



27th
ANNUAL REPORT
2011 - 2012



COMPETENT AUTOMOBILES CO. LTD.



Board of Directors

Mr. Raj Chopra	Chairman & Managing Director
Mrs. Kavita Ahuja	Whole Time Director
Mr. K. K. Mehta	Whole Time Director
Mr. S. L. Tandon	Director
Mr. Gopi Dargan	Director
Mr. R. C. Murada	Director
Mr. Rohit Gogia	Director
Mr. O. P. Tandon	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
- 21, 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
- B-83, Maya Puri Industrial Area, Phase - 1, New Delhi 110064
- 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
- Opp. S.S.D. Training Centre, Shamshi, Kullu, H.P.

Share Transfer Agent

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the members of Competent Automobiles Co. Limited will be held at Plot No.-3, Gazipur, Delhi-110096 on Saturday, the 29th day of September, 2012 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, 2012 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. Gopi Dargan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rohit Gogia, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company.”
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. O. P. Tandon, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company.”
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of the resolutions passed earlier by the members of the Company in this regard, consent of the Company be and is hereby accorded to the increase in the remuneration of Mr. Kanwal Krishan Mehta, Whole-Time Director of the Company by increase in the Basic salary, from Rs.50,000/- p.m. to Rs.65,000/- p.m. with effect from August 1, 2012 for the remaining period of his tenure of office, as 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 and remuneration of Mr. Kanwal Krishan Mehta, as approved earlier by the members of the Company, shall remain unchanged and applicable.
RESOLVED FURTHER THAT pursuant to provisions of the Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and such approval as may be required, 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 the aforesaid revised remuneration to Mr. Kanwal Krishan Mehta, Whole-Time Director, by way of salary, perquisites etc. 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.”
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of the resolutions passed earlier by the members of the Company in this regard, consent of the Company be and is hereby accorded to the increase in the remuneration of Mrs. Kavita Ahuja, Whole-Time Director of the Company by increase in the Basic salary, from Rs.75,000/- p.m. to Rs.1,00,000/- p.m. with effect from August 1, 2012 for the remaining period of her tenure of office, as 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 and remuneration of Mrs. Kavita Ahuja, as approved earlier by the members of the Company, shall remain unchanged and applicable.

RESOLVED FURTHER THAT Pursuant to provisions of the Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and such approval as may be required, 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 the aforesaid revised remuneration to Mrs. Kavita Ahuja, Whole-Time Director, by way of salary, perquisites etc. 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.”

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

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

**Place: New Delhi
Date: 29th August, 2012**

**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.5, 6, 7 & 8 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 Monday, the 24th day of September, 2012 to Saturday, the 29th day of September, 2012 (both days inclusive).
6. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within the prescribed time after the Annual General Meeting.
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:

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- i. Name of the Sole / First joint holder and the Folio Number.
 - ii. Particulars of Bank Account, viz.:
 - Account type, whether Savings (SB) or Current Account (CA)
 - Account number allotted by the Bank.
 - Name of the Bank
 - Name of Branch
 - Complete address of the bank with Pin Code Number
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 2011-12 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, 2004 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, 2005 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	Date at which amount becoming due for credit to IEP Fund
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
2010-11	Final Dividend	30-09-2011	07-11-2018

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 & Share 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 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. 18.

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

Item No. 5

The Board of Directors of the Company had appointed Mr. Rohit Gogia as an Additional Director of the Company with effect from 31st October, 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Rohit Gogia will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company along with the requisite amount, proposing appointment of Mr. Rohit Gogia as Director of the Company liable to retire by rotation. The Board recommends the appointment of Mr. Rohit Gogia as director liable to retire by rotation as set out in Item No. 5. None of the Directors except Mr. Rohit Gogia is deemed to be concerned or interested in this resolution.

Item No. 6

The Board of Directors of the Company had appointed Mr. O. P. Tandon as an Additional Director of the Company with effect from 14th August, 2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr. O. P. Tandon will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director.

The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company along with the requisite amount, proposing appointment of Mr. O. P. Tandon as Director of the Company liable to retire by rotation. The Board recommends the appointment of Mr. O. P. Tandon as director liable to retire by rotation as set out in Item No. 6. None of the Directors except Mr. O. P. Tandon is deemed to be concerned or interested in this resolution.

Item Nos. 7 & 8

Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja were re-appointed as Whole-Time Directors of the Company w.e.f. 23rd August, 2009 and 1st November, 2010 respectively, by the members of the Company.

Subsequently, members of the Company at the 26th Annual General Meeting held on 30th September, 2011 approved the revision in remuneration of both Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja, Whole-Time Directors, of the Company w.e.f. 1st August, 2011 for the remaining period of their respective tenure.

In view of the contribution of both Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja in the Company's performance, the Board of Directors of the Company at its meeting held on 29th August, 2012, has subject to the approval of members, approved the revision in remuneration payable to both Mr. Kanwal Krishan Mehta, Whole-Time Director from Rs.50,000/- p.m. to Rs.65,000/- p.m. and Mrs. Kavita Ahuja, Whole-Time Director from Rs.75,000/- p.m. to Rs.1,00,000/- p.m. respectively, w.e.f. 1st August, 2012, in line with the current market trends to provide a stimulus to efforts of Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja in leading the Company to achieve greater heights.

The Board was also of the unanimous view that this would be the remuneration, which would be necessary to retain the services of Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja, Whole-Time Directors, considering their vast experience and strong ability to lead and expand the business initiatives of the Company.

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

This may also be treated as an abstract of the terms of revised remuneration of both Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja, Whole-Time Directors, u/s 302 of the Companies Act, 1956.

Pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act"), including Schedule XIII to the Act, the necessary resolutions for revision in remuneration of both Mr. Kanwal Krishan Mehta and Mrs. Kavita Ahuja, Whole-Time Directors, are now being placed before the members for their approval by way of Ordinary Resolutions.

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

None of the Directors except Mr. Kanwal Krishan Mehta, Mrs. Kavita Ahuja and Mr. Raj Chopra is in any way concerned or interested in these resolutions.

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

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

**Place: New Delhi
Date: 29th August, 2012**

**Sd/-
Yadvinder Goyal
Company Secretary**

DIRECTORS' REPORT
Dear Members,

Your directors have pleasure in presenting this 27th Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended 31st March, 2012 is summarised below:

Particulars	(Rs. in Lacs)	
	Year ended 31-03-2012	Year ended 31-03-2011
Gross Income	70,957.55	73,799.87
Profit before Dep. & Tax	1,433.25	1,349.27
Less : Depreciation	359.98	297.38
Less :Provision for Taxation including deferred tax	343.77	345.29
Profit after tax	729.50	706.60
Add: Profits from Previous year	2,283.61	1,815.33
Profits available for appropriation	3,013.11	2,521.93
Less Appropriations		
Proposed Dividend including tax	71.43	71.67
Tax Adjustments	2.12	16.65
Transfer to General Reserves	150.00	150.00
Closing Balance	2,789.56	2,283.61

OPERATIONAL AND FINANCIAL PERFORMANCE

The Indian automobiles industry was adversely impacted by the general economic conditions in the country and across the globe in 2011-12. The financial year 2011-12 was a very challenging year for the passenger vehicle industry. After two years of high growth rate, the industry faced a demand slowdown in the market. However, healthy growth prospects and the strong fundamentals of the Indian economy would drive the auto industry's growth in the year ahead, though the industry may not attain the high growth rates that were recorded prior to 2011-12.

