Other comprehensive income	63.61	-
<b>Amount available for Appropriations</b>	<b>25,531.90</b>	<b>23,056.67</b>
<b>Less:</b>		
Dividend on Equity Shares	61.46	61.46
Dividend tax	-	-
Tax adjustments for earlier years	-	-
Transferred to General Reserve	-	-
	<b>25,470.44</b>	<b>22,995.21</b>
<b>Total</b>	<b>30,419.60</b>	<b>27,944.37</b>



## ANNUAL REPORT & ACCOUNTS 2022-2023

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

<b>15 Other Financial Liabilities</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Security Deposits*	235.28	196.63
	<b>235.28</b>	<b>196.63</b>

\*Security Deposits taken from customers towards transfer of old vehicles.

<b>16 Other Financial Liabilities</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Salary and other benefits	258.71	222.26
Others	-	-
	<b>258.71</b>	<b>222.26</b>

<b>17 Borrowings</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>Loan repayable on Demand</b>		
<b>From Banks</b>		
<b>Secured</b>		
Loan under ECLGS scheme from HDFC Bank	-	1,900.00
Inventory Funding From HDFC Bank and BOB**	16,635.87	10,943.96
Current Maturities of Long Term Loans	-	26.81
<b>Unsecured</b>		
<b>From others</b>		
Due to Directors ***	156.89	61.96
	<b>16,792.76</b>	<b>12,932.72</b>

\*\* Inventory funding (HDFC) is repayable on demand and carries interest of 8.50% P.A. (Previous Year interest rate @ 7.10% P.A.)

\*\* Inventory funding (BOB) is repayable on demand and carries interest of 7.05% P.A. (Previous Year interest rate @ 7.05% P.A.)

\*\*\* Loans from Directors is repayable on demand and carries interest rate of 7.50% P.A. (Previous Year interest rate @ 6% P.A.)

<b>17 Trade Payables</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Due to Micro, Small and Medium Enterprises	29.49	27.32
Due to Others	584.37	515.10
	<b>613.86</b>	<b>542.41</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. In lacs)

The Disclosure in respect of MSME have been made in the financial statements based on the information/ confirmation received and available with the company. On the basis of confirmations obtained from supplier registered themselves under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and on the basis of information available with the company following are the details:

**18.1 Age analysis of trade payable**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(i) MSME</b>		
-0 to 1 year	29.49	27.32
-1 year to 2 year	-	-
-2 year to 3 year	-	-
-more than 3 years	-	-
<b>(ii) Others</b>		
-0 to 1 year	468.46	411.84
-1 year to 2 year	115.91	103.26
-2 year to 3 year	-	-
-more than 3 years	-	-
<b>(iii) Disputed dues-MSME</b>	-	-
<b>(iv) Disputed dues-Others</b>	-	-
	<u><b>613.86</b></u>	<u><b>542.41</b></u>

**18.2 The following disclosures are required under Sec 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises:**

Name of the Promoters	2022-23		2021-22	
	Interest	Principal Total	Interest	Principal Total
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year.	-	29.51 29.51	-	27.32 27.32
(b) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	- -	-	- -
(c) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	- -	-	- -
(d) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	- -	-	- -
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	- -	-	- -

## ANNUAL REPORT & ACCOUNTS 2022-2023

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

<b>19 Other Current Financial Liabilities</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Expenses Payable	294.55	205.65
Unclaimed Dividend**	6.02	6.70
	<b>300.57</b>	<b>212.35</b>

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

<b>20 Other Current Liabilities</b>	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Advance from Customers	86.20	82.63
Salary and other benefits **	767.03	610.50
Statutory Dues *	256.43	80.60
	<b>1,109.66</b>	<b>773.74</b>

\*(includes T.C.S and T.D.S. payable)

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. In lacs)

