

23rd Annual Report 1996-97

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Conart Engineers Limited

Where Construction Engineering becomes an art



E

*Conart Engineers Limited***BOARD OF DIRECTORS**

SHRI VINOD S. SURA
Chairman & Managing Director

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

SHRI RAMESH S. SURA
SHRI JITENDRA S. SURA
Whole-time Directors

DR. GITESH K. SHAH
SHRI SURENDRA C. BUTALA
SHRI TEJAS V. SURA
Directors

COMPANY SECRETARY

SHRI D. G. PRAJAPATI

BANKERS

BANK OF BARODA
DENA BANK
THE SARASWAT CO-OPERATIVE BANK LTD.

AUDITORS

OSTWAL DESAI & KOTHARI (Regd.)
Chartered Accountants

REGISTERED OFFICE

35, Manoj Udyog,
40/A, G. D. Ambekar Marg,
Wadala, Mumbai - 400 031

BRANCH OFFICE

Bombay Shopping Centre,
2nd Floor,
R. C. Dutt Road,
Baroda 390 005.

FACTORY ADDRESS

Plot No. 69, Opp. Mukta Nagar Mandir,
At & Post Manjusar, Taluka - Savli,
Baroda.

SHARE TRANSFER AGENT

ON-TIME PROFESSIONAL PVT. LTD
3. R. R. Thakkar Marg,
Jai Bhavani Premises, Ground Floor,
Malabar Hill, Mumbai - 400 006.

C

*Conart Engineers Limited***NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of Conart Engineers Limited will be held at Prince Hall, National Sports Club of India, Worli, Mumbai - 400 018 on Thursday the 21st August, 1997 at 4.30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the Profit and Loss Account for the financial year ended 31st March, 1997, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March, 1997.
3. To appoint a Director in place of Mr. Ramesh S. Sura who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Jitendra S. Sura who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration. The retiring auditors M/s. Ostwal Desai & Kothari, Chartered Accountants are eligible and offer themselves for reappointment.
6. To appoint a Director in place of Mr. Tejas V. Sura who was appointed as an Additional Director by the Board of Directors and hold office upto the date of Annual General Meeting of the Company, and is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under the provision of section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

SPECIAL BUSINESS :

1. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

Resolved that the Company hereby accords its approval and consent under sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the reappointment of Mr. Vinod S. Sura as Managing Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 1st April, 1997 to 31st March, 2002, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Vinod S. Sura, a draft whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Vinod S. Sura provided, however, that the remuneration payable to Mr. Vinod S. Sura shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules or guidelines in force from time to time.

Resolved further that the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

2. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

Resolved that the Company hereby accords its approval and consent under sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the reappointment of Mr. Ramesh S. Sura as Whole-time Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 1st April, 1997 to 31st March, 2002, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Ramesh S. Sura, a draft whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Ramesh S. Sura provided, however, that the remuneration payable to Mr. Ramesh S. Sura shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules or guidelines in force from time to time.

Resolved further that the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

C

Conart Engineers Limited

"Resolved that the Company hereby accords its approval and consent under sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the reappointment of Mr. Jitendra S. Sura as Whole-time Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 1st April, 1997 to 31st March, 2002, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Jitendra S. Sura, a draft whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Jitendra S. Sura provided, however, that the remuneration payable to Mr. Jitendra S. Sura shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules or guidelines in force from time to time.

Resolved further that the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

10. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"Resolved that in supersession of resolution passed at the Annual General Meeting held on 29th August, 1996 the Company hereby accords its approval and consent under sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 & all other applicable statutory provisions, if any, to the appointment of Mr. Tejas V. Sura as Whole-time Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 1st April, 1997 to 31st March, 2002, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Tejas V. Sura, a draft whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Tejas V. Sura provided, however, that the remuneration payable to Mr. Tejas V. Sura shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules or guidelines in force from time to time.

Resolved further that the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

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Mumbai, Dated : 30th June, 1997

Registered Office :

35, Manoj Udyog, 40/A, G.D. Ambekar Marg,
Wadala, Mumbai - 400 031.