Your Company has reported a turnover of Rs. 70957.55 lacs in the year under review against the turnover of Rs. 73799.87 lacs in the previous year.

The Company's profit before tax (PBT) is Rs. 1073.27 lacs as compared to profit before tax of Rs. 1051.89 lacs of previous year.

During the year 2011-12, your company sold 17655 Maruti Vehicles (including 721 Vehicles under Direct Billing) as compared with 18,828 Maruti Vehicles (including 546 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, 2012, which if approved by shareholders at the forthcoming Annual General Meeting will be paid to those shareholders whose names appear on the Register of Members as on book closure dates.

ACHIEVEMENTS

Since the last directors report, your Company has received an award for "Maximum sale in Fleet Sale" from Maruti Suzuki India Limited.

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DIRECTORS

In accordance with the provisions of Articles of Association of the Company, Mr. Gopi Dargan, director of the Company, retires by rotation and being eligible offer himself for re-appointment at the forthcoming Annual General Meeting.

Mr. Atul Malhotra and Mr. Harish Mahajan have resigned from directorships of the Company w.e.f. 31st October, 2011 and 20th April, 2012 respectively. The Board acknowledged and placed on record its appreciation for contributions made by them during their tenure as directors of the Company.

Mr. Rohit Gogia and Mr. O. P. Tandon, were appointed as Additional Directors on the Board of Directors of Company with effect from 31st October, 2011 & 14th August, 2012 respectively and as such they hold office upto the date of forthcoming Annual General Meeting. The Company has received notices from members of the Company, as required under section 257 of the Companies Act, 1956, expressing their intention to propose names of Mr. Rohit Gogia & Mr. O. P. Tandon as directors of the Company.

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, 2012, 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, 2012 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, 2012 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 BSE 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 BSE Limited (BSE) and Listing Fee for the financial year 2012-13 has been paid in advance by the Company.

AUDITORS

The Statutory Auditors, M/s Dinesh Mehta & Co., Chartered Accountants, retire at the forthcoming 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. 16.05 lacs as compared to Rs. Nil and Rs. 14.51 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, Banks, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

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

**Place: New Delhi
Date: 29th August, 2012**

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

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CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

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

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, 2012, 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 judgment 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, 2012 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. 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
Mr. Rohit Gogia##	Independent Director	Director	*	2	Nil	2	2

* There is no relationship between any of the Independent Directors

** Excluding 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, none of the Directors hold memberships in more than 10 Committees or Chairmanship in more than 5 Committees.

Mr. Harish Mahajan has resigned from the directorship of the Company w.e.f. 20th April, 2012.

Mr. Rohit Gogia was appointed as an Additional Director on the Board of the Company w.e.f. 31st October, 2011

B. BOARD MEETINGS:
1. Schedule of Board Meetings

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

2. Number of Board Meetings

The Company's Board met seven (7) times – on 28th April, 2011, 12th May, 2011, 10th August, 2011, 29th August, 2011, 31st October, 2011, 9th November, 2011 and 11th February, 2012 during the financial year ended 31st March, 2012. 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 30 th September, 2011
	Held	Attended	
Mr. Raj Chopra	7	7	Yes
Mrs. Kavita Ahuja	7	7	Yes
Mr. K K Mehta	7	5	No
Mr. Atul Malhotra	4	4	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	6	No
Mr. Rohit Gogia	3	3	N.A.

C. BOARD LEVEL COMMITTEES

In accordance with listing agreement with the stock exchange on Corporate Governance, the following committees are 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 supervisory responsibilities, an Audit Committee has been constituted, headed by an independent director. Majority of its members are Independent Directors and each member has rich experience in financial sector.

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

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➤ **Composition and names of members**

The Audit Committee, as on 31st March, 2012, 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. Rohit Gogia and Mrs. Kavita Ahuja

➤ **Meetings and attendance during the year**

The Audit Committee met five times during the financial year from 1st April, 2011 to 31st March, 2012 on the following dates:

1	12 th May, 2011	4	9 th November, 2011
2	10 th August, 2011	5	11 th February, 2012
3	29 th August, 2011		

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

Names of the Audit Committee Members	Number of Audit Committee meetings held during his/her tenure and attended by him/her	
	Held	Attended
Mr. R. C. Murada	5	5
Mr. Atul Malhotra*	3	3
Mrs. Kavita Ahuja	5	5
Mr. Rohit Gogia**	2	2

*Mr. Atul Malhotra resigned from the directorship of the Company accordingly he ceased to be director of the Company as well as member of the Audit Committee w.e.f. 31st October, 2011.

**Mr. Rohit Gogia was appointed as an Additional Director on the Board of the Company as well as member of the Audit Committee w.e.f. 31st October, 2011.

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

2. **INVESTORS' GRIEVANCE COMMITTEE (IGC)**

➤ **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, 2012 is headed by an Independent director, and consists of the following three directors:

Chairman : Mr. R. C. Murada
Members : Mr. Rohit Gogia and Mr. Gopi Dargan

➤ **Meetings and attendance during the year**

The Investor Grievance Committee met four (4) times during the financial year from 1st April, 2011 to 31st March, 2012 on the following dates:

1	12 th May, 2011	3	9 th November, 2011
2	10 th August, 2011	4	11 th February, 2012

**The attendance record of the Investor Grievance Committee members is as follows:**

Names of the IGC members	Number of IGC meetings held during his tenure and attended by him	
	Held	Attended
Mr. R. C. Murada	4	4
Mr. Atul Malhotra*	2	2
Mr. Gopi Dargan	4	4
Mr. Rohit Gogia**	2	2

*Mr. Atul Malhotra has resigned from the directorship of the Company accordingly he ceased to be director of the Company as well as member of the Investor Grievance Committee w.e.f. 31st October, 2011.

**Mr. Rohit Gogia was appointed as an Additional Director on the Board of the Company as well as member of the Investor Grievance Committee w.e.f. 31st October, 2011.

> Compliance Officer

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

Shareholders' Complaints etc. received during the FY-2011-12

During the year from 1st April, 2011 to 31st March, 2012 the Company had received one complaint from Investor / Shareholder and the same was resolved with in the prescribed time. 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, 2012, 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 Directors during the year ended 31st March, 2012**(In Rs.)**

Name of Director	Remuneration	Commission	Total
Mr. Raj Chopra	18,00,000	25,00,000	43,00,000
Mrs. Kavita Ahuja	8,00,000	-	8,00,000
Mr. K. K. Mehta	5,10,000	-	5,10,000

D. GENERAL BODY MEETINGS:**1. Date, Venue and Time of previous three Annual General Meetings:**

Financial Year ended	Date	Venue	Time
March 31, 2011	30-09-2011	Plot No. 3, Gazipur, Delhi 110096	9:00 a.m.
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.