<b>21 Revenue from Operations</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
<b>Sale of products</b>		
- Vehicles	1,55,196.54	1,09,056.78
- Spare Parts & Accessories	10,507.29	9,346.97
- Sales Others	55.20	40.88
	-	-
<b>Services Rendered</b>	-	-
- Services & Labour Charges	4,266.54	3,848.99
<b>Other Operating Revenues</b>		
<b>Commission Received</b>		
- Extended Warranty/CCP	348.82	214.44
- Insurance Business	1,119.33	936.84
- Direct Billing & Other	350.05	305.15
- Sourcing Fees	986.39	558.90
- Other Commission	201.30	108.07
<b>Interest Income</b>	121.52	140.23
	<b>1,73,152.97</b>	<b>1,24,557.24</b>
<b>22 Other Non Operating Revenue</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
Net Gain on Sale of (Property, Plant & Equipment)	79.87	47.38
Booking Cancellation Charges	18.88	10.71
Miscellaneous income*	78.06	96.44
Other non operating income**	52.66	25.99
Interest Income on FDR	318.27	186.13
Unwinding interest on security Deposits	-	2.10
Impact On Lease Modification	150.56	-
Impact On Lease Termination	2.69	-
Rent Concession due to COVID	10.00	138.11
	<b>710.99</b>	<b>506.87</b>
(* includes Unclaimed Balance write back )		
(** includes MDS income )		
<b>23 Purchase of Stock In Trade</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
<b>Purchases during the year</b>		
- Vehicle	1,53,068.65	1,06,303.22
- Less : Rebate /Discount Received	(3,507.82)	(2,843.27)
- Spare Parts & Accessories	8,993.72	7,935.30
Less:		
Spares issued against Warranty	(15.18)	14.50
	<b>1,58,539.37</b>	<b>1,11,409.75</b>

# ANNUAL REPORT & ACCOUNTS 2022-2023

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

<b>24 Changes in Inventories of Stock in Trade</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
<b>Inventories at the end of the year:</b>		
- Vehicles	9,936.05	5,107.53
- Spare Parts & Accessories	1,204.96	1,141.53
- Goods in transit	55.49	689.68
	<b>11,196.50</b>	<b>6,938.74</b>
<b>Less:</b>		
<b>Inventories at the beginning of the year:</b>		
- Vehicles	5,107.53	3,751.01
- Spare Parts & Accessories	1,141.53	1,150.73
- Goods in transit	689.68	-
	<b>6,938.74</b>	<b>4,901.75</b>
	<b>(4,257.76)</b>	<b>(2,036.99)</b>
<b>25 Employee Benefit Expenses</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
Salaries, Wages and Bonus	6,032.01	4,508.71
Director's Remuneration	90.00	73.49
Commission paid to Directors	180.00	65.00
Contribution to Provident Fund and Other Funds	402.72	427.23
Staff Welfare Expenses	244.78	150.43
	<b>6,949.51</b>	<b>5,224.86</b>
<b>26 Finance Cost</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
Interest on Term Loan	4.29	134.01
Interest on Working capital	21.51	72.89
Interest on Inventory Funding	1,087.58	407.62
Interest Paid To MSIL	0.44	0.20
Interest Paid to others	4.49	57.50
Unwinding interest on security Deposits	4.84	-
Interest Charged on Lease Liabilities	527.68	95.80
	<b>1,650.83</b>	<b>768.02</b>
<b>27 Depreciation and Amortization Expenses</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
Depreciation on Property, Plant and Equipments	1,101.06	1,136.33
Amortisation on Right of Use Assets	833.28	1,347.74
	<b>1,934.34</b>	<b>2,484.07</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. In lacs)

