



26th ANNUAL REPORT 2010-2011



COMPETENT AUTOMOBILES CO. LTD.

ANNUAL REPORT & ACCOUNTS 2010-2011

Board of Directors

Mr. Raj Chopra	Chairman & Managing Director
Mrs. Kavita Ahuja	Whole Time Director
Mr. K. K. Mehta	Whole Time Director
Mr. Atul Malhotra	Director
Mr. S. L. Tandon	Director
Mr. Gopi Dargan	Director
Mr. R. C. Murada	Director
Mr. Harish Mahajan	Director

Company Secretary

Mr. Yadvinder Goyal

Auditors

Dinesh Mehta & Co.
New Delhi

Regd. Office

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

Bankers

Vijaya Bank
State Bank of India

Showrooms

- Competent House, F-14, Connaught Place, New Delhi 110001
- 3C'S Complex, 15, Firoze Gandhi Marg, Lajpat Nagar-II, New Delhi 110024
- A-24 & 25, Madhu Vihar, Rajapuri, New Delhi - 110059
- Plot No. 3, Gazipur, (East Delhi) Delhi 110096
- 21, Shivaji Marg, New Delhi 110015
- 19, Shivaji Marg, New Delhi 110015 (True Value)
- A-25, Sector-33/34, Infocity, Gurgaon, Haryana
- GF-12 & GF-16, Omaxe Plaza, Sohna Road, Gurgaon, Haryana
- NH 21, Chandigarh Manali Highway, P.O. Gutkar, Distt. Mandi, (H.P)
- Village Tikkar, Post – Didwin, Hamirpur, (H.P)
- Gandhi Nagar Kullu, Distt. Kullu, Himachal Pradesh
- Vill. Bamta Near I.T.I. Bilaspur, Distt. Bilaspur, Himachal Pradesh
- Village Rainsary (Jhalera), Una-Amb Road, Distt. Una, Himachal Pradesh

Workshops

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

Share Transfer Agent

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Members of Competent Automobiles Co. Limited will be held at Plot No.-3, Gazipur, Delhi-110096 on Friday, the 30th day of September, 2011 at 9:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. S. L. Tandon, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. R. C. Murada, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT in partial modification to the Resolution No. 6 passed by the members at the 25th Annual General Meeting of the Company held on 29th September, 2010 approving the appointment and terms of remuneration of Mrs. Kavita Ahuja as Whole-Time Director of the company and in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in Basic salary, forming part of total remuneration, of Mrs. Kavita Ahuja from Rs.50,000/- p.m. to Rs.75,000/- p.m. for the remaining period of her tenure of office, with effect from August 1, 2011 and more specifically set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mrs. Kavita Ahuja as approved earlier by the Members, shall remain unchanged.

RESOLVED FURTHER THAT pursuant to provisions of the Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, wherein in any financial year during the tenure of her service, the Company has no profits or its profits are inadequate, the Company may pay to Mrs. Kavita Ahuja, Whole-Time Director, remuneration by way of salary, perquisites etc. as per terms of her appointment, as minimum remuneration.

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

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

“RESOLVED THAT in partial modification to the Resolution No. 7 passed by the members at the 24th Annual General Meeting of the Company held on 30th September, 2009 approving the appointment and terms of remuneration of Mr. Kanwal Krishan Mehta as Whole-Time Director of the company and in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in Basic salary, forming part of total remuneration, of Mr. Kanwal Krishan Mehta from Rs.35000/- p.m. to Rs. 50,000/- p.m. for the remaining period of his tenure of office, with effect from August 1, 2011 and more specifically set out in the Explanatory Statement annexed to the Notice convening this meeting.

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

RESOLVED FURTHER THAT pursuant to provisions of the Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, wherein in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Kanwal Krishan Mehta, Whole-Time Director, remuneration by way of salary, perquisites etc. as per terms of his appointment, as minimum remuneration.

ANNUAL REPORT & ACCOUNTS 2010-2011

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

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

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

**Place : New Delhi
Date: 29th August, 2011**

**sd/-
Yadvinder Goyal
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERD OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos.6 & 7 is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting, as no separate copy would be provided at the venue of the Annual General Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23rd day of September, 2011 to Friday, the 30th day of September, 2011 (both days inclusive).
6. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid with in the prescribed time after the Annual General Meeting.
7. 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.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
9. 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**
10. Members / Proxy holders are requested to produce at the entrance, enclosed attendance slip duly completed and signed.
11. 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

12. Shareholders holding Shares in electronic form may kindly note that their Bank account details as furnished by their depositories to the Company will be used for payment by ECS or printed on their Dividend Warrants as per the applicable regulations. The Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such changes, with complete details of Bank Account.
13. **Electronic Clearing Service (ECS) Facility**
With respect to the payment of dividend, the Company provides the facility of ECS to all of its shareholders, holding shares in electronic form and shareholders who have opted for ECS and are holding shares in physical forms.
Shareholders holding shares in the physical form and who wish to avail ECS facility, may authorize the Company with their ECS Mandate in the prescribed form, which is enclosed herewith or can be downloaded from Company's website (i.e. www.competent-maruti.com). Requests for payment of dividend through ECS for the year 2010-11 should be lodged with M/s Skyline Financial Services Pvt. Limited.
14. Pursuant to provisions of Section 205A of the Companies Act, 1956, all unpaid or unclaimed dividends upto the year ended 31st March, 2003 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.
15. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 2004 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 pursuant to Section 205 of the Companies Act, 1956.

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	Due Date for Transfer to IEP Fund
2003-04	Final Dividend	29-09-2004	06-11-2011
2004-05	Final Dividend	16-09-2005	24-10-2012
2005-06	Final Dividend	29-09-2006	06-11-2013
2006-07	Final Dividend	28-09-2007	05-11-2014
2007-08	Final Dividend	29-09-2008	06-11-2015
2008-09	Final Dividend	30-09-2009	07-11-2016
2009-10	Final Dividend	29-09-2010	06-11-2017

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company. **Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**

16. 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.
17. As mandated by the Securities and Exchange Board of India (SEBI), members are requested to send copy of the PAN card along with other documents while sending their request for transfer of shares in physical form, deletion of name of the deceased shareholders, transmission or transposition of shares etc., to the Registrar & Transfer Agent of the Company.
18. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are

ANNUAL REPORT & ACCOUNTS 2010-2011

requested to send their requests in Form 2B, which is enclosed herewith, to the Registrar and Share Transfer Agents i.e. M/s Skyline Financial Services Pvt. Limited.

19. 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 in Annexure to the Corporate Governance Report on Page No. 17.

EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The members of the Company at the 25th Annual General Meeting held on September 29, 2010 approved the appointment and remuneration of Mrs. Kavita Ahuja as Whole-Time Director of the company for a period of five years w.e.f. 1st November, 2010.

The compensation packages of the Members of Staff of the Company have been recently revised w.e.f. April, 2011. This was done taking into consideration the prevailing trends in the industry in terms of compensation packages. Accordingly, it is proposed to increase the Basic Salary, forming part of total remuneration, of Mrs. Kavita Ahuja from Rs.50,000/- p.m. to Rs.75,000/- p.m. w.e.f. August 1, 2011. However, all other terms and conditions of her appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company have approved the proposal of increase in her remuneration, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mrs. Kavita Ahuja as mentioned in Item No. 6 of the Notice is to be treated as an abstract under Section 302 of the Companies Act, 1956.

Mrs. Kavita Ahuja is directly interested in this resolution. Mr. Raj Chopra and Mr. Kanwal Krishan Mehta may also be deemed to be interested in the resolution. None of the Directors of the Company except as stated above is in any way concerned or interested in this resolution.

Item No. 7

The members of the Company at the 24th Annual General Meeting held on September 30, 2009 approved the appointment and remuneration of Mr. Kanwal Krishan Mehta as Whole-Time Director of the company for a period of five years w.e.f. 23rd August, 2009.

The compensation packages of the Members of Staff of the Company have been recently revised w.e.f. April, 2011. This was done taking into consideration the prevailing trends in the industry in terms of compensation packages. Accordingly, it is proposed to increase the Basic Salary, forming part of total remuneration, of Mr. Kanwal Krishan Mehta from Rs.35000/- p.m. to Rs.50,000/- p.m. w.e.f. August 1, 2011. However, all other terms and conditions of his appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company have approved the proposal of increase in his remuneration, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mr. Kanwal Krishan Mehta as mentioned in Item No. 7 of the Notice is to be treated as an abstract under Section 302 of the Companies Act, 1956.

Mr. Kanwal Krishan Mehta is directly interested in this resolution. Mr. Raj Chopra and Mrs. Kavita Ahuja may also be deemed to be interested in the resolution. None of the Directors of the Company except as stated above is in any way concerned or interested in this resolution.