- Details of special resolutions passed in the previous three Annual General Meetings : No Special Resolution was proposed or passed in the previous three Annual General Meetings of the Company.
- No Special Resolution requiring a postal ballot was placed before the last Annual General Meeting. No special resolution requiring postal ballot is being proposed at the forthcoming Annual General Meeting.

E. DISCLOSURES:

- Related Party Transactions:** For related party transactions please refer to note no. 35 in the notes to financial statement forming part of the annual accounts on page no. 42.
- 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.

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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, 2012.

New Delhi
29th August, 2012

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. 20.

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

- a) Mr. Gopi Dargan, director of the Company, retire by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting;
- b) Mr. Rohit Gogia and Mr. O. P. Tandon, who were appointed as Additional Directors on the Board of Directors of Company w.e.f. 31.10.2011 & 14.08.2012 respectively are proposed to be appointed as directors of the Company at the forthcoming Annual General Meeting of the Company since both of them hold office only upto the date of forthcoming 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. 18.

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 31st March, 2012, 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. S. L. Tandon	200
Mr. Gopi Dargan	Nil
Mr. R. C. Murada	Nil
Mr. Harish Mahajan	Nil
Mr. Rohit Gogia	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.

G. INFORMATION TO SHAREHOLDERS**1. REGISTERED OFFICE**

Competent House, F-14, Connaught Place, New Delhi – 110001
Phone: +91 11 45700000, 45800000
Fax: +91 11 23327640

2. ANNUAL GENERAL MEETING

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

3. FINANCIAL 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 ended June 30, 2012	August, 2012
Un-audited Financial results for the 2 nd quarter and half year ending September 30, 2012	November, 2012
Un-audited Financial results for the 3 rd quarter ending December 31, 2012	February, 2013
Audited Financial results for the last quarter and whole year ending March 31, 2013	May, 2013

4. WEBSITE

The address of the Company's website 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, 2012, if approved at the forthcoming Annual General Meeting, will be paid within the specified time period.

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

Year	Dividend (%)
2010-11	10
2009-10	10
2008-09	10

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6. LISTING ON STOCK EXCHANGE

As on 31st March, 2012, the Company's shares are listed on BSE Limited and Scrip Code is **531041**.

7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

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

8. ANNUAL LISTING FEE

Annual Listing Fee for the financial year 2012-13 has been paid to the BSE Limited in advance. There are no arrears of listing fees with the said stock exchange till date.

9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

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

Distribution of the shareholdings according to type of shareholders.

Particulars	31 st March, 2012	
	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	4,31,956	7.03
Individuals	10,91,539	17.76
NRIs	2,03,100	3.30
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	31 st March, 2012			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Share Capital
Upto 500	1,972	90.50	2,39,440	3.90
501-1000	90	4.13	78,339	1.27
1001-2000	42	1.93	68,621	1.12
2001-3000	24	1.10	65,588	1.07
3001-4000	7	0.32	24,292	0.39
4001-5000	7	0.32	32,555	0.53
5001-10000	14	0.64	1,00,014	1.63
10001 and above	23	1.06	55,37,151	90.09
TOTAL	2,179	100	61,46,000	100.00



10. MARKET PRICE DATA

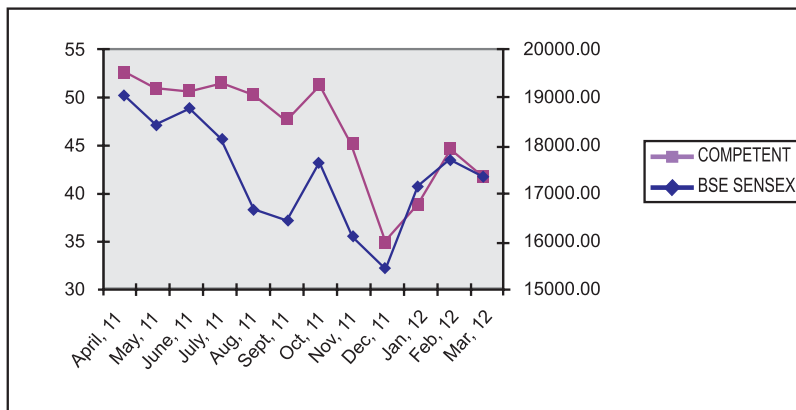
Monthly high and low prices of equity shares of the Company traded at the BSE Limited during financial year 2011-12 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
April, 11	59.80	50.85
May, 11	54.00	47.70
June, 11	57.35	48.95
July, 11	58.90	49.65
Aug, 11	54.50	48.05
Sept, 11	53.50	45.60

Month	BSE	
	High (Rs.)	Low (Rs.)
Oct, 11	51.80	43.10
Nov, 11	51.40	40.90
Dec, 11	44.70	34.70
Jan, 12	40.60	35.50
Feb, 12	47.05	37.55
Mar, 12	47.15	40.20

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, 2012, 86.54 % (i.e. 53,18,663 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 26812682 (2 Lines) Fax: +91 11 30857562
Contact Person: Mr. Virender Rana / Mr. Ashok Saraswat
Email: admin@skylinerta.com

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14. OUTSTANDING STOCK OPTIONS

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31st March, 2012.

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. Gopi Dargan	Mr. Rohit Gogia	Mr. O. P. Tandon
Date of Birth	15/07/1942	27/04/1972	10/12/1940
Qualification	B.E.-Mechanical	B.Com	B.A.
Nature of Expertise in Specific functional area	He is a leading Businessman. In the past, he had held various prominent positions in various organizations like Banks, Educational Institutions and Companies.	He is an entrepreneur having rich business experience and profound knowledge about the food flavours and fragrances Industry.	He has expertise in hospitality and food industry. He has experience of working in several leading Companies like Shipping Corporation of India, Dolphin Shipping Company etc. and at present is heading the purchase function of Competent Hotels Pvt. Ltd.
Date of Appointment	25/04/2005	31/10/2011	14/08/2012
Name of the other Companies in which he holds Directorship	M/s Taksal Theaters Pvt. Limited M/s Dargan Properties Pvt. Ltd.	M/s Gogia Chemical Ind. Pvt. Ltd. M/s Gogia Flavour & Fragrances Pvt. Ltd.	Nil
Name of the Committees* of the Companies of which he holds Membership / Chairmanship	Competent Automobiles Co. Ltd. Investor Grievance Committee – Member	Competent Automobiles Co. Ltd. Audit Committee- Member Investor Grievance Committee – Member	Nil
Shareholding in the Company	NIL	NIL	500

* 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 2012 as stipulated in clause 49 of the listing agreement of the said Company with BSE 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.,
Firm Registration No.-000220N
Chartered Accountants**

**Place: New Delhi
Date: 29th August, 2012**

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

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL VIEW

FY 2011-12 was a challenging year. After staging a smart recovery in 2010-11, growth in global economic output slowed down considerably in 2011-12. Growth in Advanced Economies slowed down primarily due to the sovereign debt crisis in the euro zone, contraction of the Japanese economy and a sluggish recovery in the US. Rising unrest in the Middle East and North Africa resulted in unprecedented levels of crude oil volatility. Growth in Emerging & Developing economies also decelerated with China, India and Brazil recording significant decline in growth rates. Capital flows into Emerging and Developing economies declined and remained volatile due to lower risk appetite caused by the financial uncertainty in the developed world which also led to sharp fluctuations in the exchange rates in many of these economies.