<b>28 Other Expenses</b>	<b>For the period ended 31st March 2023</b>	<b>For the Year ended 31st March 2022</b>
<b>A) Administration &amp; Other Expenses</b>		
Bank Charges	33.89	58.06
Consumable Stores	145.92	116.62
Jobwork & Labour Charges	612.89	534.51
Security Services Charges	262.04	259.45
Services Charges for Vehicles	120.84	259.19
Petrol For New Vehicles	185.53	147.33
Delivery Charges	231.16	176.77
Insurance	144.54	156.25
<b>Repair &amp; Maintainance</b>		
Building	187.88	179.06
Plant & Machinery	65.42	63.20
Others	198.07	162.12
Legal & Professional Charges	141.38	93.34
Short Term Lease Expenses	70.93	141.99
Rates & Taxes	67.61	55.02
Communication Expenses	116.18	121.35
Provision for Impairment of PPE (Refer Note No. 2)	23.35	-
Provision for Obsolescence of Inventory (Refer Note No. 8)	28.96	-
Bad Debts Written Off	15.00	-
Charity & Donation	0.74	37.64
CSR Expenditure (Refer Note No. 33)	50.00	45.00
Power & Fuel	550.47	433.45
Printing & Stationery	137.10	87.26
Travelling & Conveyance	305.20	102.36
Auditors Remuneration (Refer Note No. 30)	21.50	9.95
Miscellaneous Expenses	48.92	55.36
<b>B) Selling &amp; Distribution Expenses</b>		
Advertising & Publicity	86.39	59.55
Discount/Commission	1,509.81	971.90
Sales Promotion	242.67	179.22
	<b>5,604.38</b>	<b>4,505.93</b>
<b>29 Earnings per Share</b>	<b>2022-23</b>	<b>2021-22</b>
Profit After Tax	2,473.08	1,945.53
Weighted average number of Equity Shares	61.46	61.46
Basic earning per share	40.24	31.66
Diluted earning per share	40.24	31.66
<b>30 Auditors Remuneration*</b>	<b>2022-23</b>	<b>2021-22</b>
(i) Audit Fees	14.00	8.85
(ii) Limited Review and Other matters	7.50	1.10
	<b>21.50</b>	<b>9.95</b>
*Excluding GST		

# ANNUAL REPORT & ACCOUNTS 2022-2023

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

		(Rs. In lacs)
<b>31 Managerial Remuneration</b>	<b>2022-23</b>	<b>2021-22</b>
Salary	90.00	73.49
Commission on Net Profit	180.00	65.00
	<b>270.00</b>	<b>138.49</b>
<b>32 Computation of Net Profit in accordance with Section 197 r/w Section 198 of Companies Act 2013</b>	<b>2022-23</b>	<b>2021-22</b>
Net Profit after Tax as per Profit and Loss Account	2,473.08	1,945.53
<b>Add:</b>		
Income Tax	970.20	762.93
Director Remuneration	270.00	138.49
Impact of IND AS (On Lease finance cost /Amortisation of ROU /Fair value of Asset/Liability)	1,418.11	1,443.54
<b>Less:</b>		
Profit on Property, Plant & Equipment	79.87	47.38
Impact of IND AS (On Actual Lease Payout /Concession /Modification)	1,565.36	1,216.13
	<b>3,486.16</b>	<b>3,026.98</b>
<b>Maximum Remuneration payable including commission@11%</b>	<b>383.48</b>	<b>332.97</b>

### 33 CSR Expenditure

i) Gross amount required to be spent by the company during the year (FY 2022-23): Rs. 50.00 lacs

(ii) Amount of expenditure incurred during the year

Spent	Unspent
-	-
50.00	-

a. Construction / acquisition of any asset

b. On purposes other than a. above

iii) Shortfall at the end of the year out of the amount required to be spent by the Company during the year (FY 2022-23): Nil

(iv) Total of previous years shortfall (FY 2021-2022): Nil

(v) Reason for shortfall: Not Applicable

(vi) Nature of CSR activities

Nature of CSR activities during FY 2022-2023	Expenditure related to FY 2022-2023	Expenditure related to FY 2021-22
a) Plantation and Prevention of Environment Pollution	50.00	45.00
<b>Total</b>	<b>50.00</b>	<b>45.00</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**(Rs. In lacs)**

- (vii) details of related party transactions, e.g., contribution to a trust/society/section 8 company, controlled by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures: Not applicable
- (viii) Provisions made during the year: No provision made
- Expenditure related to Corporate Social responsibility is as per Section 135 of The Companies Act 2013 read with Schedule VIII thereof.