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

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

**Place: New Delhi
Date: 29th August, 2011**

**sd/-
Yadvinder Goyal
Company Secretary**

DIRECTORS' REPORT
Dear Members,

Your directors have pleasure in presenting this 26th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

As a result of consistent strong growth in Automobile industry, your Company has posted yet another year of stellar performance with an impressive topline growth. The Company's operating results improved as compared to previous year. The details of Financial Highlights are summarised below:

Particulars	(Rs. in Lacs)	
	Year ended 31-03-2011	Year ended 31-03-2010
Gross Income	73,805.22	63,455.61
Profit before Dep. & Tax	1,349.27	1,132.47
Depreciation	297.38	283.70
Provision for Taxation including deferred tax	345.29	305.57
Profit after tax	706.60	543.20
Add: Profits from Previous year	1,815.33	1,499.01
Profits available for appropriation	2,521.93	2,042.21
Proposed Dividend including tax	71.67	71.67
Tax Adjustments	16.65	5.21
Transfer to General Reserves	150.00	150.00
Balance carried to the Balance Sheet	2,283.61	1,815.33

OPERATIONAL AND FINANCIAL PERFORMANCE

It is a matter of great pride to reflect on the enormous progress made by your Company over the years. Your Company today is the leading Maruti Vehicle Dealer in India.

Your Company has secured its best performance for the second year in a row reflecting in substantial growth in the turnover of the Company by 16.31% to Rs. 73805.22 lacs in the year under review from Rs. 63455.61 lacs in the previous year.

The Company's profit before tax (PBT) is Rs. 1051.89 lacs as compared to profit before tax of Rs. 848.77 lacs of previous year.

In the first quarter of the year, car demand growth started from the rural and smaller towns and spread across India, including the top cities, by the last quarter. With a view to capture this demand, your Company has opened up three new showrooms and one workshop in the Himachal Pradesh and plan to further expand there. The Company's extensive network and innovative marketing initiatives, also contributed a lot in achieving the topline growth.

During the year 2010-11, your company sold 18,828 Maruti Vehicles (including 546 Vehicles under Direct Billing) as compared with 17,280 Maruti Vehicles (including 732 Vehicles under Direct Billing), sold during the previous year.

DIVIDEND

Keeping in view the current economic scenario and the future fund requirements of the Company, your directors are pleased to recommend a final dividend of Re.1.00 per Equity Share of Rs.10/- each for the year ended 31st March, 2011, which if approved by shareholders at the ensuing Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

ANNUAL REPORT & ACCOUNTS 2010-2011

ACHIEVEMENTS

Since the last directors report, the Company has received following awards from Maruti Suzuki India Limited:

- Dream IT- Do IT Maruti-2011 Institutional Sales Award Best Performance in DGS & D Sales Winner
- 2011 Special Award Zonal Highest Sales (North Zone)
- 2011 Award for Dealer with “Improved Business Efficiency” by usage of DMS Runner up

DIRECTORS

In accordance with the provisions of Articles of Association of the Company, Mr. S. L. Tandon and Mr. R. C. Murada, directors of the Company, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS’ RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts for financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the profit for the year ended on that date;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) They have prepared the annual accounts for financial year ended 31st March, 2011 on a going concern basis.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are enclosed and form an integral part of this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A report on Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement, is enclosed and forms an integral part of this report.

LISTING FEE OF SHARES

Your Company’s Equity Shares are listed with Bombay Stock Exchange Limited (BSE) and Listing Fee for the year 2011-12 has been paid in advance by the Company.

AUDITORS

The Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a Certificate from the Auditors to the effect that their appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956.

AUDITORS’ REPORT

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



CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

The foreign exchange earnings and expenditure of the Company during the year under review were Rs. NIL and Rs. 14.51 lacs as compared to Rs. NIL and Rs. 12.15 lacs in the previous year respectively.

PARTICULARS OF EMPLOYEES

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. Accordingly, information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 has not been given here.

DEPOSITS

Your Company has not accepted any deposit under Section 58A and 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

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, 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: 29th August, 2011**

**sd/-
RAJ CHOPRA
Chairman & Managing Director
DIN – 00036705**

ANNUAL REPORT & ACCOUNTS 2010-2011

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

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

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

A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-executive Independent directors headed by the Chairman. As on 31st March, 2011, Board of Directors consists of Eight (8) directors, out of which 5 are Non-Executive Independent Directors, constituting more than 50% of its total strength. The Company's Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any pecuniary relationship or transactions with the company, promoters and management, which may affect independence or judgement of the directors in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchange. The structure of the Board and record of other directorships and Committee memberships and Chairmanships of directors as on 31st March, 2011 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	6	Nil	Nil	Nil
Mrs. Kavita Ahuja	Promoter Director	Whole-Time Director	Daughter of Mr. Raj Chopra	1	Nil	1	1
Mr. K. K. Mehta	Executive Director	Whole-Time Director	Brother-in-law of Mr. Raj Chopra	Nil	Nil	Nil	Nil
Mr. Atul Malhotra	Independent Director	Director	*	3	Nil	2	2
Mr. S. L. Tandon	Independent Director	Director	*	Nil	Nil	Nil	Nil
Mr. Gopi Dargan	Independent Director	Director	*	2	Nil	1	1
Mr. R. C. Murada	Independent Director	Director	*	2	2	Nil	2
Mr. Harish Mahajan	Independent Director	Director	*	6	Nil	Nil	Nil

* There is no relationship between any of the Independent Directors

** Excludes directorship of Competent Automobiles Co. Ltd.

*** In accordance with clause 49, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies, whether listed or not, have been considered. As per disclosure(s) received from the Directors, the Directors do not hold Membership(s) in more than 10 Committees and Chairmanship(s) in more than 5 Committees.

B. BOARD MEETINGS:

1. Scheduling of Board Meetings

Months for holding the board meetings in the ensuing year are decided in advance and most board meetings are held at the Company's registered office at 'Competent House', F-14, Connaught Place, New Delhi. The board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. Number of Board Meetings

The Company's Board met Seven times on 30th April 2010, 30th July 2010, 5th August, 2010, 30th August, 2010, 30th October, 2010, 9th February, 2011 and 15th February, 2011 during the financial year ended 31st March, 2011. The maximum time gap between any two meetings was not more than four months.

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

Name of the Director	Number of Board Meetings held during his/her tenure and attended by him/her		Attendance at last AGM held on 29 th September, 2010
	Held	Attended	
Mr. Raj Chopra	7	7	Yes
Mrs. Kavita Ahuja	7	7	Yes
Mr. K K Mehta	7	3	No
Mr. Atul Malhotra	7	7	No
Mr. S. L. Tandon	7	7	Yes
Mr. Gopi Dargan	7	7	No
Mr. R.C. Murada	7	7	Yes
Mr. Harish Mahajan	7	3	No

C. BOARD LEVEL COMMITTEES

In accordance with listing agreement with the stock exchange on Corporate Governance, the following committees were in operation:

- > Audit Committee
- > Investor Grievance Committee

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

ANNUAL REPORT & ACCOUNTS 2010-2011

➤ **Composition and names of members**

The Audit Committee, as on 31st March, 2011, 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 : Mr. Atul Malhotra and Mrs. Kavita Ahuja

➤ **Meetings and attendance during the year**

The Audit Committee met five times during the financial year from 1st April, 2010 to 31st March, 2011 on the dates as stated below:

1	30 th April 2010	4	30 th October, 2010
2	30 th July 2010	5	9 th February, 2011
3	30 th August, 2010		

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. Sidheshwar Dayal	1	1
Mr. R. C. Murada	4	4
Mr. Atul Malhotra	5	5
Mrs. Kavita Ahuja	5	5

Mr. R. C. Murada, Chairman of the Audit Committee was present at the last annual general meeting of the Company to answer the shareholder queries.

2. INVESTOR GRIEVANCE COMMITTEE

➤ **Terms of reference**

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

Terms of reference of the Investor Grievance Committee are as per the guidelines set out in the listing agreement with the Stock Exchange 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 Investor Grievance Committee (i.e. IGC) as on 31st March, 2011 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada
Members : Mr. Atul Malhotra and Mr. Gopi Dargan

➤ **Meetings and attendance during the year**

The Investor Grievance Committee met four times during the financial year from 1st April, 2010 to 31st March, 2011 on the dates as stated below:

1	30 th April 2010	3	30 th October, 2010
2	30 th July 2010	4	9 th February, 2011

The attendance record of the Investor Grievance Committee members is given in following table:

Names of the IGC members	Number of IGC Meetings held during his tenure and attended by him	
	Held	Attended
Mr. Sidheshwar Dayal	1	1
Mr. R. C. Murada	3	3
Mr. Atul Malhotra	4	4
Mr. Gopi Dargan	4	4

➤ **Compliance Officer**

The Compliance Officer for this committee, at present, is Mr. Yadvinder Goyal, Company Secretary of the Company.

Shareholders' Complaints etc. received during the FY- 2010-11

During the year from 1st April, 2010 to 31st March, 2011 the Company has not received any complaint from Investor / Shareholder and all requests received for change of address/ change of bank account details, dividend related queries etc. were replied well with in time. Accordingly, as at 31st March, 2011, no complaint was pending for redressal.

REMUNERATION PAID TO DIRECTORS

The remuneration paid to Managing and Whole time directors is decided by the Board of Directors with the approval of shareholders of the Company subject to provisions of section 198, 309, 349 & 350, Schedule XIII and all other applicable provisions of the Companies Act, 1956. Following table give the details of remuneration paid to directors. As of now, the Company does not have any Employee Stock Option Plan (ESOP):

The Details of Remuneration paid to all Directors for the year ended 31st March, 2011

(In Rs.)

