

25th Annual Report 1998-99



Conart Engineers Limited

Where Construction Engineering becomes an art

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Conart Engineers Limited

BOARD OF DIRECTORS

SHRI VINOD S. SURA
Chairman & Managing Director

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

DR.GITESH K. SHAH
SHRI SURENDRA C. BUTALA
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,
Vadodara 390 005.

FACTORY ADDRESS

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

SHARE TRANSFER AGENT

M/s.Consolidated Share Services Pvt. Ltd.
Shanti Nagar, Cross Road 'A',
Near M.I.D.C. Bus Depot,
Andheri (East), Mumbai 400 093.



Conart Engineers Limited

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Conart Engineers Limited will be held at Prince Hall, National Sports Club of India, Worli, Mumbai 400 018 on Friday, 20th August, 1999, at 4.30 p.m. to transact the following :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 1999, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 1999.
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. Tejas V. 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.

Registered Office :

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

Mumbai, Dated : 31st May, 1999.

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. The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 1999 to 20th August, 1999 (both days inclusive) in connection with the ensuing Annual General Meeting.
3. 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 20th August, 1999.
4. *Members are requested to notify immediately any change in their addresses to the Company.*
5. As per the amendment in Section 205-A of the Companies Act, 1956, and introduction of Section 205-C by the Companies (Amendment) Ordinance, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
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.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Shareholders are requested to bring their copies of Annual Report to the Meeting.

Registered Office :

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

Mumbai, Dated : 31st May, 1999.

By order of the Board of Directors
For CONART ENGINEERS LIMITED

D.G. PRAJAPATI
Company Secretary





Conart Engineers Limited

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the audited statement of accounts and the Reports of the Auditors for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

	(1998-99)	(Rupees. In Lacs) (1997-98)
Turnover	1355.37	1086.22
Operating Profit	301.38	263.48
Other Income	12.31	7.29
Administrative and Other Expenses	223.47	171.40
Interest	14.27	13.81
Depreciation	17.67	17.03
Profit Before Tax	58.28	68.53
Provision for Tax	25.00	26.22
Profit after Tax but before Extra Ordinary Item	33.28	42.31
Extraordinary Item	-	00.04
Profit after Tax	33.28	42.27
Provision for earlier years written back	11.52	-
Surplus Brought Forward	119.12	93.35
Balance available for Appropriation	163.92	135.62

APPROPRIATION

Dividend on Equity Capital	15.00	15.00
Corporate Dividend Tax	1.50	1.50
Surplus carried to Balance Sheet	147.42	119.12

REVIEW OF OPERATIONS

Industrial Civil Construction

During the year under review the Company recorded the highest turnover of Rs. 1355 Lacs during its existence, inspite of general slow-down in industrial growth. This was possible due to continued focussed efforts by the management and high reputation enjoyed by your Company in the industry. The turnover increased from Rs. 1086 Lacs to Rs. 1355 Lacs registering a very satisfactory growth of about 25%. The Company registered a net profit of Rs. 33.27 Lacs during the year, which was adversely affected by writting off unrecoverable dues of Rs. 39.27 Lacs and loss of Rs. 7.92 Lacs on sale of assets.

Project of Manufacturing Bricks from Flyash

The company has suspended the production of flyash bricks from August, 1996 due to lack of demand. Your board is of the view that the interest of the Company will be best served by disposing this unit. The Board has taken certain initiative in this regard. The Board will seek the approval of the Shareholders when such proposals are formulated.

Wind Power Project

The Company has received assured minimum return from the wind power project.

DIVIDEND

Your Directors have proposed a dividend of 5% for the year ended 31st March, 1999.

DIRECTORS

Mr. Ramesh S. Sura and Mr. Tejas V. Sura Directors are retiring by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

SUBSIDIARY COMPANY

The reports and accounts of the CONART SECURITIES LIMITED are annexed to this report along with the statement pursuant to section 212 of the Companies Act, 1956.

FIXED DEPOSIT

The Company has not accepted any deposit from the public.



Conart Engineers Limited

PARTICULARS OF EMPLOYEES

The Company has no employee drawing remuneration equal to or more than the limits prescribed U/S 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY

The Company has taken the required steps and has been 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. 23,100 as dividend
 - Rs. 6,500 as subscription
 - **Rs. 29,600 Total**

TECHNOLOGY ABSORPTION

The Company is continuously upgrading its Machinery in consonance with the latest technology in the construction industry.

Y2K COMPLIANCE

All the Computer Systems and Softwares are Y2K compliant.

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.

ACKNOWLEDGEMENT

Your Directors record their appreciation of the contribution made by the employees at all the levels during the year.

Your Directors express their gratitude to the Company's esteemed clients, contractors, suppliers, bankers, consultants, auditors and various Government Authorities for their valuable contribution and continued support.

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On behalf of the Board

VINOD S. SURA

Chairman & Managing Director

Mumbai, Dated : 31st May, 1999



Conart Engineers Limited

AUDITORS' REPORT

TO
THE MEMBERS OF
CONART ENGINEERS LIMITED

We have audited the attached Balance Sheet of CONART ENGINEERS LIMITED as at 31st March, 1999 and also the annexed Profit and Loss Account for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of the books;
 - c) the Balance Sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999 and
 - (ii) in the case of Profit and Loss Account of the profit for the year ended on that date.

For **OSTWAL DESAI & KOTHARI**
Chartered Accountants

T.P.OSTWAL
(Partner)

Mumbai, Dated : 31st May, 1999

Annexure referred to in Paragraph 1 of the Auditors' Report to the members of CONART ENGINEERS LIMITED on the Accounts for the year ended March 31, 1999.

1. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets. We are informed that the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies between the book records and physical inventory have been noticed on such verification in respect of the assets physically verified.
2. None of the Fixed Assets have been revalued during the year.
3. The stock of stores, spares, scaffolding materials and construction materials, raw materials and finished goods were physically verified by the Management during the year. In our opinion, the frequency of the verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between physical stock and the book records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, in our opinion, the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles. However in case of stock of work-in-progress, an element of profit has not