**34 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. 6.02 lacs as on 31st March, 2023 is lying in unclaimed / unpaid dividend account as under :

Financial Year	Amount (Rs. in Lakhs)
2015-2016	1.44
2016-2017	1.44
2017-2018	0.70
2018-2019	0.59
2019-2020	0.80
2020-2021	0.50
2021-2022	0.54
<b>Total</b>	<b>6.02</b>

**35 Information about Business Segment**
**For the period ended  
31st March 2023**
**For the Year ended  
31st March 2022**
**Segment Revenue**

(a) Showroom Revenue	1,59,573.23	1,12,169.78
(b) Service & Spares	13,580.56	12,387.46
<b>Total</b>	<b>1,73,153.79</b>	<b>1,24,557.24</b>

**Segment Results**

(a) Showroom Revenue	2,769.01	1,497.20
(b) Service & Spares	1,614.11	1,530.48
<b>Total</b>	<b>4,383.12</b>	<b>3,027.68</b>

**Less:**

Interest and Financial Charges	1,650.83	826.08
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**Add:**

Un-Allocated Income	710.99	506.87
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**Profit before Tax and Extraordinary item**

	<b>3,443.28</b>	<b>2,708.46</b>
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Less :Taxation Expenses including Deferred Tax	970.20	762.93
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<b>Profit after Tax</b>	<b>2,473.08</b>	<b>1,945.53</b>
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<b>Total Capital Employed</b>	<b>47,840.21</b>	<b>41,504.94</b>
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# ANNUAL REPORT & ACCOUNTS 2022-2023

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

### Geographical Information

The operations of the company are mainly carried out in India and therefore, geographical information is not applicable

### 36 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 Intrapromoters Private Limited
- Competent Wellness Ventures Private Limited
- Competent Construction Company
- Competent Exporters
- Competent Leasing & Finance
- Competent Film Enterprises
- Competent Car Care Private Limited
- Enchanted Properties Pvt Ltd (till 19th Dec 2022)
- Belvedere Hotels Private Limited

**(b) (i) Director/Key Managerial Personnel**

Mr. Raj Chopra	Chairman and Managing Director (CMD)
Mrs. Kavita Ahuja	Whole Time Director
Mr. K K Mehta	Whole Time Director
Mr. Ravi Arora	Company Secretary (from 05th July, 2022)
Mr. Krishan Kumar Mishra	Company Secretary (upto 10th July, 2022)
Mr. Siddhant Mehra	Chief Financial Officer (upto 2nd July, 2022)
Mr. Badri Nath	Chief Financial Officer (from 05th July, 2022 till 31st March, 2023)
Mr. Deepak Mehta	Chief Financial Officer (from 1st April, 2023)

**(ii) Independent Directors:**

Mr. Rohit Gogia  
Mr. Ramesh Chander Murada  
Mr. Raman Sehgal

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**(c) Others:**

- Ash Assure (Mr. Ashish Ahuja)
- PGR Enterprises LLP

Relative of Whole Time Director  
Group Concern

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

**(Rs. In lacs)**

Particulars	2022-23	2021-22
<b>Unsecured Loan Taken:</b>		
Mrs. Kavita Ahuja	115.00	-
<b>Unsecured Loan Repaid:</b>		
Mr. Raj Chopra	-	1,174.69
Mrs. Kavita Ahuja	20.07	109.53
<b>Unsecured Loan:</b>		
Mrs. Kavita Ahuja	156.89	61.96
<b>Purchase of Property, Plant &amp; Equipments:</b>		
Raj Chopra & Co. Private Limited	-	1.55
<b>Purchase of Items:</b>		
Competent Construction Company	0.88	-
<b>Advance Received:</b>		
Raj Chopra & Co. Private Limited	0.66	-
<b>Salary:</b>		
Mr. Raj Chopra	42.00	38.68
Mrs. Kavita Ahuja	36.00	23.52
Mr. K K Mehta	12.00	11.30
Mr. Ravi Arora	22.90	14.57
Mr. Krishan Kumar Mishra	6.79	2.48
Mr. Siddhant Mehra	14.79	43.20
Mr. Badri Nath	13.63	-
<b>Commission Expense:</b>		
Mr. Raj Chopra	80.00	30.00
Mrs. Kavita Ahuja	100.00	30.00
Mr. K K Mehta	-	5.00
<b>Rent Expense:</b>		
Mrs. Kavita Ahuja	54.00	51.63
<b>Interest Expense:</b>		
Mr. Raj Chopra	-	49.59
Mrs. Kavita Ahuja	4.39	7.31
<b>Facility Expense:</b>		
Mrs. Kavita Ahuja	72.00	66.30