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	-	18,00,000
Mrs. Kavita Ahuja	6,00,000	-	6,00,000
Mr. K. K. Mehta	4,20,000	-	4,20,000

D. GENERAL BODY MEETINGS:

1. Date / Venue / Time of previous three Annual General Meetings:

Financial Year ended	Date	Venue	Time
March 31, 2010	29-09-2010	Plot No. 3, Gazipur, Delhi 110096	10:00 a.m.
March 31, 2009	30-09-2009	Plot No. 3, Gazipur, Delhi 110096	10:00 a.m.
March 31, 2008	29-09-2008	Plot No. 3, Gazipur, Delhi 110096	10:00 a.m.

- Details of special resolutions passed in the previous three Annual General Meetings – Only one Special Resolution in respect of 'Approval for payment of commission to directors other than Managing / Whole time directors of the Company' was passed in the Annual General Meeting held on 29th September, 2008.
- No Special Resolution requiring a postal ballot was placed before the last Annual General Meeting. Similarly, no special resolution requiring a postal ballot is being proposed at the forthcoming Annual General Meeting.

E. DISCLOSURES:

- Related Party Transactions :** For related party transactions, please refer to note nos. 9 & 10 of part B in Schedule T to the annual accounts on page No. 36.
- 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.

ANNUAL REPORT & ACCOUNTS 2010-2011

3. **Code of Conduct :** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The code of conduct is displayed on the website of the Company.

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

Annual Declaration of compliance of Code of Conduct by CEO

I, Raj Chopra, Chairman & Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board members and senior management personnel has been duly complied by all Board members and senior management personnel of the Company for the year ended 31st March, 2011.

New Delhi
29th August, 2011

sd/
Raj Chopra
Chairman & Managing Director

4. **Compliance with Mandatory requirements of clause 49 of the listing agreement**
The Company has complied with all the applicable mandatory requirements of clause 49 of the listing agreement.
5. **Compliance with Non-Mandatory requirements of clause 49 of the listing agreement**
The Company has not adopted any of the non-mandatory requirements of clause 49 of the listing agreement.
6. The necessary certificate from Mr. Raj Chopra, Chairman and Managing Director and Mr. Vijay Sharma, DGM-Finance & Accounts of the Company, pursuant to clause 49(V) of the listing agreement with stock exchange, was placed before the Board.
7. **Management Discussion and Analysis Report -** The Management Discussion and Analysis has been discussed in detail separately in this Annual Report on page no. 19.
8. **Disclosure regarding appointment or re-appointment of directors:**
a) Mr. S.L. Tandon and Mr. R. C. Murada, directors of the Company, retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting;
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 enclosed to this report on page No. 17.
9. **Compliance Certificate from Statutory Auditors:** Certificate from Statutory Auditors confirming compliance with conditions of corporate governance as stipulated in clause 49 of the listing agreement, is annexed to this report.
10. **Shareholding of Directors:** As on date, details of shareholding of all the directors (i.e. Executive as well as Non-Executive Directors) are given below:

i. Executive Directors:

Name of the Director	Number of Shares Held
Mr. Raj Chopra	Nil
Mrs. Kavita Ahuja	35,93,680
Mr. K K Mehta	Nil

ii. Non - Executive Directors:

Name of the Director	Number of Shares Held
Mr. Atul Malhotra	Nil
Mr. S. L. Tandon	200
Mr. Gopi Dargan	Nil
Mr. R. C. Murada	Nil
Mr. Harish Mahajan	Nil

11. Other disclosures as required under clause 49 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. Further, quarterly shareholding patterns of the Company are also displayed on Company's website.

G. INFORMATION TO SHAREHOLDERS

1. REGISTERED OFFICE

Competent House, F-14, Connaught Place, New Delhi – 110 001
Phone : + 91 11 45700000, 45800000
Fax : + 91 11 23327640

2. ANNUAL GENERAL MEETING

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

3. FINANCIAL CALENDAR

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

Particulars	Month (Tentative and subject to change)
Un-audited Financial results for the 1 st quarter ending June 30, 2011	August, 2011
Un-audited Financial results for the 2 nd quarter and half year ending September 30, 2011	November, 2011
Un-audited Financial results for the 3 rd quarter ending December 31, 2011	February, 2012
Un-audited Financial results for the last quarter ending March 31, 2012	May, 2012
Audited Financial results for the whole year ending March 31, 2012	August, 2012

4. WEBSITE

The address of the Company's Web site is 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 Lacs.

Dividend on equity shares as recommended by the Board of directors for the year ended 31st March, 2011, if approved at the ensuing Annual General Meeting, will be paid with in the specified time period.

ANNUAL REPORT & ACCOUNTS 2010-2011

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

Year	Dividend (%)
2009-10	10
2008-09	10
2007-08	10

6. LISTING ON STOCK EXCHANGE

As on 31st March, 2011, the Company's shares are listed on Bombay Stock Exchange 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 **INE 823B01015**

8. ANNUAL LISTING FEE

Annual Listing Fee for the year 2011 – 12 has been paid to the Bombay Stock Exchange Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

9. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

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	March 31, 2011	
	No. of Shares	% (Holding)
Promoter and Promoter Group		
Individuals	44,19,305	71.91
Total (A)	44,19,305	71.91
Public Shareholding		
Mutual Funds	100	0.00
Bodies Corporate	5,35,654	8.72
Individuals	9,86,841	16.05
NRIs	2,04,100	3.32
Total (B)	17,26,695	28.09
Grand Total (C=A+B)	61,46,000	100

Distribution of shareholding according to the number of shares

No. of Equity Shares held	March 31, 2011			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Share capital
1-500	1,893	89.72	2,45,288	3.99
501-1000	96	4.55	83,235	1.35
1001-2000	47	2.23	77,870	1.27
2001-3000	26	1.23	70,362	1.14
3001-4000	4	0.19	14,075	0.23
4001-5000	8	0.38	38,651	0.63
5001-10000	13	0.62	93,831	1.53
10001 and above	23	1.09	55,22,688	89.86
TOTAL	2,110	100	61,46,000	100

10. MARKET PRICE DATA

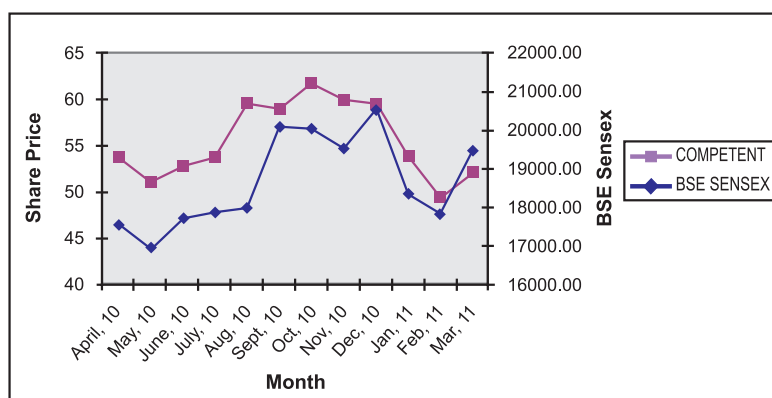
Monthly high and low prices of equity shares of the Company traded at the Bombay Stock Exchange Limited are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
April, 10	55.00	42.15
May, 10	57.95	45.25
June, 10	57.00	43.00
July, 10	65.55	46.00
Aug, 10	67.00	51.10
Sept, 10	63.40	56.30

Month	BSE	
	High (Rs.)	Low (Rs.)
Oct, 10	69.80	57.10
Nov, 10	75.00	55.15
Dec, 10	64.35	52.40
Jan, 11	64.75	52.65
Feb, 11	55.00	46.70
Mar, 11	54.20	47.50

11. SHARE PERFORMANCE IN COMPARISON TO BSE SENSEX

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



12. DEMAT

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

As on 31st March, 2011, 68.74 % (i.e. 42,24,912 equity shares) of the total paid-up equity share capital of the Company were held in demat form.

13. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

Skyline Financial Services Private Limited
 Unit: M/s Competent Automobiles Co. Limited
 D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020
 Ph: +91 11 30857575 (10 Lines)
 Fax: +91 11 30857562
 Contact Person: Mr. Virender Rana / Mr. Ashok Saraswat
 Email : admin@skylinerta.com

ANNUAL REPORT & ACCOUNTS 2010-2011

14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on March 31, 2011.

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:

Name of the Director	Mr. R C Murada	Mr. S L Tandon
Date of Birth	11/08/1941	01/02/1930
Qualification	B.A., Diploma in Marketing from NSIC Diploma in Personal Contract Campaign from Times of India Diploma in Times Management from Times Education	B.A.
Expertise in Specific functional area	Mr. Murada is a leading businessman and has vast experience of working with Times of India and Navbharat Times as Brand Manager. He has also worked with Reliance Group (The Observer) as GM Sales.	Mr. Tandon had retired from Indian Air Force in the year 1980 and joined Automobile Industry thereafter.
Date of Appointment	02/11/2006	25/04/2005
Name of the other Companies in which he holds Directorship	M/s Competent Hotels Pvt. Limited M/s Competent Films Pvt. Ltd.	NIL
Name of the Committees* of the Companies of which he holds Membership / Chairmanship	Competent Automobiles Co. Ltd. Audit Committee- Chairman Investor Grievance Committee – Chairman	NIL
Shareholding in the Company	NIL	200

* For this purpose, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies have been considered.