By order of the Board of Directors
For CONART ENGINEERS LIMITED

D.G. PRAJAPATI
Company Secretary

Conart Engineers Limited

NOTES :

1. A member entitled to attend and Vote at the Meeting may appoint a proxy or proxies to attend and on a poll to vote instead of him. Proxy need not be a member Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. An explanatory statement pursuant to section 173 of the Companies Act, 1956 relating the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14th August, 1997 to 21st August, 1997 (both days inclusive) in connection with the ensuing Annual General Meeting.
4. Payment of the dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members on 21st August, 1997.
5. Members are requested to notify immediately any change in their address to the Company.
6. The unpaid dividends that are due for transfer to the Central Government are as follows :

For the financial year ended

31.03.94
31.03.95
31.03.96

Due for transfer on

02.11.97
15.11.98
16.10.99

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company's Registrar & Transfer agents for obtaining duplicate dividend warrants.

7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 6 :

Mr. Tejas V. Sura was appointed as an Additional Director of the Company with effect from 1st April, 1997. Mr. Tejas V. Sura will hold office of Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member proposing the candidature of Mr. Tejas V. Sura for the office of Director under the provisions of sections 257 of the Companies Act, 1956. Mr. Tejas V. Sura is qualified Civil Engineer. He is M.S. with Structural Engineering from the University of Texas in Austin. He worked with topmost construction Company in U.S. He also worked with the Company as Project Manager. In view of his considerable experience in the construction business, it will be in the interest of the Company that Mr. Tejas V. Sura be appointed as a Director of the Company.

The Directors recommend the resolution for approval. None of the Directors of the Company other than Mr. Tejas V. Sura and Mr. Vinod S. Sura are interested in this resolution.

ITEM NO. 7, 8, 9 & 10 :

The Board of Directors of the Company at its meeting held on 21st March, 1997 reappointed Mr. Vinod S. Sura as Managing Director. Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and appointed Mr. Tejas V. Sura as Whole-time Directors for the period of Five years from 1st April, 97. The material terms of the appointment and remuneration payable to Mr. Vinod S. Sura, Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura as embodied in the agreements to be entered into with them upon receipt of approval of the members are as follows:

(1) PERIOD :

Mr. Vinod S. Sura	5 Years from 1st April, 1997
Mr. Ramesh S. Sura	5 Years from 1st April, 1997
Mr. Jitendra S. Sura	5 Years from 1st April, 1997
Mr. Tejas V. Sura	5 Years from 1st April, 1997

(2) NATURE OF DUTIES :

Mr. Vinod S. Sura, Managing Director, shall devote whole of time and attention to the business of the Company. He shall have control of and full executive responsibility for the general conduct and management of the business and affairs of the Company. He shall exercise all such powers as may be granted and entrusted to or required by him for the proper discharge of his duties.

Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura, Whole-time Directors shall devote the whole of their time and attention to the business & affairs of the Company and shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to them by the Managing Director. They shall be accorded and shall possess and exercise all such powers as may be required by and be granted to them for the proper performance, discharge and execution of their duties and responsibilities. They shall at all time be subject to the superintendence, control and direction of and shall be responsible and accountable directly to the Managing Director.

(3) REMUNERATION :

The Directors shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to ceiling limits laid down in Section 198, Section 309 and Schedule XIII of the Companies Act, 1956.

Salary	Rs. Per Month
(1) Mr. Vinod S. Sura	25,000/-
(2) Mr. Ramesh S. Sura	20,000/-
(3) Mr. Jitendra S. Sura	20,000/-
(4) Mr. Tejas V. Sura	15,000/-

Board has power to increase the Salary from time to time subject to the following limit.

Name	Maximum Salary
(1) Mr. Vinod S. Sura	60,000/-
(2) Mr. Ramesh S. Sura	40,000/-
(3) Mr. Jitendra S. Sura	40,000/-
(4) Mr. Tejas V. Sura	30,000/-

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*Conart Engineers Limited***Commission :**

For each financial year such amount, as the Board may in its absolute direction determine.

Perquisites : Perquisites will be allowed in addition to salary.