# ANNUAL REPORT & ACCOUNTS 2022-2023

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lacs)

Particulars	2022-23	2021-22
<b>Commission Expense:</b>		
PGR Enterprises LLP	168.00	161.00
Ash Ashure	112.53	101.04
Outstanding Payable:		
PGR Enterprises LLP	15.82	15.82
Raj Chopra & Co. Private Limited	0.61	(3.02)
Competent Construction Company	1.04	-
Ash Ashure	5.64	7.50

**37** The balances of clients as on reporting date in the nature of Trade Receivables, Loans & Advances, Security Deposits and Trade Payables classified as Current and Non-Currents are subject to confirmations, reconciliations and consequential adjustments. The management does not expect any significant impact on such reconciliations.

### **38 Leases (IND AS-116)**

#### **Company as a lessee**

The Company has leases for Showrooms, Workshops and Stock Yards. With the exception of short-term lease underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a financial liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over showrooms, workshops and stockyard the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

#### **Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term leases	70.93	141.99
Variable lease payments	-	-
<b>Total</b>	<b>70.93</b>	<b>141.99</b>

Total cash outflow for leases for the year ended 31 March 2023 was Rs. 1,458.35 Lakhs. (Rs. 1,303.19 Lakhs as on 31 March 2022).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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

Right of Use Assets	As at 31st March 2023	As at 31st March 2022
Building	5,487.78	6,755.19
Vehicle	124.59	-

**Set out below are the carrying amount of lease liabilities and the movement during the period:**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Opening Balance</b>	<b>7,440.96</b>	<b>8,440.09</b>
Additions		
Additions during the year	527.81	119.11
Accretion of interest	527.68	440.49
Payment of lease liabilities	1,412.11	1,214.04
Reversal due to Lease Modification/Termination	990.59	344.69
<b>Closing Balance</b>	<b>6,093.75</b>	<b>7,440.96</b>
Non Current	5,150.68	6,606.37
Current	943.07	834.59

**Lease Modification**

During the year there was a lease modification which was adjusted by decreasing related ROU asset to reflect the modification of lease. The modification of lease results in gain of Rs. 150.56 lakhs on right-of-use asset and corresponding lease liability as on date of modification which has been transferred to Statement of Profit & Loss (Refer to Note -25).

**(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	For the period ended 31st March 2023	For the Year ended 31st March 2022
Depreciation charge of Right of use assets	833.28	1,347.74
Interest Expense on Lease Liability	527.68	95.80

**(iii) Future minimum lease payments as on March 31, 2023 are as follows:**

As at 31st March 2023			
Particulars	Lease payments	Finance Charges	Net present Values
Below 6 Months	781.27	287.66	493.62
6-12 Months	754.81	241.72	513.09
1-2 Years	1,390.17	425.02	965.15
2-5 Years	3,914.61	907.93	3,006.67
Above 5 Years	1,852.13	395.00	1,457.14
<b>Total</b>	<b>8,693.00</b>	<b>2,257.32</b>	<b>6,435.67</b>

## ANNUAL REPORT & ACCOUNTS 2022-2023

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- (iv) As per the notification issued by the Ministry of Corporate Affairs (MCA) dated 24th July 2020, IND AS 116 was amended in respect of rent concessions arising due to Covid-19 pandemic. The Company has recognised concessional rent amounting to Rs. 10.00 lacs (previous year Rs. 138.11 lacs) during the financial year from various landlords till 30th June 2022 in pursuance of MCA notification dated 18th June 2021