The world economy is passing through a very difficult phase. While the rest of the world has been grappling with the after effects of the European debt crisis, the Indian economy in 2011-12 has also seen moderation in growth. After a promising start to the decade in 2010-11, with achievements like maintaining GDP growth rate around 8 percent, bringing down fiscal deficit to 4.8% of GDP as well as containing current account deficit to 2.6%, the fiscal year 2011-12 has been challenging for the Indian Economy. The year started on a note of optimism through impressive growth in exports and high levels of foreign exchange inflows, only to moderate as the year progressed through continued monetary tightening in response to the untamed inflationary pressures. Gradually, high levels of inflation gave way to a slow-down in the growth. The Reserve Bank of India raised interest rates to control inflation. At the same time, petrol prices shot up to very high levels.

In a recent report, S&P cut its outlook on India's BBB- rating to negative from stable. This is surely not a good news for the Indian Industry in overall.

The Indian automobiles industry was adversely impacted by the general economic conditions in the country and across the globe in 2011-12. However, healthy growth prospects and the strong fundamentals of the Indian economy would drive the auto industry's growth in the year ahead, though the industry may not attain the high growth rates that were recorded prior to 2011-12.

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 almost all major manufacturers of the world here in India and the numbers are only increasing. Customers are spoiled 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

After the robust growth in sales for last two years, 2011-12 saw a decline in growth in automobile sales volumes. Nevertheless, for 2012-13, the overall economic growth indicators remain positive, auguring well for the automobile industry. It is expected that the deferred purchases get converted into actual sales, driven by steady economic growth and strong industrial activity. The industry as a whole is expected to gain significantly from the various initiatives on infrastructure development and the improved road infrastructure.

This along with rising disposable income, aspirations for a better lifestyle and a slew of new product launches lined up by companies would aid overall increase in sales volumes. Within the passenger car market, the trend of increasing demand for diesel cars, in view of the wide price differential between diesel and petrol, is expected to gain momentum. 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.

There has been continuing shift in rural spending in terms of its growth and it is less dependent on farm income. Income remittances from migrant rural population, increase in land prices and increase in non-farm activities and increased government spending in rural areas, have helped to reduce rural under-employment and raised rural income levels. This indicates a potential growth opportunity in this market. The Company is poised to benefit from the same.

Threats

The competition amongst dealers of competing brands as well as within same brand is crossing boundaries. Discounts and freebies are not a seasonal affair anymore. All this has led to drastic shrinking of margins in the new vehicle sales business. Many dealers confronted these challenges and worked their way to sustain bottom lines through increased focus on after-sales business.

However, the sole support of after-sales service business itself is under threat of substitutes in the form of organised (branded)

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franchised service network. Companies supplying automotive related products in the aftermarket like oil, lubricants, auto components and auto accessories are entering the lucrative automotive service business. This will be the biggest ever challenge faced by the automotive dealers in India. The automotive dealer's business was redefined from selling vehicles to servicing customers in the late nineties with the entry of multinationals in India. However, this new definition of the business itself is under threat with the newly emerging competition.

Well-known brands in the market like TVS, Cummins, Bosch, Castrol, Gulf Oil and Reliance have already forayed into the 'aftersales' business in some way and many more are on the verge of entry.

'Authorised dealer' workshops are always likely to have higher price of parts and labour than the 'Independent After-market Dealers', given the higher overhead costs, also impact 'Authorised dealer' negatively. The earlier competition, only from small time local garages, is evolving into a larger organised independent service provider. In the given situation, the business model of automotive dealers is clearly under tremendous pressure from all the business angles.

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

Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry. The fuel price continues to impact inflation and Government finances. Further, higher fuel prices force the consumers to think of alternative transportation solutions or defer 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 outlook for the Indian auto industry in near term is expected to remain stable even as competition-led pricing pressure amid muted sales will lead to a drop in operating profitability.

Weakening of household finances and higher cost of ownership will continue to curtail the buying power of consumers, especially buyers of cars in small- to mid-size segments which contribute to the bulk of Passenger Vehicle Sales.

There have been some positive developments like reduction in inflation and cut in interest rates by the Reserve Bank of India and this may help improve customer sentiment. However, any reduction in interest rates this year is unlikely to boost auto sales significantly given negative sentiments of buyers with regard to general economic conditions.

A lot of uncertainty also exists on fuel prices, as international crude oil is at high levels. Structural changes in the Indian auto industry in terms of increased number of companies is likely to restrict any significant improvement in margins from current levels, even during future economic upturns.

RISKS AND CONCERNS

Notwithstanding the robust growth in sales volumes in past couple of years, costs of dealership operations are rising and margins remain under pressure particularly, due to increase in cost of land and infrastructure in urban centres.

The limited talent pool of skilled and experienced resources is likely to create a considerable shortfall in marketplace. In the short term, dealerships may witness a rise in attrition and lose personnel owing to higher compensation levels, prospects of accelerated career growth and better training & development opportunities.

Input costs on account of commodities like steel, non-ferrous, precious metals, rubber and petroleum products have risen over the year and resulted in higher input costs and this coupled with significant increase in Crude Oil prices could have a negative impact on the demand.

With the unabated threat of inflation, the Reserve Bank of India has raised interest rates significantly during the Financial Year 2011-12. Availability of credit and affordable interest rates are important facilitators for automobile sales.

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 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. For Segment wise business performance of the Company during the year please refer to note no. 34 in the notes to financial statement forming part of the annual accounts at page no. 41.

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, 2012, there were 1057 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.

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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 2012 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 enclose 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 2012;
 - 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.
Firm Registration No. : 000220N
Chartered Accountants

Place : New Delhi
Date : 29/08/2012

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, 2012
of COMPETENT AUTOMOBILES COMPANY LIMITED)**

1. In respect to its fixed Assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets on the basis of available information.
 - (b) As explained to us, the Management during the year has physically verified the fixed assets, which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets. We are informed that no material discrepancy has been noticed by the management on such verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - (a) The inventories have 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 2012 under this account is ' 75.00 lacs (Maximum outstanding during the year amounting ' 865.00 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 and services. 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. According to the information and explanations given to us, 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. The provisions of maintaining Cost records under Section 209(1) (d) of the Companies Act, 1956 are not applicable to the company.
9. In respect of statutory dues:
 - (a) According to the records of the Company, the Company has been regular in depositing with the 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. 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, 2012 for a period of

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more than six months from the date they became payable.