- i) **Residential Accommodation :**
The Company shall provide furnished residential accommodation with free gas, electricity and water. Mr. Vinod Sura will pay the Company by way of rent 10% of his salary.
The provision of gas, electricity, water and furnishings shall be valued as per Income-tax Rules, 1962.
 - ii) **Medical Benefits for Self & Family :**
Reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three month's salary over a period of three years.
 - iii) **Leave Travel Concession :**
For self and his family, once in a year in accordance with the rules of the Company.
 - iv) **Club Fees :**
Fees of club subject to a maximum of two clubs will be allowed.
 - v) **Personal Accident Insurance and Group Term Insurance :**
The Premium not to exceed Rs.10,000 per annum.
 - vi) **Provident Fund and Superannuation :**
Contribution to the Company's Provident Fund & Superannuation Scheme, in accordance with the rules of the Scheme.
 - vii) **Gratuity :**
One-half months salary for each completed year of service
 - viii) **Leave Encashment :**
Earned/Privilege leave may be allowed as per rules of the Company, but leave accumulated and not availed during his tenure shall not be allowed to be encashed.
 - ix) **Car :**
Free use of Company maintained car with chauffeur for use on Company's business. Expenses on use of car for private purposes shall be borne by him.
 - x) **Telephone :**
Free mobile phone and basic telephone facility at residence. Personal long distance call charges will be borne by him.
Provision of car for use on Company's business & telephone at residence will not be considered as perquisites.
- 4) Wherein any financial year the Company has no profits or its profit are inadequate the remuneration payable will be in accordance with the provision of section II of the Part II of Schedule XIII of the Companies Act, 1956 as may be amended from time to time.
- 5) **Other Terms :**
- i) The company shall reimburse actual entertainment and travelling expenses incurred in the course of the Company's business.
 - ii) They will not receive sitting fees for attending meetings of the Board or Committee thereof.
 - iii) They shall keep the secrets of the Company.
 - iv) The appointment may be terminated by either party by giving six months' notice or by mutual consent. The Company shall also be entitled to terminate the appointment by making payment to them of six months' remuneration as provided in the Agreement.
 - v) In any financial year during the currency of tenure of the Managing Director and whole-time Directors, the Company has no profits or its profits are inadequate the company will pay remuneration by way of salary and perquisites as specified above.
 - vi) The Board of Directors be and is hereby authorised to vary or increase the scope of remuneration and perquisites payable to them, to the extent to which it may be enhanced, enlarged or varied in accordance with the schedule XIII of the Companies Act, 1956 or any amendment thereof.

In compliance with the applicable provisions of the Companies Act, 1956 Ordinary Resolutions in terms as set out in item no. 7, 8, 9 & 10 of the accompanying Notice are now being placed before the Members in the General Meeting for their approval.

Except Mr. Vinod S. Sura, Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura, no other Directors of the Company is concerned or interested in the said Ordinary resolutions.

This explanatory statement is and should be treated as an abstract under section 302 of the Companies Acts, 1956 of the agreement to be entered into between the Company and Mr. Vinod S. Sura, Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura.

INSPECTION :

The draft agreement of appointment of Mr. Vinod S. Sura, Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura shall be open for inspection at the Registered Office of the Company on any working day between 11 A.M. and 1.00 P.M.

Mumbai, Dated : 30th June, 1997

By order of the Board of Directors
For CONART ENGINEERS LIMITED

Registered Office :

35, Manoj Udyog, 40/A, G.D. Ambekar Marg,
Wadala, Mumbai - 400 031.

D.G. PRAJAPATI
Company Secretary

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Conart Engineers Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report and therewith the Audited Accounts for the financial year ended 31st March, 1997.

FINANCIAL RESULTS

	1996-97	(Rupees in lacs) 1995-96
Turnover	926.17	1245.89
Operating Profit	246.88	330.32
Other Income	18.51	20.14
Administrative and Other Expenses	(176.29)	(162.94)
Interest	(16.79)	(4.58)
Depreciation	(16.53)	(15.10)
Profit Before Tax & Extra-Ordinary Item	55.78	167.84
Provision For Tax	(27.20)	(22.44)
Profit After Tax But Before Extra-Ordinary Item	28.58	145.40
Extra-Ordinary Item : Diminution in Value of Investment	(25.31)	(0.09)
Profit After Tax	3.27	145.31
Surplus Brought Forward	106.58	41.72
Provision For Earlier Years Written Back	0.00	0.08
Balance Available For Appropriation	109.85	187.11

APPROPRIATION

Dividend on Equity Capital	15.00	66.00
Corporate Dividend Tax	1.50	0.00
Transfer to General Reserve	0.00	14.53
Surplus Carried to Balance Sheet	93.35	106.58

OPERATIONS**Industrial Construction**

The following important factors have adversely affected the profitability of the company during the year under review :

1. Company started a Project worth Rs. 7.00 crores, which in its initial Stage, was scrapped due to its unviability to the client.
2. As a measure of prudence, the Company has diminted the long term trade investment by Rs.25 lacs to relign its market value, despite investee company's positive net worth.
3. Tighter credit and a slow-down in economic growth towards the latter half of the year, contributed to a slackening in order position of company.