#### 39 Financial Instruments and Risk Management

Financial Instruments	As at 31st March 2023		As at 31st March 2022	
Financial Assets	FVOCI	Amortized cost	FVOCI	Amortized cost
Investments in Equity Instruments (unquoted shares- Level 3 )	5,769.90	-	3,485.00	-
Trade Recivables	-	4,437.87	-	5,554.58
Cash and Bank Balances	-	2,577.47	-	5,252.33
Current Financial Assets	-	720.65	-	3,407.24
Other Financial Assets	-	5,907.99	-	1,740.54
<b>Total Financial Assets</b>	<b>5,769.90</b>	<b>13,643.99</b>	<b>3,485.00</b>	<b>15,954.69</b>
<b>Financial Liabilities</b>				
Borrowings	-	16,792.76	-	12,905.91
Other current maturities of Long term Debts	-	-	-	26.81
Trade Payables	-	613.86	-	542.41
Others	535.85	-	408.97	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>17,942.48</b>	<b>-</b>	<b>13,884.10</b>

The carrying amount of the Trade Receivables, Trade Payables and Cash & Cash Equivalent are considered to be the same as their fair values due to their short term nature.

The carrying amount of the financial assets and liabilities carried at amortised cost is considered as reasonable approximation of fair value for which we have followed Level III hierarchy.

The payment obligation from financial instruments are explained according to their Maturity in note below:

#### Maturity Pattern of Financial Liabilities (Financial Year 2022-23) (Rs. In Lakhs)

Particulars	Maturity pattern of Financial Liabilities undisclosed cash flows in accordance with Para 11 D of Ind AS 107			
	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years
Borrowings	16,792.76	-	-	-
Trade Payables	468.46	115.91	-	-
Lease Liabilities	1,420.22	2,503.61	3,448.23	774.66
<b>Total</b>	<b>18,681.44</b>	<b>2,619.52</b>	<b>3,448.23</b>	<b>774.66</b>

#### Maturity Pattern of Financial Liabilities (Financial Year 2021-22) (Rs. In Lakhs)

Particulars	Maturity pattern if Financial Liabilities undisclosed cash flows in accordance with Para 11 D of Ind AS 107			
	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years
Borrowings	12,932.72	-	-	-
Trade Payables	411.84	103.26	-	-
Lease Liabilities	1,361.62	2,541.81	4,030.17	1,196.21
<b>Total</b>	<b>14,706.18</b>	<b>2,645.07</b>	<b>4,030.17</b>	<b>1,196.21</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Fair Value hierarchy

(Rs. In lacs)

Financial Assets valued according to Level 3 valuation	As at 31st March 2023	As at 31st March 2022
Unquoted Equity Instruments	5,769.90	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.

Reconciliation of Level 3 Fair value measurement	(Rs. In lacs)
Particulars	Unquoted Equity shares
<b>As at 31st March 2022</b>	<b>3,485.00</b>
Acquisition	2,199.90
gain and loss recognised in Other Comprehensive Income	85.00
<b>As at 31st March 2023</b>	<b>5,769.90</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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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 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 2023	As at 31st March 2022
Cash Credit Facilities and other Facilities within one year	16,792.76	12,932.72
More than one Year	-	-
	<b>16,792.76</b>	<b>12,932.72</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.

### Capital management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

#### The total equity of the Company is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Equity Share Capital	627.85	627.85
Other Equity	30,419.60	27,944.37
<b>Total Equity</b>	<b>31,047.45</b>	<b>28,572.22</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Company has outstanding debt amounting to Rs. 16792.76 Lakhs (PFY : 12932.72 Lakhs) and having Capital gearing ratio as at 31 March 2023 and 31 March 2022 calculated as below:

Particulars	(Rs. In lacs)	
	As at 31st March 2023	As at 31st March 2022
Borrowings other than non convertible preference shares	16,792.76	12,932.72
Less : Cash and Cash Equivalent	(2,577.47)	(5,252.33)
Net debt (A)	14,215.29	7,680.39
Equity (Share Capital + Other Equity) (B)	31,047.45	28,572.22
Capital and Net debt [A+B] (C)	45,262.74	36,252.61
Gearing Ratio (C/A)	3.18	4.72