- (b) According to the records of the Company, the disputed sales tax demand of ₹ 287.56 lacs in respect of financial year 1991-92 under Central Sales Tax Act, 1956 has not been deposited on account of disputed matters pending before appropriate authorities. Against this, the Company has filed an appeal before Additional Commissioner of Sales Tax (Appeals) –I, New Delhi.
10. The Company does not have any accumulated losses at the end of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
 11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The company did not have any outstanding debentures or any outstanding loans from any financial institution during the year except vehicle and term 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.
Firm Registration No. 000220N
Chartered Accountants

Place : New Delhi
Dated : 29/08/2012

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



COMPETENT AUTOMOBILES CO. LTD.

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Rs.)

	Notes to Accounts	As at 31st March 2012	As at 31st March 2011
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	6,27,84,500	6,27,84,500
Reserves and Surplus	3	58,88,71,645	52,32,76,844
		65,16,56,145	58,60,61,344
Non-Current Liabilities			
Long-Term Borrowings	4	2,49,31,023	3,37,75,720
Other Long-Term Liabilities	5	26,69,895	29,17,367
		2,76,00,918	3,66,93,087
Current Liabilities			
Short-Term Borrowings	6	18,79,56,004	16,86,54,958
Trade Payables	7	16,14,34,683	16,06,59,457
Other Current Liabilities	8	20,64,42,922	19,26,38,457
Short-Term Provisions	9	71,42,881	71,66,851
		56,29,76,490	52,91,19,723
TOTAL		1,24,22,33,553	1,15,18,74,154
II ASSETS			
Non-Current Assets			
Fixed Assets			
-Tangible Assets	10	35,48,69,700	31,83,18,955
-Capital Work-in-Progress	11	6,84,85,745	6,93,12,894
Deffered Tax Assets (Net)	12	41,97,103	25,74,449
Long-Term Loans and Advances	13	7,56,18,759	4,80,76,774
		50,31,71,307	43,82,83,072
Current Assets			
Inventories	14	46,01,29,818	41,95,24,926
Trade Receivables	15	14,18,83,965	15,18,89,406
Cash and Bank Balances	16	7,27,85,751	10,68,30,924
Short-Term Loans and Advances	17	6,09,08,930	2,86,91,877
Other Current Assets	18	33,53,781	66,53,950
		73,90,62,245	71,35,91,083
TOTAL		1,24,22,33,553	1,15,18,74,154

Summary of Significant Accounting Policies followed by the Company 1

The notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Dinesh Mehta & Co.

Firm Registration No: 000220N

Chartered Accountants

Sd/-

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 29-08-2012

For and on behalf of the Board of Directors

Sd/-

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

Sd/-

(Yadvinder Goyal)

Company Secretary

Sd/-

(Kavita Ahuja)

Whole Time Director

DIN-00036803

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Rs.)

	Note No.	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
A Revenue			
I Revenue from Operations	19	7,08,81,00,222	7,36,99,59,248
II Other Income	20	76,54,441	1,00,27,850
III Total Revenue (I+II)		7,09,57,54,663	7,37,99,87,098
IV Expenses			
Purchases of Stock in Trade	21	6,26,57,31,882	6,75,91,14,274
Changes in Inventories of Stock in Trade	22	(4,06,04,892)	(20,45,60,970)
Employee Benefit Expenses	23	16,94,60,537	14,48,67,728
Finance Cost	24	3,84,31,836	3,07,12,806
Depreciation and Amortization Expense	25	3,59,98,156	2,97,38,203
Other Expenses	26	51,94,09,742	51,49,26,191
Total Expenses		6,98,84,27,261	7,27,47,98,232
V Profit before extraordinary items and Tax (V) = (III)-(IV)		10,73,27,402	10,51,88,866
VI Exceptional Items		-	-
VII Profit / (Loss) before extraordinary items and Taxes VI = (V-VI)		10,73,27,402	10,51,88,866
IX Profit / (Loss) before Tax (VII-VIII)		10,73,27,402	10,51,88,866
X Less :Tax Expenses			
- Current Tax		3,60,00,000	3,60,00,000
- Deferred Tax		(16,22,654)	(14,71,107)
- (Excess)/Short provision for taxation and tax payments		-	-
Profit after Tax for the Year (IX-X)		7,29,50,056	7,06,59,973
Earnings per Equity share (In Rs.) (Nominal Value per Share Rs. 10/-)		11.87	11.50
Basic and Diluted			

Summary of Significant Accounting Policies followed by the Company

The notes are an integral part of these financial statements.

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

For Dinesh Mehta & Co.

Firm Registration No: 000220N

Chartered Accountants

Sd/-

(Hiren Mehta)

Partner

Membership Number-90772

Place: New Delhi

Date : 29-08-2012

For and on behalf of the Board of Directors

Sd/-

(Raj Chopra)

Chairman & Managing Director

DIN-00036705

Sd/-

(Yadvinder Goyal)

Company Secretary

Sd/-

(Kavita Ahuja)

Whole Time Director

DIN-00036803



COMPETENT AUTOMOBILES CO. LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

(All Figures in Rs.)

	Year ended 31st March 2012	Year ended 31st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	10,73,27,402	10,51,88,866
Adjustments for :		
Depreciation and Amortisation	3,59,98,156	2,97,38,203
Profit on Sale of Tangible Assets	(16,192)	(4,31,588)
Provisions no longer required written back		
Provision for Gratuity		
Provision for Doubtful Debts		
Financial Expenses	3,84,31,836	3,07,12,806
Interest Income	7,44,13,800	6,00,19,421
Operating gain before working capital changes	18,17,41,203	16,52,08,287
Changes in working capital		
(Increase)/ Decrease in Inventories	(4,06,04,892)	(20,45,60,970)
(Increase)/Decrease in Trade Receivables	1,33,05,610	2,22,85,030
(Increase)/Decrease in Loans and Advances	(5,89,33,160)	4,82,98,211
Increase in Current Liabilities and Provisions	1,43,32,219	7,19,79,696
	(7,19,00,224)	(6,19,98,033)
Cash generated from Operating activities before Taxes	10,98,40,979	10,32,10,254
Direct Taxes paid (net of refunds)	(3,70,38,208)	(3,78,10,057)
Net cash generated from/ (used in) Operating activities	7,28,02,771	6,54,00,197
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,97,71,228)	(7,72,69,548)
Purchase of Investments		
Proceeds from Sale of Investments		
Proceeds from Sale of Tangible Assets	80,65,622	56,73,145
Interest received		
Net cash generated from / (used in) investing activities	(7,17,05,606)	(7,15,96,403)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Bank Borrowings		
Proceeds from Long Term Bank Borrowings		
Repayment of Long Term Borrowings	1,04,56,349	5,62,09,254
Financial expenses paid	(3,84,31,836)	(3,07,12,801)
Dividend paid	(71,66,851)	(71,66,851)
Net cash generated from/ (used in) financing activities	(3,51,42,338)	1,83,29,602
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,40,45,174)	1,21,33,396
Cash and Bank balance at the beginning of the year	10,68,30,924	9,46,97,528
Effect of exchange gain on cash and cash equivalents		
Cash and Bank balance at the end of the year	7,27,85,751	10,68,30,924
Component of Cash and Bank balance		
Cash and cash equivalents include :		
Cash on hand	1,83,43,944	1,28,98,707
Cheques on hand	72,90,330	1,13,97,532
Balances with Banks:		
Deposit accounts		
Current accounts	1,82,11,934	3,31,57,806
Cash and cash equivalents at the end of the year	4,38,46,209	5,74,54,045
Add:		
Fixed deposits pledged (restricted cash)		
Fixed deposits with original maturity of more than 90 days	2,89,39,542	4,93,76,879
Cash and Bank balances at the end of the year	7,27,85,751	10,68,30,924