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

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

We have examined the compliance of conditions of corporate governance by Competent Automobiles Co. Limited for the year ended on 31st March 2011 as stipulated in clause 49 of the listing agreement of the said Company with Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

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

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

**For Dinesh Mehta & CO.,
Chartered Accountants**

**New Delhi
29th August, 2011**

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

ANNUAL REPORT & ACCOUNTS 2010-2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL VIEW

World output staged a smart recovery in 2010 after a decline in 2009. Receding fears of a global depression in 2009 initially led to a lower rate of destocking by business and subsequently to a phase of rebuilding depleted inventories. This fostered a sharp rebound in industrial production and trade which lasted through the first half of 2010. Simultaneously, accommodative policies adopted by most governments, improvement in business confidence and financial conditions encouraged investments and helped arrest rising unemployment levels and boost consumption. Consequently, recovery has become more self-sustaining and the risk of a double-dip recession in advanced economies has abated.

For the Indian economy, Financial Year 2010-11 was a year of robust growth, with consumption led demand fuelling manufacturing growth. However, with this high growth came a sharp rise in inflation, both on the food and commodities front.

The Indian economy continued on a robust growth path despite several challenges on the global macroeconomic front, especially the sovereign debt crisis in Europe and a significant increase in oil prices. Almost all Sectors of the Indian economy showed accelerated growth. A normal monsoon supported a very strong rebound in agricultural growth during the year, thus providing further impetus to economic growth by raising rural income levels.

The Reserve Bank of India continued with its monetary policy action of rate increases to contain inflation, which translated into significant hikes in wholesale and consumer financing costs, particularly for automobiles.

Against the backdrop of the challenging macroeconomic environment both domestically and globally, the Indian automobile industry registered a robust growth during Financial Year 2010-11. The passenger vehicle segment grew by 29% with domestic sales crossing 2.5 million vehicles.

INDUSTRY OVERVIEW, STRUCTURE AND DEVELOPMENT

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. Because sales of automobiles fluctuate significantly, automotive dealers offer generous incentives, rebates and financing deals during slow periods to maintain high sales volumes and to reduce inventories.

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. Although most service departments perform repairs only, some dealers also have body shops to do collision repair, refinishing and painting. The work of the service department has a major influence on customers' satisfaction and willingness to purchase future vehicles from the dealer.

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

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

Developments

Prior to liberalisation of Indian Economy there were only three players in the Automobile Industry and Maruti was dominating the numbers by a fair margin. Cars were on the waiting list as the Demand far exceeded the Supply and choice was limited for the customers. Liberalisation of the Indian economy in 1991 had put the Indian automobile industry on a new growth trajectory. It attracted international giants to set up their production facilities in the country. In the present times, we have all major manufacturers of the world here in India and the numbers are only increasing. Customers are spoilt for choice and dealerships are willing to go that extra mile to make that ever so crucial "sale". From a seller's market it has turned into a buyers market. Today, India has one of the fastest growing automobile industries in the world.

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

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

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

OPPORTUNITIES AND THREATS

Opportunities

With the robust growth in the Indian economy and the resulting increase in the income levels & income tax slab rates and lifestyle aspirations of the population, the potential size of the Indian passenger vehicle market in the next five years is likely to be as large as 4-5 million vehicles with a conservative growth rate of 10-12% per year.

Introduction of new models as well as new variants continued to drive demand and sales of automobiles during the current year. Today manufacturers are offering customers with more value in the form of features that usually one associates with sedans (airbags, ABS) at an entry price point. The customer today is spoilt for choice and the growing income levels has only increased his purchasing power which additionally results into more demand and many manufacturers wanting to differentiate their products, they offer various things which could potentially pull the customer.

Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets/supply sources participating in the overall economic growth. Improvement in road infrastructure will facilitate & create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same.

The Company, with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels in passenger cars. This growing consumerism is expected to lead to an increase in car penetration.

Threats

There is continuous pressure globally to reduce environmental emissions from automobiles, leading to the need for on-going investments in technology upgradation and alternate energy across the automotive value chain. Growing environmental consciousness among consumers, government regulations to manage traffic congestion, as well as improvement in public transport infrastructure are trends that will have significant impact on the future of the automobile industry.

Available now to the customers in India are all major manufacturers of the world and thus the buyer's are spoilt for choice. This makes it difficult for the dealer to attract buyers for its vehicles.

ANNUAL REPORT & ACCOUNTS 2010-2011

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

Further, there is a limit to the amount of discounts and freebies that can be offered by dealers. Margins on vehicles are very thin.

Increase in fuel prices has an adverse impact on automobile demand as consumers think of alternative solutions and postpone purchases.

In India, almost 85% of vehicles are purchased using loans from banks or financial institutions. Private sector banks lend to nearly 70% of these borrowers. The risk of an increase in the interest rates is the major threat to the players in the industry.

OUTLOOK

The long term outlook for the automobile industry is bright and robust, though in the near term there are some challenges relating to the external environment that the industry must overcome. In the past two financial years, the passenger vehicle growth was among the highest in the world. This high growth has been partly driven by the low base effect of the previous year due to the global financial crisis, partly by the stimulus measures taken by the Government and partly by appropriate action on the part of vehicle manufacturers.

This support for industry growth may phase out gradually, returning the industry to a more normal growth trajectory. In addition, rising inflation, interest rates, fuel prices and commodity prices are likely to dampen consumer confidence and sentiment, which has always been a key determinant of automobile sales.

In the long term, the Indian economy is projected to grow rapidly and demand conditions are expected to remain strong.

According to SIAM long term forecasts, the Indian automobile industry is expected to grow at an annual average rate of 10-15%. However, in the near term, there are challenges in terms of higher commodity prices, rising inflation and rupee appreciation, which will have a bearing on demand and profitability.

The passenger vehicle market size in India is now comparable to some of the developed economies of the world and ranks 7th globally. A simple extrapolation of the past growth rates suggests that India will improve its ranking from this level. If there is a steeper non-linear growth owing to a household income tipping point, the ranking will improve more. The presence of a number of global players, the introduction of technology, features, styling and regulation indicate that the market is gradually attaining maturity. While all indicators suggest a good growth path for the market, a number of entrants are eyeing the same market.

RISKS AND CONCERNS

Financial Year 2010-11 saw a strong increase in commodity prices going above the previous record highs of 2008. Even Financial Year 2011-12 is expected to see a firming of prices in the international market.

Stringent regulatory norms are being introduced to safeguard the environment, especially in the area of emissions. With the price of crude oil rising significantly over the past few months, the price of automotive fuel is likely to face upward pressure.

There is also a growing customer trend, as well as promotion by Government, for vehicles powered by CNG, LPG and electric batteries.

With the unabated threat of inflation, the Reserve Bank of India has raised interest rates significantly during the Financial Year 2010-11 and is expected to further raise them in the coming months. Availability of credit and affordable interest rates are important facilitators for automobile sales. The recent rise in financing rates is likely to impact demand.

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 sale of new vehicles of Maruti Suzuki India Limited. The Service and Spares segment includes servicing of vehicles and sale of spare parts of Maruti Suzuki India Limited. Segment wise business performance of the Company during the year is as follows:

(Rs. In Lacs)

PARTICULARS	Year ended 31-03-2011	Year ended 31-03-2010
Segment Revenue		
(a) Showroom	67353.39	57714.95
(b) Service & Spares	6351.55	5643.52
Total	73704.94	63358.47
Segment Results		
Profit(+)/Loss(-) before tax & Interest		
(a) Showroom	648.60	345.95
(b) Service & Spares	610.14	650.87
Total	1258.74	996.82
Less: Interest and financial charges	307.13	245.18
Add: Unallocable Income	100.28	97.13
Total Profit before tax	1051.89	848.77
Taxation expenses	345.29	305.57
Profit after Tax	706.60	543.20
Total Capital Employed	7947.10	6766.03

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.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2011, there were 1031 employees on the roll of the Company.

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.

ANNUAL REPORT & ACCOUNTS 2010-2011

AUDITORS' REPORT

To
The Shareholders of
COMPETENT AUTOMOBILES COMPANY LIMITED.

We have audited the attached Balance sheet of **COMPETENT AUTOMOBILES COMPANY LIMITED** as at 31st March 2011 and the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

1. Further to our comments in the Annexure referred to in paragraph above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of the books;
 - c. The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
2. In our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to the significant accounting policies & notes thereon, give the information required by the Companies Act 1956, in the manner so required and present a true and fair view:-
 - a. In the case of Balance Sheet of the state of affairs of the Company, as at 31st March 2011;
 - b. In the case of Profit & Loss Account of the profit of the Company for the year ended on that date;
 - c. In the case of Cash Flow Statement, of the cash flow for the period ended on that date.