Despite these adverse conditions company was able to achieve turnover of Rs.926.17 lacs during the year.

The current year's operations have begun on a bright note. The directors are pleased to report that the order position has improved and your company will do significantly better in the current year.

Project of Manufacturing Bricks From Fly Ash

The production of Fly Ash bricks has not attained the desired level, in view of the traditional resistance for their acceptance vis-a-vis ordinary bricks. Efforts are continuing for their acceptance and marketability.

Wind Power Project

The energy production during the year was lower than expected due to various reasons such as poor availability of grid, lower wind conditions, extraneous problems at site etc.

Residential and Commercial Complexes

A Project for commercial complex at Baroda and residential project at Ankleshwar have been completed.

DIVIDEND

In view of insufficient profit, the Directors recommend a dividend @ 5% for the year 1996-97 out of accumulated profits in order to maintain continuous track of dividend since year 1991-92.

DIRECTORS

Mr. Nitin V. Palany a Director of your company resigned from the Board w.e.f. 31st March, 1997 on his health ground. The Company has enriched by his sagacity wise counsel and vast experience during his association with the Company. The Board would like to record its deep appreciation for the excellent and valuable services rendered by Mr. Nitin V. Palany during his tenure as a director of your Company.

C

Conart Engineers Limited

Mr. Tejas V. Sura was appointed as additional director on the Board on 21st March 1997 under section 260 of the Companies Act, 1956 and would hold office upto the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company has received a notice in writing under section 257 from a member, proposing Mr. Tejas V. Sura as candidate for the office of the Director.

In accordance with the provision of the companies Act, 1956 and the Company's Article of Association, Mr. Ramesh S. Sura and Mr. Jitendra S. Sura retire by rotation and being eligible, offer themselves for reappointment.

FIXED DEPOSIT

The Company has not accepted any deposits from the public.

CONART SECURITIES LTD.

Pursuant to Provisions of section 212 of the Companies Act, 1956, financial statements and other documents of the subsidiary company are attached.

PARTICULARS OF EMPLOYEES

Particulars of employees as required by section 217(2A) of the Companies Act, 1956 read with the Companies (particular of employees) Rules 1975 are given in the annexure to the report.

CONSERVATION OF ENERGY

The Company has taken the required steps and has been also consistently exercising necessary vigilance in the direction of Energy conservation which is of paramount importance.

FOREIGN EXCHANGE EARNING/OUTGOING

Foreign Exchange earned during the year - NIL

Foreign Exchange outgo during the year - Rs. 3,26,128 - As Dividend

TECHNOLOGY ABSORPTION

The Company has a team of qualified and well experienced Engineers engaged for improvement in Construction Technology equivalent to the latest technological development of the industry.

AUDITORS

The Auditors of the Company M/S. OSTWAL DESAI & KOTHARI, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible and offer themselves for reappointment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of dedicated services rendered by the employees at all levels during the testing period of the Company.

Your Directors also wish to put on record the gratitude to the Company's valued clients, contractors, suppliers, bankers, consultants and various Government Authorities for their Co-operation and Support.

On behalf of the Board

Mumbai, Dated : 30th June, 1997

VINOD S. SURA

Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

Sr. No.	Name	Designation & Nature of Duties	Age	Remuneration	Qualification	Exp. years	Date of Commencement of Employment	Last Employment held
1.	Mr. Vinod S. Sura	Managing Director	62	456,571	B.S.M.S. Civil	36	Since incorporation of the Co.	M/s. R. Kirti Construction [P] Ltd.
2.	Mr. Ramesh S. Sura	Director Finance & Administration	65	368,082	Inter Science	38	Since incorporation of the Co.	M/s. R.B. Sura
3.	Mr. Jitendra S. Sura	Director Technical	46	361,650	D.C.E. Civil	22	Since incorporation of the Co.	-

NOTE :

- [1] Remuneration includes Salary, Commission, Allowances, Perquisites and the Company's Contribution to Provident and Super Annuation Fund.
- [2] The Appointments are Contractual.
- [3] The above Directors are related to each other.