Notes : 1 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified under 'Section 211(3C) of the Companies Act, 1956.
2 Figures in brackets represents cash out flow.

As per our report of even date

For Dinesh Mehta & Co.
Chartered Accountants

Sd/-
(Hiren Mehta)
Partner
Membership Number-90772

For and on behalf of the Board of Directors

Sd/-
(Raj Chopra)
Chairman & Managing Director
DIN-00036705

Sd/-
(Kavita Ahuja)
Whole Time Director
DIN-00036803

Place: New Delhi
Date : 29-08-2012

Sd/-
(Yadvinder Goyal)
Company Secretary

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SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The company adopts the historical cost convention on the accrual basis in preparing the accounts in accordance with generally accepted accounting principles in India and applicable statutes and comply with the Accounting Standards referred in Section 211 (3C) Companies (Accounting Standards) Rules 2006, as amended and the other relevant provisions of The Companies Act, 1956.

All Assets and liabilities have been classified as Current and Non Current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI of The Companies Act, 1956.

1.1 Tangible Assets

- a) Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets. The amount of capital expenditure which has not been attributed to the assets and pending for capitalization are shown as Capital Work in progress.
- b) Depreciation on fixed assets is provided 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 is charged accordingly.

1.2 Inventories

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

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

1.3 Investments

Investments are valued at cost of acquisition, less provisions for diminution, as necessary, if any.

1.4 Segment Accounting

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

1.5 Taxation

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

1.6 Foreign Exchange Transactions

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

1.7 Employee Benefits

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



1.8 Revenue Recognition

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

1.9 Impairment of Assets

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

1.10 Borrowing Cost

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

1.11 Earning per Share

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

1.12 Provisions, Contingent Liabilities and Contingent Assets

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	As at 31st March 2012	As at 31st March 2011		
2 Share capital				
Authorized				
1,00,00,000 Equity shares of Rs. 10 each (Previous Year 1,00,00,000 Equity shares of Rs.10 each)	10,00,00,000	10,00,00,000		
Issued, Subscribed				
64,09,500 Equity shares of Rs.10 each (Previous Year 64,09,500 Equity shares of Rs. 10 each)	6,40,95,000	6,40,95,000		
Paid-Up				
61,46,000 Equity Shares of Rs. 10/ each (Previous Year 61,46,000 Equity Shares of Rs. 10/ each)	6,14,60,000	6,14,60,000		
Add : Amount paid up on Forfeited 2,63,500 Equity Shares (Previous year : Amount Paid up on forfeited 2,63,500 Equity Shares)	13,24,500	13,24,500		
	6,27,84,500	6,27,84,500		
A The Reconciliation of the number of shares outstanding is set out below:				
	Number of Shares	Number of Shares		
Equity Shares outstanding at the beginning of the year and at the end of the year	61,46,000	61,46,000		
B The details of shareholders holding more than 5% of the aggregate shares in the Company.				
	%	Number of Shares	%	Number of Shares
Name of the Share Holder				
Mr. Raj Chopra	-	-	54.21%	33,31,780
Mrs. Geeta Chopra	9.02%	5,54,525	9.02%	5,54,525
Mrs. Kavita Ahuja	58.47%	35,93,680	4.26%	2,61,900
3 Reserves and Surplus				
i. General Reserve				
As per last Balance Sheet		15,17,51,195		13,67,51,195
Add : Balance Transferred from Profit and Loss Account		1,50,00,000		1,50,00,000
		16,67,51,195		15,17,51,195
ii Securities Premium Account				
As per last Balance Sheet		14,31,65,000		14,31,65,000
iii Surplus in Statement of Profit and Loss				
As per last Balance Sheet		22,83,60,649		18,15,32,996
Add : Net Profit for the Year		7,29,50,057		7,06,59,973
Amount available for Appropriations		30,13,10,706		25,21,92,969
Less:				
Proposed Dividend on Equity Shares		61,46,000		61,46,000
Dividend tax		9,96,881		10,20,851
Tax adjustments for earlier years		2,12,375		16,65,469
Transferred to General Reserve		1,50,00,000		1,50,00,000
		27,89,55,450		22,83,60,649
Total		58,88,71,645		52,32,76,844

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	As at 31st March 2012	As at 31st March 2011
7 Trade Payables		
Micro, Small and Medium Enterprises	-	-
Others	16,14,34,683	16,06,59,457
	16,14,34,683	16,06,59,457
8 Other Current Liabilities		
Current Maturities of Long Term Debts	72,00,000	62,17,866
Advance from Customers	9,48,11,686	11,02,28,622
Other Payables:		
- To Employees	1,75,09,463	1,13,93,040
- To others	1,02,99,669	99,88,553
- Sales Tax Payable	7,47,20,630	5,17,28,432
- T.D.S. Payable	17,44,494	8,99,413
- Unclaimed Balances	1,56,979	21,82,531
	20,64,42,922	19,26,38,457
9 Short-Term Provisions		
Proposed Dividend	61,46,000	61,46,000
Provision for Tax on Dividend	9,96,881	10,20,851
	71,42,881	71,66,851

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.