For DINESH MEHTA & Co.
Chartered Accountants

Place : New Delhi
Date : 29/08/2011

sd/-
(HIREN MEHTA)
Partner
M.No. 90772

ANNEXURE TO AUDITOR'S REPORT

**(Referred to in Paragraph-3 of our report of even date
on the accounts for the year ended on 31st March, 2011
of COMPETENT AUTOMOBILES COMPANY LIMITED)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
(b) As explained to us, the Management during the year has physically verified the fixed assets, which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets. We are informed that no material discrepancy has been noticed by the management on such verification.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material. Discrepancies noted on such verification have been properly dealt with in the books of account.
3. The Company has not granted/taken any loans secured or unsecured to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 except a loan taken from two directors of the company. The rate of interest and other terms and conditions of the loan taken are not prima facie prejudicial to the interest of the company. The principal amount outstanding as on 31st March 2011 under this account is Rs. 485.00 lacs (Maximum outstanding during the year amounting Rs. 860.00 lacs).
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no transactions that need to be entered into the register maintained under section 301 have taken place during the year.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act 1956, and the rules framed there under.
7. In our opinion, the Company has an internal audit system, commensurate with its size and nature of the business.
8. Cost records under Section 209(1) (d) of the Companies Act, 1956 are not required to be maintained.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, ESIC contribution, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, cess, service tax and other statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they became payable.
(c) According to the records of the Company, there are no dues of income tax, custom duty/wealth-tax, excise duty/cess, which have not been deposited on account of any dispute except disputed sales tax demand of Rs. 287.56 lacs in respect of financial year 1991-92. Against this, the Company has filed an appeal before Additional Commissioner of Sales Tax (Appeals) –I, New Delhi.

ANNUAL REPORT & ACCOUNTS 2010-2011

10. The Company does not have any accumulated losses at the end of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from any financial institution during the year except vehicle and term loans.
12. The Company has not granted loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit fund/Nidhi/Mutual benefit fund/Societies are not applicable to the Company.
14. In our opinion the Company is not a dealer or trader in shares, securities, debentures or other investments.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the Company had taken term loans for purchase of land at GOA for hotel project and vehicles for test drive purpose.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. The Company has availed cash credit facility from the bank, which is used for working capital requirement.
18. Based on our examination of records and the information provided to us by management, we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no fraud on or by the company has been noticed or reported during the year.

For DINESH MEHTA & CO.
Chartered Accountants

Place : New Delhi
Dated : 29/08/2011

sd/-
(HIREN MEHTA)
Partner
M.No. 90772

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCH. NO.	AS AT 31.03.2011	In Rs. AS AT 31.03.2010
I SOURCES OF FUNDS			
A. SHAREHOLDER'S FUNDS			
SHARE CAPITAL	A	6,27,84,500	6,27,84,500
RESERVES AND SURPLUS	B	52,32,76,833	46,14,49,180
B. LOAN FUNDS			
SECURED LOANS	C	16,01,48,557	13,74,39,301
UNSECURED LOANS	D	4,85,00,000	1,50,00,000
C. DEFERRED TAX LIABILITY			
		(25,74,449)	(11,03,342)
T O T A L		79,21,35,441	67,55,69,639
II APPLICATION OF FUNDS			
D. FIXED ASSETS			
GROSS BLOCK	E	55,10,36,746	50,88,43,678
LESS:DEPRECIATION		23,27,17,791	21,07,52,307
NET BLOCK		31,83,18,955	29,80,91,371
CAPITAL WORK-IN-PROGRESS	F	6,93,12,894	4,72,50,691
		38,76,31,849	34,53,42,062
E. CURRENT ASSETS, LOANS & ADVANCES			
i) INVENTORIES	G	41,95,24,926	21,49,63,956
ii) SUNDRY DEBTORS	H	15,18,89,406	17,24,19,780
iii) CASH AND BANK BALANCES	I	10,68,30,924	9,46,97,528
iv) OTHER CURRENT ASSETS	J	66,53,950	84,08,612
v) LOANS AND ADVANCES	K	17,11,68,652	20,91,22,260
		85,60,67,858	69,96,12,136
LESS: CURRENT LIABILITIES & PROVISIONS			
i) CURRENT LIABILITIES	L	34,99,97,415	27,80,17,708
ii) PROVISIONS	M	10,15,66,851	9,13,66,851
		45,15,64,266	36,93,84,559
NET CURRENT ASSETS		40,45,03,592	33,02,27,577
T O T A L		79,21,35,441	67,55,69,639
NOTES ON ACCOUNTS	T		
ABSTRACT OF BALANCE SHEET	U		
CASH FLOW STATEMENT	V		

As per our report of even date annexed

For and on behalf of Board of Directors

For DINESH MEHTA & CO.

Chartered Accountants

sd/-
(HIREN MEHTA)
Partner
M.NO.90772

sd/-
RAJ CHOPRA
Chairman & Mg. Director
DIN - 00036705

sd/-
KAVITA AHUJA
Whole Time Director
DIN - 00036803

Place : New Delhi
Date : 29.08.2011

sd/-
Yadvinder Goyal
Company Secretary

ANNUAL REPORT & ACCOUNTS 2010-2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCH. NO.	In Rs.	
		Year Ended 31.03.2011	Year Ended 31.03.2010
I. INCOME			
SALES & OPERATIONAL INCOME	N	7,37,04,94,337	6,33,58,47,568
OTHER INCOME	O	1,00,27,850	97,13,133
VARIATION IN STOCK	P	20,45,60,970	(6,32,16,853)
TOTAL		7,58,50,83,157	6,28,23,43,848
II. EXPENDITURE			
PURCHASES	Q	6,75,96,49,362	5,56,04,17,654
SERVICING & OTHER EXPENSES	R	65,97,93,920	58,41,61,325
INTEREST AND FINANCIAL CHARGES	S	3,07,12,806	2,45,18,281
DEPRECIATION	E	2,97,38,203	2,83,69,673
TOTAL		7,47,98,94,291	6,19,74,66,933
PROFIT BEFORE TAX		10,51,88,866	8,48,76,915
PROVISION FOR TAXATION		3,60,00,000	2,95,00,000
PROVISION FOR DEFERRED TAX		(14,71,107)	10,56,730
PROFIT AFTER TAX		7,06,59,973	5,43,20,185
BALANCE BROUGHT FORWARD FROM LAST YEAR		18,15,32,985	14,99,00,648
AMOUNT AVAILABLE FOR APPROPRIATIONS		25,21,92,958	20,42,20,833
III. APPROPRIATIONS			
PROPOSED DIVIDEND		61,46,000	61,46,000
DIVIDEND TAX		10,20,851	10,20,851
TAX ADJUSTMENTS		16,65,469	5,20,997
GENERAL RESERVE		1,50,00,000	1,50,00,000
		2,38,32,320	2,26,87,848
SURPLUS CARRIED TO BALANCE SHEET		22,83,60,638	18,15,32,984
EARNING PER SHARE (in Rs.) (Refer Sl. No. 15 of Part B of Schedule T)		11.50	8.84

As per our report of even date annexed

For and on behalf of Board of Directors

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

sd/-
(HIREN MEHTA)
Partner
M.NO.90772

sd/-
RAJ CHOPRA
Chairman & Mg. Director
DIN - 00036705

sd/-
KAVITA AHUJA
Whole Time Director
DIN - 00036803

Place : New Delhi
Date : 29.08.2011

sd/-
Yadvinder Goyal
Company Secretary

SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	(In Rs.)	
	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED		
1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH (PREVIOUS YEAR 1,00,00,000 EQUITY SHARES OF Rs. 10/- EACH)	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED		
64,09,500 EQUITY SHARES OF Rs.10/- EACH (Previous year 64,09,500 Equity Shares) (OUT OF THE ABOVE 15,00,000 EQUITY SHARES ARE ALLOTTED AS FULLY PAID UP BONUS SHARES BY CAPITALISATION OF FREE RESERVES)	<u>6,40,95,000</u>	<u>6,40,95,000</u>
PAID UP		
61,46,000 EQUITY SHARES OF Rs. 10/- EACH (Previous year 61,46,000 Equity Shares)	6,14,60,000	6,14,60,000
ADD : FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP ON 2,63,500 SHARES)	13,24,500	13,24,500
	<u>6,27,84,500</u>	<u>6,27,84,500</u>
SCHEDULE - B : RESERVE AND SURPLUS		
GENERAL RESERVE BROUGHT FORWARD	13,67,51,195	
ADD: TRANSFER DURING THE YEAR	<u>1,50,00,000</u>	13,67,51,195
SHARE PREMIUM ACCOUNT	14,31,65,000	14,31,65,000
SURPLUS IN PROFIT & LOSS ACCOUNT	<u>22,83,60,638</u>	18,15,32,985
	<u>52,32,76,833</u>	<u>46,14,49,180</u>
SCHEDULE - C : SECURED LOANS		
TERM LOANS:		
FROM BANKS	7,58,35,595	7,08,01,354
FROM OTHERS(MARUTI SUZUKI INDIA LTD)	8,54,434	15,94,349
CASH CREDIT:		
FROM BANKS	8,34,58,528	6,50,43,598
	<u>16,01,48,557</u>	<u>13,74,39,301</u>
SCHEDULE - D : UNSECURED LOANS		
FROM DIRECTORS	4,85,00,000	1,50,00,000
	<u>4,85,00,000</u>	<u>1,50,00,000</u>