40 Income Tax and its Reconcilitaion:	For the Year ended 31st March 2023	For the Year ended 31st March 2022
<b>A) Income Tax</b>		
Current Tax	910.00	850.00
Deferred Tax	60.20	(87.07)
<b>Total</b>	<b>970.20</b>	<b>762.93</b>
<b>B) Tax Reconcilitaion</b>		
Accounting profit before income tax	3,443.28	2,708.46
Income Tax Rate on Business Income	25.168%	25.168%
Income Tax Rate on Long Term Capital Gain (LTCG)	23.296%	23.296%
Income Tax	866.61	681.67
Net Tax impact on expenses allowed/disallowed	43.39	168.33
Tax impact on timming differences	60.20	-87.07
<b>Tax Expense</b>	<b>970.20</b>	<b>762.93</b>
<b>Actual Tax Expense</b>	<b>970.20</b>	<b>762.93</b>

## 41 Analytical Ratios Analysis for the year ended

Particulars	Numerator	Denominator	Unit	As at 31 March, 2023	As at 31 March, 2022	% Vari- ance	Remarks
Current Ratio	Current Assets	Current Liabilities	Times	1.26	1.66	-23.77%	No Significant Change
Debt Equity Ratio	Total Debt	Total Equity	Times	0.54	0.45	19.74%	No Significant Change
Debt Service Coverage Ratio	Net Operating Income	Total Debt Service	Times	1.20	1.18	1.99%	No Significant Change
Return on Equity Ratio	PAT	Average Equity	%	8.51%	7.04%	20.85%	No Significant Change
Inventory Turnover Ratio	COGS	Average Inventory	Times	17.04	18.47	-7.74%	No Significant Change
Trade Receivables turnover Ratio	Net Sales	Average Trade Receivables	Times	34.66	24.88	39.30%	Increase in ratio due to effective collection of receivables

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Trade Payable turnover Ratio	Net Purchases	Average Trade Payables	Times	274.22	208.05	31.81%	Increase in ratio due to better working capital and quick collections
Net Capital turnover Ratio	Net Sales	Working Capital	Times	33.36	11.48	190.49%	Increased in ratio due to Increased sales and optimum working capital management
Net Profit Ratio	PAT	Sales	%	1.38%	1.52%	-9.21%	No Significant Change
Return on Capital Employed	EBIT	Capital Employed	%	10.65%	8.52%	24.96%	No Significant Change
Return on Investment	Income generated from Investments	Average Investments	%	1.95%	0.00%	100.00%	Increase in ratio due to positive yield on investment

- 42** The Company has not granted any loan or advance during the year to Promoters, Director, KMP and the related parties either severally or jointly with any other person.
- 43** During the year, there is no proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and Rule made thereunder.
- 44** The Company is regular in submitting the quarterly statements to Banks and the same is in agreement with books of accounts.
- 45** During the financial year, the Company has not been declared as wilful defaulter by any Banks or Financial Institutions.
- 46** The Company has not entered into any transactions during the financial year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 47** The Company has neither advanced, loaned or invested funds nor received any funds to/from any person or entity for lending or investing or providing guarantee to/on behalf of the Ultimate Beneficiary during the reporting period.
- 48** During the financial year, there is no charge or satisfaction with Registrar of Companies which is yet to file/register beyond statutory period.
- 49** During the financial year, there is no undisclosed income which is not recorded in the books of accounts of the Company.
- 50** The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- 51** Events after Balance Sheet date:
- i) The Board of Directors have recommended final dividend of Rs. 1 per share i.e. 10% of the face value of Rs. 10 per share subject to approval of shareholders in the ensuing Annual General Meeting.
- 52** 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 and on behalf of the Board of Directors**

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

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

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

**(Anup Mehta)**  
Partner

**(Kamal K Kumar)**  
CEO  
Membership Number-093133

**(Ravi Arora)**  
Company Secretary

**(Deepak Mehta)**  
Chief Financial Officer

Place: New Delhi  
Date : May 30, 2023