10 FIXED ASSETS
(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2011	ADDITIONS	SALE/TRF.	AS AT 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Tangible Assets										
LAND	15,65,76,996	39,10,100	-	16,04,87,096	-	-	-	-	16,04,87,096	15,65,76,996
BUILDING	10,08,34,893	3,34,30,428	5,60,752	13,37,04,569	6,61,72,014	55,91,368	2,41,797	7,15,21,585	6,21,82,984	3,46,62,879
PLANT & MACHINERIES	9,96,60,630	1,00,35,481	1,25,793	10,95,70,318	6,11,81,700	70,98,240	1,01,575	6,81,78,365	4,13,91,953	3,84,78,930
ELECTRIC INSTALLATIONS	1,16,84,970	1,900	45,755	1,16,41,115	81,87,999	5,09,257	36,946	86,60,310	29,80,805	34,96,971
OFFICE EQUIPMENTS	4,97,99,906	32,07,438	3,24,830	5,26,82,514	3,37,81,873	32,71,326	2,56,292	3,67,96,907	1,58,85,607	1,60,18,033
FURNITURE & FIXTURES	3,48,26,153	23,71,602	1,38,228	3,70,59,527	2,43,88,944	21,44,871	1,18,112	2,64,15,703	1,06,43,824	1,04,37,209
VEHICLES	9,76,53,198	2,76,41,428	1,71,12,972	10,81,81,654	3,90,05,261	1,73,83,092	95,04,178	4,68,84,175	6,12,97,479	5,86,47,937
TOTAL	55,10,36,746	8,05,98,377	1,83,08,330	61,33,26,793	23,27,17,791	3,59,98,156	1,02,58,900	25,84,57,045	35,48,69,700	31,83,18,955
PREVIOUS YEAR	50,88,43,678	5,52,07,344	1,30,14,276	55,10,36,746	21,07,52,308	2,97,38,202	77,72,719	23,27,17,792	31,83,18,955	29,80,91,370

ANNUAL REPORT & ACCOUNTS 2011-2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	As at 31st March 2012	As at 31st March 2011
11 Capital Work in progress	6,84,85,745	6,93,12,894
	<u>6,84,85,745</u>	<u>6,93,12,894</u>
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.		
12 Deferred tax Liability/Assets (net)		
Deferred Tax Assets	41,97,103	25,74,449
Gross Deferred Tax Asset	41,97,103	25,74,449
Deferred tax Assets (Net)	41,97,103	25,74,449
13 Long Term Loans and Advances (Unsecured considered Good)		
Capital Advances	2,54,78,430	-
Security Deposits		
Security Deposit to MSIL	1,27,50,000	1,27,50,000
Security Deposits for Showrooms	2,04,55,160	1,91,55,042
Other Security Deposits	1,13,66,048	1,09,98,961
Others:		
Vehicle Loan to Employees	2,69,437	6,98,965
Advance Income Tax and Taxes Deducted at Source (Net of Provision)	52,99,684	43,93,806
Advance Fringe Benefit Tax	-	80,000
	<u>7,56,18,759</u>	<u>4,80,76,774</u>
14 Inventories (At cost or net realisable value whichever is lower)		
Stock in Trade		
Vehicles	41,63,51,702	37,49,55,942
Spare Parts, Accessories , Oil & Lubricants	4,37,78,116	4,45,68,984
	<u>46,01,29,818</u>	<u>41,95,24,926</u>
15 Trade Receivables		
Debts outstanding for a period exceeding six months from the date they are due for payment.		
- Unsecured and considered good	4,24,734	13,09,161
- Unsecured and considered doubtful	-	-
	<u>4,24,734</u>	<u>13,09,161</u>
Other Debts		
considered good	14,14,59,231	15,05,80,245
considered doubtful	-	-
	<u>14,14,59,231</u>	<u>15,05,80,245</u>
Less: Provision for Doubtful Debts	-	-
	<u>14,18,83,965</u>	<u>15,18,89,406</u>

Some of the outstanding balances as at 31st March 2012 in respect of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation.



COMPETENT AUTOMOBILES CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	As at 31st March 2012	As at 31st March 2011
16 Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on hand	1,83,43,944	1,28,98,707
Balances with banks		
- In Current Accounts	1,82,11,934	3,31,57,806
- In Fixed Deposits (More than 3 months & less than 12 months maturity)	2,69,67,169	4,74,04,506
- In Fixed Deposits (More than 12 months maturity)	19,72,373	19,72,373
-Cheque in Hand	72,90,330	1,13,97,532
	<u>7,27,85,751</u>	<u>10,68,30,924</u>
17 Short Term Loans and Advances		
(Unsecured and considered good)		
Advance Recoverable in Cash or in Kind	5,83,20,914	2,76,21,153
Others:		
Advance For Expenses	2,37,811	1,46,642
Staff Advances	5,26,354	2,27,077
Staff Imprest	7,96,929	4,43,647
Prepaid Expenses	10,26,922	2,53,358
	<u>6,09,08,930</u>	<u>2,86,91,877</u>
18 Other Current Assets		
Interest accrued but not due on Fixed Deposits	10,26,823	46,35,660
Interest Recoverable from MSIL	2,77,408	3,06,459
Incentive Receivable	20,49,549	17,11,831
	<u>33,53,781</u>	<u>66,53,950</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
19 Revenue from Operations		
Sale of products		
Vehicles	6,24,12,35,296	65,016,38,255
Spare Parts & Accessories	42,45,78,953	41,08,38,682
Number Plates	20,93,876	25,37,767
Services Rendered		
-Logistic Charges	5,34,36,817	5,41,55,478
-Services & Labour Charges	21,33,09,421	21,88,39,251
Incentive Received :		
From Maruti Suzuki India Ltd.	9,85,58,219	13,65,92,582
Commission Received		
- Extended Warranty	41,68,365	34,73,469
- Insurance Business	3,51,37,471	2,78,76,540
- Direct Billing	29,32,639	31,69,257
- Sourcing Fees	94,80,018	77,85,225
-Interest Income	31,69,146	30,52,742
	<u>7,08,81,00,222</u>	<u>7,36,99,59,248</u>
20 Other income		
Net Gain on Sale of Tangible Fixed Assets	16,192	4,31,588
Booking Cancellation Charges	7,46,645	16,70,667
Miscellaneous income	68,91,604	79,25,595
	<u>76,54,441</u>	<u>1,00,27,850</u>
21 Purchase of Traded Goods		
Purchases during the year		
- Vehicle	5,93,69,78,454	6,43,16,33,265
- Spare Parts & Accessories	33,52,44,695	33,44,87,001
- Number Plates	4,49,245	8,17,175
Less:		
- Spares issued against Warrenty	(68,25,613)	(72,88,079)
-Spares Short & Excess	(1,14,899)	(5,35,088)
	<u>6,26,57,31,882</u>	<u>6,75,91,14,274</u>
22 Changes in Inventories of Stock in Trade		
Inventories at the end of the year:		
- Vehicles	41,63,51,702	37,49,55,942
- Spare Parts & Accessories	4,37,78,116	4,45,68,984
	<u>46,01,29,818</u>	<u>41,95,24,926</u>
Less:		
Inventories at the beginning of the year:		
- Vehicles	37,49,55,942	16,45,31,999
- Spare Parts & Accessories	4,45,68,984	5,04,31,957
	<u>41,95,24,926</u>	<u>21,49,63,956</u>
	<u>(4,06,04,892)</u>	<u>(20,45,60,970)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	For the Year Ended 31st March 2012	For the Year Ended 31st March 2011
23 Employee Benefit Expenses		
Salaries, Wages and Bonus	13,25,59,732	11,35,88,654
Directors Remuneration	31,10,000	28,20,000
Commission paid to Directors	25,00,000	-
Contribution to Provident Fund and Other Funds	1,58,57,356	1,41,01,543
Staff Welfare Expenses	1,54,33,449	1,43,57,531
	16,94,60,537	14,48,67,728
24 Finance Cost		
Interest on Term Loan	72,61,795	46,00,253
Interest on Working capital	93,94,936	66,72,326
Interest on Inventory Funding	24,34,725	26,01,847
Interest Paid To MSIL	1,68,45,837	1,46,72,521
Interest Paid to others	39,859	1,13,592
Bank charges	24,54,684	20,52,267
	3,84,31,836	3,07,12,806
25 Depreciation and Amortization Expenses		
Depreciation on Tangible Assets	3,59,98,156	2,97,38,203
	3,59,98,156	2,97,38,203
26 Other Expenses		
Consumable Stores	2,25,56,785	2,40,92,529
Jobwork & Labour Charges	3,22,97,613	3,27,46,809
Security Services Charges	1,00,88,360	88,42,755
Services Charges	2,13,56,176	2,23,70,143
Petrol For New Car	73,22,492	76,41,339
Delivery Charges	75,53,019	64,96,268
Insurance	45,44,887	33,03,947
Repair & Maintainance		
Building	2,72,19,703	3,60,26,175
Plant & Machinery	1,62,89,996	2,17,24,593
Others	28,81,643	23,65,761
Legal & Professional Charges	73,17,978	80,61,919
Rent	4,93,48,141	5,75,93,400
Rates & Taxes	25,50,543	1,05,88,911
Facility Charges	72,34,000	1,13,50,000
Communication Expenses	76,71,189	81,78,815
Charity & Donation	6,26,024	13,09,454
Power & Fuel	1,47,13,602	1,19,32,191
Printing & Stationery	62,49,914	51,84,600
Travelling & Conveyance	1,08,34,912	1,00,75,969
Auditors Remuneration (Refer Note No. 28)	8,50,000	7,50,000
Miscellaneous Expenses	10,54,159	18,49,546
Advertising & Publicity	50,72,646	92,93,946
Trade Discount	24,88,52,768	20,93,42,082
Sales Promotion	49,23,194	38,05,039
	51,94,09,742	51,49,26,191