SCHEDULE - E : FIXED ASSETS

(In Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ASON 01.04.2010	ADDITIONS	SALE/TRF.	ASON 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.2011	ASON 31.03.2011	AS ON 31.03.2010
LAND	14,76,81,575	88,95,421	-	15,65,76,996	-	-	-	-	15,65,76,996	14,76,81,575
BUILDING	10,03,68,490	4,66,403	-	10,08,34,893	6,29,52,737	32,19,277	-	6,61,72,014	3,46,62,879	3,74,15,753
PLANT & MACHINERIES	8,92,44,872	37,01,525	-	9,29,46,397	5,12,72,534	72,53,727	-	5,85,26,261	3,44,20,136	3,79,72,338
ELECTRIC INSTALLATIONS	1,12,93,258	3,91,712	-	1,16,84,970	76,49,488	5,38,510	-	81,87,998	34,96,972	36,43,770
OFFICE EQUIPMENTS	5,35,27,245	30,05,807	18,913	5,65,14,139	3,33,39,988	31,06,905	9,580	3,64,37,313	2,00,76,826	2,01,87,257
FURNITURE & FIXTURE	3,34,26,696	13,99,457	-	3,48,26,153	2,23,84,365	20,04,579	-	2,43,88,944	1,04,37,209	1,10,42,331
VEHICLE	7,33,01,542	3,73,47,019	1,29,95,363	9,76,53,198	3,31,53,195	1,36,15,205	77,63,139	3,90,05,261	5,86,47,937	4,01,48,347
TOTAL	50,88,43,678	5,52,07,344	1,30,14,276	55,10,36,746	21,07,52,307	2,97,38,203	77,72,719	23,27,17,791	31,83,18,955	29,80,91,371
PREVIOUS YEAR	48,11,70,678	3,74,80,570	98,07,570	50,88,43,678	18,71,34,067	2,83,69,674	47,51,434	21,07,52,307	29,80,91,371	29,40,36,611

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
(In Rs.)		
SCHEDULE - F : CAPITAL WORK-IN-PROGRESS		
ADVANCE FOR CAPITAL GOODS	6,93,12,894	4,72,50,691
	6,93,12,894	4,72,50,691
SCHEDULE - G : INVENTORIES <i>(AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)</i>		
VEHICLES	37,49,55,942	16,45,31,999
SPARE PARTS, ACCESSORIES, OILS & LUBRICANTS	4,45,68,984	5,04,31,957
	41,95,24,926	21,49,63,956
SCHEDULE - H : SUNDRY DEBTORS <i>(UNSECURED, CONSIDERED GOODS)</i>		
DEBT OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	13,09,161	11,85,872
OTHER DEBTS	15,05,80,245	17,12,33,908
	15,18,89,406	17,24,19,780
SCHEDULE - I : CASH & BANK BALANCES		
CASH IN HAND	1,28,98,707	1,46,35,084
BALANCES WITH SCHEDULED BANKS :		
IN CURRENT ACCOUNT	3,31,57,806	4,11,60,241
IN FIXED DEPOSIT ACCOUNT	4,93,76,879	3,31,56,407
CHEQUES IN HAND	1,13,97,532	57,45,796
	10,68,30,924	9,46,97,528
SCHEDULE - J : OTHER CURRENT ASSETS		
INCENTIVE & COMMISSION RECEIVABLE	17,11,831	39,55,802
INTEREST RECEIVABLE	49,42,119	44,52,810
	66,53,950	84,08,612
SCHEDULE - K : LOANS AND ADVANCES <i>(UNSECURED, CONSIDERED GOODS)</i>		
ADVANCE RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED	83,68,619	22,17,151
ADVANCE TAX & T.D.S.	9,88,73,807	8,85,29,205
ADVANCE & IMPREST TO STAFF	17,69,689	20,61,434
RECEIVABLE FROM MARUTI SUZUKI INDIA LTD	1,92,52,534	5,55,00,607
SECURITY DEPOSIT :		
WITH MARUTI SUZUKI INDIA LTD.	1,52,82,716	3,33,14,261
FOR SHOWROOM AND WORKSHOP	1,61,00,000	1,61,00,000
WITH OTHERS	1,15,21,287	1,13,99,602
	17,11,68,652	20,91,22,260

ANNUAL REPORT & ACCOUNTS 2010-2011

PARTICULARS	(In Rs.)	
	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - L : CURRENT LIABILITIES		
SUNDRY CREDITORS	1,62,19,386	1,22,71,719
OTHER CREDITORS	2,25,89,982	1,81,24,809
ADVANCE FROM CUSTOMERS	11,02,28,622	13,52,45,767
PAYABLE TO MARUTI SUZUKI INDIA LTD	12,18,50,089	2,55,27,294
EXPENSES PAYABLE	2,13,81,593	1,95,69,456
TAXES PAYABLE (VAT & SERVICE TAX)	5,17,28,432	6,18,58,075
T.D.S. PAYABLE	8,99,413	8,52,842
SECURITY DEPOSIT	29,17,367	25,00,167
UNCLAIMED & UNPAID EXPENSES	21,82,531	20,67,579
	34,99,97,415	27,80,17,708
SCHEDULE - M : PROVISIONS		
INCOME TAX	9,44,00,000	8,42,00,000
PROPOSED DIVIDEND	61,46,000	61,46,000
DIVIDEND TAX	10,20,851	10,20,851
	10,15,66,851	9,13,66,851

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

(In Rs.)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - N : SALES & OPERATIONAL INCOME		
VEHICLES	6,50,16,38,255	5,60,39,05,526
SPARE PARTS, TOOL KITS, JACK AND ACCESSORIES	41,08,38,682	37,10,78,754
NUMBER PLATES	25,37,767	23,66,024
STOCK SHORT & EXCESS	5,35,088	4,28,297
INCENTIVES, INTEREST & COMMISSION	17,41,64,591	11,61,09,900
SERVICE & LABOUR CHARGES	21,88,39,251	19,14,75,663
DELIVERY CHARGES	5,41,55,478	4,39,94,964
SOURCING FEES	77,85,225	64,88,440
	<u>7,37,04,94,337</u>	<u>6,33,58,47,568</u>
SCHEDULE - O : OTHER INCOME		
PROFIT ON SALES OF ASSETS	4,31,588	13,90,917
MISCELLANEOUS RECEIPTS	95,96,262	83,22,216
	<u>1,00,27,850</u>	<u>97,13,133</u>
SCHEDULE - P : VARIATION IN STOCK		
CLOSING STOCK		
VEHICLES	37,49,55,942	16,45,31,999
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	4,45,68,984	5,04,31,957
	<u>41,95,24,926</u>	<u>21,49,63,956</u>
LESS : OPENING STOCK		
VEHICLES	16,45,31,999	20,97,10,689
SPARE PARTS, ACCESSORIES, OIL AND LUBRICANTS	5,04,31,957	6,84,70,120
	<u>21,49,63,956</u>	<u>27,81,80,809</u>
	<u>20,45,60,970</u>	<u>(6,32,16,853)</u>
SCHEDULE - Q : PURCHASES		
VEHICLES	6,43,16,33,265	5,28,83,54,265
SPARE PARTS, TOOLS KITS, JACK & ACCESSORIES	33,44,87,001	27,61,84,091
NUMBER PLATES	8,17,175	5,93,743
STOCK ISSUED AGAINST WARRANTY	(72,88,079)	(47,14,445)
	<u>6,75,96,49,362</u>	<u>5,56,04,17,654</u>

ANNUAL REPORT & ACCOUNTS 2010-2011

(In Rs.)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - R : SERVICING & OTHER EXPENSES		
SERVICE EXPENSES		
CONSUMABLE STORES	2,40,92,529	2,32,03,486
JOB WORK AND LABOUR CHARGES	3,27,46,809	2,88,36,961
SECURITY SERVICE CHARGES	88,42,755	74,19,409
SERVICE CHARGES PAID	2,23,70,143	1,89,06,078
PETROL FOR NEW CARS	76,41,339	53,53,214
DELIVERY CHARGES	64,96,268	38,20,827
SHOWROOM/WORKSHOP MAINTENANCE	3,21,33,192	2,34,91,134
	13,43,23,035	11,10,31,109
PAYMENT & PROVISIONS FOR EMPLOYEES		
SALARY, WAGES AND BONUS	11,35,88,654	9,53,84,830
DIRECTOR'S REMUNERATION	28,20,000	28,10,000
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	1,41,01,543	1,00,03,370
WELFARE EXPENSES	1,43,57,531	92,50,960
	14,48,67,728	11,74,49,160
ESTABLISHMENT EXP.		
INSURANCE	33,03,947	25,69,347
REPAIR & MAINTENANCE	2,79,83,338	2,35,24,609
LEGAL & PROFESSIONAL CHARGES	80,61,919	48,02,441
RENT	5,75,93,400	3,40,70,303
RATES & TAXES	1,05,88,911	54,65,296
FACILITIES & SERVICE CHARGES	1,13,50,000	88,34,000
COMMUNICATION EXPENSES	81,78,815	81,51,899
CHARITY & DONATIONS	13,09,454	18,62,002
POWER & FUEL	1,19,32,191	1,19,47,785
PRINTING & STATIONARY	51,84,600	44,71,059
TRAVELLING & CONVEYANCE	1,00,75,969	98,04,929
AUDITOR'S REMUNERATION	7,50,000	14,25,000
OTHER EXPENSES	18,49,546	20,47,296
	15,81,62,090	11,89,75,966
SALES & DISTRIBUTION EXPENSES		
ADVERTISEMENT & PUBLICITY	92,93,946	43,17,645
TRADE DISCOUNT	20,93,42,082	22,81,87,991
SALES PROMOTION	38,05,039	41,99,454
	22,24,41,067	23,67,05,090
	65,97,93,920	58,41,61,325
SCHEDULE - S : INTEREST & FINANCIAL CHARGES		
INTEREST AND CHARGES TO BANK	90,31,646	99,15,230
INTEREST TO OTHERS	66,95,973	24,41,229
INTEREST ON DELAYED DELIVERY	2,53,123	1,86,783
INTEREST TO MSIL	1,47,32,064	1,19,75,039
	3,07,12,806	2,45,18,281

SCHEDULE T

ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDING 31st MARCH 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

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

2. Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets. The amount of capital expenditure which has not been attributed to the assets and pending for capitalization are shown as Capital Work in Progress.
- b) Depreciation on fixed assets is provided on written down value method at the rates prescribed in the schedule XIV of the Companies Act, 1956 on pro rata basis.
- c) The vehicles purchased for the purpose of test drive are treated as an asset of the Company and depreciation charged accordingly.

3. Inventories

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

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

4. Investments

Investments are stated at cost, if any.

5. Segment Accounting

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

6. Taxation Accounting

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

7. Foreign Exchange Transactions

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

ANNUAL REPORT & ACCOUNTS 2010-2011

8. Retirement Benefits

In respect of payment of gratuity to employees, the contributions are being made to the trust established under the Group Gratuity Scheme of Life Insurance Corporation of India. The premium and the contribution paid every year are charged to revenue.

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

9. Revenue Recognition

Income and expenditure are accounted for on accrual basis.

10. Impairment of Fixed Asset

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

11. Borrowing Cost

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

12. Earnings Per Share

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

B. NOTES TO ACCOUNTS

1 Contingent Liability

(Rs. In Lacs)

Particulars	2010-11	2009-10
(i) Bank Guarantee obtained from Banks	200.00	100.00
(ii) Disputed Sales Tax Demand (This demand pertains to F.Y. 1991-92, against which an appeal before Comm. Of Sales Tax (Appeals) – I has been filed and pending for disposal).	287.56	287.56
(iii) Letter of Credit obtained from Banks	1,600.00	1,600.00

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

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

(Rs. In lacs)

Particulars	2010-2011	2009-2010
Stores & Spares	Nil	Nil

4. a) Expenditure in Foreign Currency in respect of

(Rs. In lacs)

Particulars	2010-2011	2009-2010
Tours & Traveling	14.51	12.15

5. Some of the outstanding balances as at 31st March 2011 in respect of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation and reconciliation.

6. In the opinion of the Board, all Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of the business.

7. In the opinion of the Board:

- a) The Provision for all known liabilities and expenses has been made.
b) There are no contingent liabilities other than those stated in Note no. 1.

8. Auditor's Remuneration:

(In Rs.)

	2010-2011	2009-2010
(a) Audit Fees	4,50,000	8,00,000
(b) Tax Audit Fees	50,000	1,00,000
(c) Other Matters	2,50,000	5,25,000
	<u>7,50,000</u>	<u>14,25,000</u>

9. (a) Managerial Remuneration:

(In Rs.)

	2010-2011	2009-2010
(i) Salary	28,20,000	28,10,000
(ii) Commission on Net Profit	-	-
	<u>28,20,000</u>	<u>28,10,000</u>

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

(Rs. In Lacs)

	2010-2011	2009-2010
Net profit after tax as per Profit & loss Account	706.60	543.20
Add:		
i) Income Tax	345.29	305.57
ii) Director's Remuneration	28.20	28.10
	<u>1080.09</u>	<u>876.87</u>
Less: Profit on sale of fixed asset	4.32	13.91
	<u>1075.77</u>	<u>862.96</u>
Maximum remuneration payable including commission @ 11 %	<u>118.33</u>	<u>94.92</u>

10. Other payments to Directors

(In Rs.)

	2010-2011	2009-2010
a) Facilities Charges	1,13,50,000	88,34,000
b) Interest	40,94,127	14,59,726
c) Rent	1,66,70,000	1,54,20,000
	<u>3,21,14,127</u>	<u>2,57,13,726</u>

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

ANNUAL REPORT & ACCOUNTS 2010-2011

12. The company has paid Rs. 2 crore on account of arrear of rent for Shivaji Marg Workshop during the year ended 31st March 2011 as per settlement order.

13. Proposed Dividend

Dividend proposed by the board of directors amounting to Rs. 61,46,000/- is provided in the books of accounts, will be paid, subject to the approval in the Annual General Meeting.

14. (a) In accordance with the Accounting Standard -22 relating to 'Accounting for Taxes on Income' issued by The Institute of Chartered Accountants of India, the company has recorded the deferred tax assets of Rs. 14,71,107/- for the year ended 31st March, 2011. The same has been recognized in the books and financial statements accordingly.

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

(In Rs.)
Accumulated Deferred Tax Asset (liability)
As on 31.03.2011 As on 31.03.2010

Deferred tax on Account of difference in Rates and method of Depreciation.	25,74,449	11,03,342
--	-----------	-----------

15. Earning Per Share

(In Rs.)

Particulars	As on 31.03.2011	As on 31.03.2010
Net Profit attributable to Shareholders (Profit After Tax)	7,06,59,975	5,43,20,185
Equivalent Number of Fully paid up Equity shares	61,46,000	61,46,000
Basic Earning per share of Rs. 10/- each	11.50	8.84

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

16. Information about Business Segments for the year ended 31st March 2011

(Rs. In lacs)

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Segment Revenue		
(a) Showroom	6,73,53.39	5,77,14.95
(b) Service & Spares	63,51.55	56,43.52
Total	7,37,04.94	6,33,58.47
Segment Results		
Profit(+)/Loss(-) before tax & Interest		
(a) Showroom	6,48.60	3,45.95
(b) Service & Spares	6,10.14	6,50.87
Total	12,58.74	9,96.82
Less : Interest and Financial Charges	3,07.14	2,45.18
Add : Unallocated Income	1,00.28	97.13
Total Profit before tax	10,51.89	8,48.77
Taxation expenses including deferred tax	3,45.29	3,05.57
Profit after Tax	7,06.60	5,43.20
Total Capital Employed*	79,47.10	67,66.03

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

Notes to Segment-wise business performance:

- 1) The segment report of the company as stated above has been prepared in accordance with Accounting Standards 17 “Segment Reporting” issued by The Institute of Chartered Accountants of India.
- 2) The segment-wise revenue and result’s figures related to the respective heads are directly identifiable to each of the segments. Un-allocable income includes income on common services at corporate level and relates to the Company as whole.
- 3) The definitions of the business segmentation and the activities encompassed therein are as follows:
 - a) Showroom :- Purchase and Sales of Maruti Suzuki India Ltd. Vehicles;
 - b) Services & Spares :- Servicing and spares parts sale of Maruti Suzuki India Ltd.

17. Impairment of Assets

As stipulated in AS-28, of the ICAI, the company assessed potential generation of economic benefits from its business units and is of the opinion the assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision required to be provided in the books of accounts.

18. Related Party Disclosure (Accounting Standard AS-18):

a) Enterprises over which directors/ key management personnel of the company were able to exercise significant influence during the year: -

- Competent Hotels Private Limited.
- Competent Builders Private Limited.
- Competent Leasing Private Limited.
- Competent Films Private Limited
- Competent International Tradex Co. Pvt. Ltd.
- Competent International Resorts & Hotels Ltd.
- Competent Film Enterprises
- Competent Construction Co
- Competent Exporters
- Competent Fabricators

b) Key Management Personnel :-

Mr. Raj Chopra	:	Chairman & Managing Director
Mrs. Kavita Ahuja	:	Whole time Director
Mr. K.K. Mehta	:	Whole time Director

c) For related parties transactions – please refer Note no.9 & 10.