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

	2011-12	2010-11
27 Contingent Liabilities		
Particulars		
(i) Bank Guarantee obtained from Banks	2,50,00,000	2,00,00,000
(ii) Letter of Credit obtained from Banks	16,00,00,000	16,00,00,000
(iii) Disputed Sales Tax Demand	2,87,56,000	2,87,56,000
(This demand pertains to F.Y. 1991-92 against which an appeal before Commissioner of Sales Tax (Appeals)-I has been filed and pending for disposal)		
28 Auditors Remuneration		
(i) Audit Fees	5,00,000	4,50,000
(ii) Tax Audit Fees	50,000	50,000
(iii) Other Matters	3,00,000	2,50,000
	8,50,000	7,50,000
Excluding Service Tax		
29 Expenditure in Foreign Currency		
Tours and Travelling	16,05,002	14,51,000
30 Managerial Remuneration		
Salary	31,10,000	28,20,000
Commission on Net Profit	25,00,000	-
	56,10,000	28,20,000
31 Computation of Net Profit in accordance with Section 349 and calculation of commission under Section 198 (1) of The Companies Act, 1956		
Net Profit after Tax as per Profit and Loss Accounts	7,29,50,056	7,06,59,973
Add:		
Income Tax	3,43,77,346	3,45,28,893
Director Remuneration	56,10,000	28,20,000
Less:		
Profit on Sale of Fixed Assets	16,192	4,31,588
	11,29,21,210	10,75,77,278
Maximum Remuneration payable including commission @ 11%	1,24,21,333	1,18,33,501
32 Other Payments to Directors		
Facility Charges	72,34,000	1,13,50,000
Interest	63,88,084	40,94,127
Rent	1,68,00,000	1,66,70,000
	3,04,22,084	3,21,14,127

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012****33 Unclaimed /Unpaid Divided**

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 205 A of The Companies Act, 1956, will be transferred to the Investors Education and Protection Fund (IEPF) established by the Government of India. In terms of the provisions of Section 205 C of The Companies Act, 1956, no claim shall lie against the Company or IEPF after the said transfer. Total amount of Rs. 7,50,063/- as on 31st March, 2012 is lying in unclaimed / unpaid dividend account.

	(Amount in Rs.)	
	2011-12	2010-11
34 Information about Business Segment		
Segment Revenue		
(a) Showroom Revenue	6,45,46,17,305	6,73,53,39,284
(b) Service & Spares	63,34,82,917	63,46,19,964
Total	7,08,81,00,222	7,36,99,59,248
Segment Results		
(a) Showroom Revenue	7,48,66,179	6,48,59,854
(b) Service & Spares	6,32,38,620	6,10,13,968
Total	13,81,04,799	12,58,73,822
Less:		
Interest and Financial Charges	3,84,31,836	3,07,12,806
Add:		
Un-Allocated Income	76,54,441	1,00,27,850
Profit before Tax	10,73,27,402	10,51,88,866
Less :Taxation Expenses including Deferred Tax	3,43,77,346	3,45,28,893
Profit after Tax	7,29,50,056	7,06,59,973
Total Capital Employed	87,44,13,067	79,76,27,255

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

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

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

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

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

ANNUAL REPORT & ACCOUNTS 2011-2012

35 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 Company Private Limited
- Competent International Resorts and Hotels Limited
- Competent Film Enterprises
- Competent Construction Company
- Competent Exporters
- Competent Fabricators

(b) Key Managerial Personnel

- Mr. Raj Chopra - Chairman and Managing Director
- Mrs. Kavita Ahuja - Whole Time Director
- Mr. K K Mehta - Whole Time Director

(c) For related party transactions - Please refer note No 30 & 32

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

As per our report of even date annexed.

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

Sd/-
(Hiren Mehta)
Partner
Membership Number-90772

Place : New Delhi
Date : 29-08-2012

For and on behalf of the Board of Directors

Sd/-
(Raj Chopra)
Chairman & Managing Director
DIN-00036705

Sd/-
(Kavita Ahuja)
Whole Time Director
DIN-00036803

Sd/-
(Yadvinder Goyal)
Company Secretary

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 MANDATE FORMS RECEIVED BY THE REGISTRAR/ DP UPTO SEPTEMBER 23, 2012 SHALL BE CONSIDERED FOR ECS CREDIT WHILE EFFECTING DIVIDEND PAYMENT FOR THE YEAR 2011-2012. ECS MANDATE FORMS RECEIVED AFTER SEPTEMBER 23, 2012 SHALL BE PAID DIVIDEND THROUGH PHYSICAL WARRANTS FOR THE YEAR 2011-2012.

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

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																				Fax																
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	

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 **27th ANNUAL GENERAL MEETING** of the Company to be held on Saturday, the 29th day of September 2012 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 27th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 29th day of September 2012 at 9:00 am at Plot No. 3, Gazipur, Delhi-110096 or at any adjournment thereof.

Signed this.....day of.....2012.

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