As per our report of even date annexed

For DINESH MEHTA & COMPANY
Chartered Accountants

for and on behalf of Board of Directors

sd/-
(HIREN MEHTA)
Partner
M.NO.90772

sd/-
RAJ CHOPRA
Chairman & Mg. Director
DIN - 00036705

sd/-
KAVITA AHUJA
Whole Time Director
DIN - 00036803

Place : New Delhi
Date : 29.08.2011

sd/-
Yadvinder Goyal
Company Secretary

ANNUAL REPORT & ACCOUNTS 2010-2011

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

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

REGISTRATION DETAILS

Registration No.	20668
State Code	55
Balance Sheet Date	31/03/2011

CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousand)

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

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousand)

Total Liabilities	792,135
Total Assets	792,135

Sources of Funds

(Amount in Rs. Thousand)

Paid-up Capital	62,785
Reserves and Surplus	523,277
Secured Loans	160,149
Unsecured Loans	48,500
Deferred Tax Liability	(2574)

Applications of Funds

(Amount in Rs. Thousand)

Net Fixed Assets	387,632
Investments	-
Net Current Assets	404,504
Miscellaneous Expenditure	-

PERFORMANCE OF THE COMPANY

(Amount in Rs. Thousand)

Total Income	7,585,083
Total Expenditure	7,479,894
Profit Before Tax	105,189
Profit After Tax	70,660
Basic Earning per share (Rs.)	11.50
Dividend Rate (%)	10%

GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(As per monetary terms)

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

 **COMPETENT AUTOMOBILES CO. LTD.**

SCHEDULE - V : CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Rs. In Lacs)

Particulars	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A. CASH FLOW FROM OPREATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,051.89	848.77
Adjustments for :		
Depreciatiaon	297.38	283.70
Foreign Exchange Fluctuation	-	-
Investments (Loss)	-	-
Interest paid	307.13	245.18
Misc. Expenditure written off	-	-
Profit On sale of Fixed Assets	(4.32)	(13.91)
Operating Profit before Working Capital changes	1,652.08	1,363.74
Adjustments for		
Trade and other receivables	705.83	(411.85)
Inventories	(2,045.61)	632.17
Trade Payables	719.80	(367.85)
Cash Generated from operations	1,032.10	1,216.21
Interest Paid	(307.13)	(245.18)
Direct Taxes paid	(378.10)	(311.97)
Cash flow Before extraordinary items	346.87	659.05
Extrodinary Items	-	-
Net Cash from operating activities	346.87	659.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(772.70)	(419.71)
Sale of fixed assets	56.73	64.47
Acquisition of companies	-	-
Sale of investments	-	-
Purchase of investments	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(715.96)	(355.24)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from unpaid call money	-	-
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	562.09	106.27
Misc. Expenditure	-	-
Dividends paid	(71.67)	(71.91)
Net cash used in financing activities	490.42	34.37
Net increase in cash and cash equivalents	121.33	338.18
Cash and Cash equivalents as at 31.03.2010	946.98	608.80
Cash and Cash equivalents as at 31.03.2011	1,068.31	946.98

Note: All figures in brackets are outflows

Place : New Delhi
Date : 29.08.2011

Yadvinder Goyal
Company Secretary

Raj Chopra
Chairman & Mg. Director
DIN 00036705

Kavita Ahuja
Whole Time Director
DIN 00036803

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of COMPETENT AUTOMOBILES CO. LTD. for the year ended 31st March 2011. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Stock Exchange and is based on and in accordance with corresponding Profit & Loss Account and Balance Sheet of the Company.

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

sd/-
(HIREN MEHTA)
PARTNER
M.No. 90772

Place : New Delhi
Date : 29.08.2011

COMPETENT AUTOMOBILES CO. LTD.

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

Dear Investor,

Payment of dividend through Electronic Clearing Service (ECS)

In order to provide the best of services to our valued investors, we have extended the ECS facility, so as to enable you to receive your dividend through electronic mode through credit in your bank account directly, without physical instrument/warrant. The ECS facility provides protection against fraudulent encashment of dividend warrants and eliminates loss/damage of dividend warrants in transit. Thus, ECS eliminates unwarranted correspondence for revalidation/issuance of duplicate dividend warrants. This facility is free to the recipient.

To avail the ECS facility, the shareholders are requested to fill and sign the enclosed ECS mandate form and send to:

In case of shareholder holding shares in Physical Mode to -

Skyline Financial Services (P) Limited (Unit - Competent Automobiles Co. Ltd.)
D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020

In case of shareholder holding shares in Electronic Mode/ Dematerialised form to -

The Depository Participant with whom your account is maintained.

All information should be accurate and complete so that you get the credit of dividend in time. To verify accuracy of the MICR code no. indicated at the bottom of the cheque, kindly attach a photocopy of a cheque from your cheque book issued by your bank for verification. Please note that these instructions will supersede all your previous bank mandates/details including those that may have been incorporated at the time of opening a beneficiary account with the Depository Participant.

In view of the advantages of the ECS facility for payment of dividend, it is advised that the shareholders avail the facility.

DULY COMPLETED & ACCURATELY FILLED ECS MANDARE FORMS RECEIVED BY THE REGISTRAR/ DP UPTO SEPTEMBER 22, 2011 SHALL BE CONSIDERED FOR ECS CREDIT WHILE EFFECTING DIVIDEND PAYMENT FOR THE YEAR 2010-2011. ECS MANDATE FORMS RECEIVED AFTER SEPTEMBER 22, 2011 SHALL BE PAID DIVIDEND THROUGH PHYSICAL WARRANTS FOR THE YEAR 2010-2011.

Thanking You,

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

Yadvinder Goyal
Company Secretary

Note : If you do not wish to change your instruction given earlier in this regard, please ignore this mail

Electronic Clearing Service Mandate Form

To Skyline Financial Services (P) Limited (Unit - Competent Automobiles Co. Ltd.) D-153/A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020 (In case of Physical Holding)	To The Depository Participant Concerned, (In case of Electronic Holding)
---	---

Dear Sir,

Form for Electronic Clearing Services for payment of dividend

Please fill in the information in CAPITAL LETTERS. Please TICK wherever is applicable.

1. For shares held in physical form

Registered Folio No. :-

2. For shares held in electronic form

(Shareholders holding shares in electronic form should forward this form to their respective Depository participant)

DP ID	I	N									
-------	---	---	--	--	--	--	--	--	--	--	--

Client ID																	
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

3. First Shareholder's Name: Shri / Smt. / Kum. / M/s. _____

4. First Shareholder's Address: _____

_____ Pin Code _____

5. Particulars of Bank:

Bank Name													
Branch Name & Address													
*Branch Code													
(*9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank name, branch name and code number)													
Account Type		Savings				Current					Cash Credit		
Account no. (as appearing in the cheque book)													

6. Date from which the mandate should be effective: _____

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for reasons beyond the control of the Company, I/We shall not hold Competent Automobiles Co. Ltd. or Skyline Financial Services (P) Limited responsible. I/We also undertake to advise any change in the particulars of my/our account to facilitate updation of records for purpose of credit of dividend amount through ECS.

PLACE : _____

Signature of shareholder

DATE : _____

Certified that the particulars of the Bank account furnished above are correct as per our records.

Date

Bank Stamp
Signature of the authorised
Official of the Bank

Note : Please attach a photocopy of cheque issued by your Bank relating to your above account for verifying the accuracy of the code number

Nomination Request Form

(Only for the shares held in physical form)
(To be filled in by individuals applying singly or jointly)

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

From: _____

Folio No _____

No. of Shares : _____

I am / we are holder(s) of Shares of the Competent Automobiles Co. Ltd. I / We nominate the following person(s) in whom all rights of transfer and/ or amount payable in respect of shares shall vest in the event of my / our death.

Nominee's Name											Age									
Relation																				
To be furnished in case the nominee is minor	Date of Birth																			
Guardian's Name *																				
Occupation of Nominee Tick (✓)	1	Service		2	Business		3	Student		4	Household									
	5	Professional		6	Farmer		7	Others												
Nominee's Address											Pin Code									
Telephone																				
Email Address											STD Code									
Specimen Signature of Nominee / Guardian (in case nominee is minor)																				

* To be filled in case of nominee is a minor.

Kindly take the aforesaid details on record.

Thanking you,
Yours faithfully,

	Name of all the holder(s) (as appearing on the Certificate(s))	Signature as per specimen recorded with Company
Sole/ 1st holder		
2nd holder		
3rd holder		
4th holder		

Signature of two Witnesses:

	Complete Name and Address	Signature with date
1.		
2		

INSTRUCTIONS:

[Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.]

1. **The Nomination can be made by individuals only** applying/holding shares on their own behalf singly or jointly. Non-individual including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares/ debentures and witness.
2. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
4. Transfer of shares in favour of a nominee shall be a valid discharge by a company against the legal heir.
5. **Only one person can be nominated for a given folio.**
6. Details of all holders in a folio need to be filled; else the request will be rejected.
7. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company) and (b) the nominee.
8. Whenever the Shares in the given folio are entirely transferred or transposed with some other folio, then this nomination will stand rescinded.
9. Upon receipt of a duly executed nomination form, the Registrar and Transfer Agent of the company will register the form and allot a registration number. This number and folio no. should be quoted by the nominee in all future correspondence.
10. The nomination can be varied or cancelled by executing fresh nomination form.
11. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
12. If any joint holder is deceased, then please attach a certified true copy of Death Certificate.

FOR OFFICE USE ONLY	
Nomination Registration Number	
Date of Registration	
Checked by and Signature of Employee	

ANNUAL REPORT & ACCOUNTS 2010-2011

COMPETENT AUTOMOBILES CO. LTD.

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

ATTENDANCE SLIP

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

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

I/We hereby record my/our presence at the **26th ANNUAL GENERAL MEETING** of the Company to be held on Friday, the 30th day of September 2011 at 9:00 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof

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

COMPETENT AUTOMOBILES CO. LTD.

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

PROXY FORM

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

I/We.....

R/o.....

being a Member/Members of the above mentioned Company, hereby appoint Sh./Smt.....

R/o.....

failing him, Sh./Smt.....

R/o.....

as my/our Proxy to attend and vote for me/us in the event of Poll on my/our behalf at the 26th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th day of September 2011 at 9:00 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof.

Signed this.....day of.....2011.

Signature.....

Affix Re 1/- Revenue Stamp

NOTE :

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

Tear Page

Book - Post

If undelivered, please return to :



COMPETENT AUTOMOBILES CO. LTD.

“Competent House”

F-14, Connaught Place

New Delhi - 110001