



28th

Annual Report
2001-2002

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Conart Engineers Limited

where construction engineering becomes an art

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Conart Engineers Limited

BOARD OF DIRECTORS	:	SHRI. RAMESH S. SURA CHAIRMAN
		SHRI. JITENDRA S. SURA MANAGING DIRECTOR
		SHRI. TEJAS V. SURA JT. MANAGING DIRECTOR
		SHRI. HARESH V. PATEL DIRECTOR
		SHRI. HARSHAD B. JHAVERI DIRECTOR (W.E.F. 31/07/2002)
REGISTERED OFFICE	:	35, Manoj Udyog, 40/A G.D. Ambekar Marg Wadala, Mumbai - 400 031.
BRANCH OFFICE	:	Bombay Shopping Center, 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. Sharex (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001.
LISTING OF SHARES	:	Mumbai, Vadodara, Ahmedabad.
BANKERS		Bank of Baroda Dena Bank The Saraswat Co-operative Bank Ltd.,
AUDITORS	:	Ostwal Desai & Kothari (Regd.) Chartered Accountants



Conart Engineers Limited

NOTICE

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of Conart Engineers Limited will be held on Friday, the 27th September 2002, at 4 p.m. at 'AOTS ALUMNI ASSOCIATION OF WESTERN INDIA', 3rd Floor, India Printing House, 42, G.D. Ambekar Marg, Wadala, Mumbai-400 031 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ramesh S. Sura, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Tejas V. Sura, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT M/S V.L. Shah & Co. Chartered Accountants be and are hereby appointed as Auditors of the Company to fill casual vacancy caused by resignation of M/S Ostwal Desai & Kothari Chartered Accountants and to hold office from this meeting until the conclusion of the next Annual General Meeting of the Company."

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 section 257 and other applicable provisions of the Companies Act, 1956, Mr. Harshad Bachubhai Jhaveri who was appointed as an additional Director of the Company and whose terms of office expires at the ensuing Annual General Meeting be and is hereby appointed as a Director of the Company and he will be liable to retire by rotation."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 to the Board of Directors to sell, lease or to mortgage charge and hypothecate in addition to the existing mortgages, charges and hypothecation created by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct from time to time together with the power to take over the Management of the Company in certain events to or in favor of the financial institution, banks herein after referred to as the Lending Agencies to secure Rupee Term Loan / foreign Currency Loan, debentures of any type and other instrument of an equivalent aggregate value not exceeding Rs 10 Crores together with the interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or



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on redemption cost, charges, expenses and all other money payable by the Company to the lending agencies/ Trustees under the respective Agreements/ Loan Agreements/ Debentures Trust Deeds to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER THAT the Board is hereby authorised to finalise with Lending Agencies/ Trustees the documents for creating the aforesaid mortgages, charges and/or hypothecation and to accept any modification to or to modify, alter or vary the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to the above resolution."

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

"RESOLVED that the consent of the Company be and is hereby accorded under the provisions of section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the Company by more than the sum of Rs. 10 Crores at any one time.

By order of the Board of Directors
For Conart Engineers Limited

Place: Mumbai

(Ramesh S. Sura)

Date: 29th June, 2002

Chairman

Registered Office:

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

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NOTES

- A. A MEMBER ENTITLED TO ATTEND AND VOTES IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- B. Instrument appointing a proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- C. Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 24th September, 2002 to 27th September, 2002 both days inclusive.
- D. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their question to the Company Secretary at least seven days before the date of meeting, so that the information required may be made available at the meeting.
- E. Members are requested to advise immediately about any change of address :
 - i. to their Depository Participants (DPs) in respect of their electronic share account, and
 - ii. to the Company in respect of their physical share folios, if any.
- F. Members/Proxies should bring the attendance slip, duly filled in for attending the meeting.
- G. Consequent upon the introduction of Section 205 C by the Companies (Amendment) Act, 1999, which came into effect from 31st October, 1998 and notification dated 1st October, 2001 issued in respect of Investor Education and protection Fund (awareness and protection of investors) Rules, 2001, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and shall not be paid to the shareholders. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 1995, and onwards are requested to make their claims to the Company accordingly, without any delay.
- H. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the items 4 to 7 of the notice as set out herein before is annexed hereto.
- I. Shareholders are advised to convert their shares into the Demat Form if they have not converted them so far.

ANNEXURE TO THE NOTICE

As required under Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out all information relating to the business mentioned under item No.4 to 7 of the accompanying Notice dated 29th June, 2002.

ITEM NO. 4

Persuant to section 224(6)(a) of the Companies Act, 1956 when vacancy is caused by resignation of an auditor, the vacancy shall only be filled by the Company in the General Meeting. Hence, this resolution is put for your approval. The letter of resignation given by M/S Ostwal Desai & Kothari Chartered Accountants can be inspected at the registered office of the Company during the business hours on any working day.

ITEM NO 5

According to provision of section 260 of the Companies Act, 1956, Mr. Harshad Jhaveri was appointed as an Additional Director of the Company on 31st July, 2002 by the Board of Directors of the Company and he holds office as director only upto the date of the ensuing Annual General Meeting. As required by



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section 257 of the Companies Act, 1956 a notice has been received from member signifying his intention to propose appointment of Mr. Harshad Jhaveri as Director along with a deposit of Rs. Five Hundred. Mr. Harshad B. Jhaveri is B.S.C., B.S.(U.S.A.) Electrical Eng. Presently he is taking turnkey contract in Electrical works. His appointment as the Director of the Company will be in the interest of the Company's business.

The Board recommends the resolution for appointment of Mr. Harshad Jhaveri as the Director of the Company.

None of the Directors except Mr. Harshad B. Jhaveri are concerned or interested in the resolution.

ITEM NO. 6

The Company proposes to approach Financial Institutions/Multilateral Agencies/Bank/Overseas Banks and/or other Lending Agencies for Rupee and/or Foreign Currency Term Loans/Non-Convertible Debentures (NCDs)/Bonds/Foreign Currency Convertible Bonds (FCCBs)/Other Instruments not exceeding Rs. 10 Crores (10 Crores Only) to meet fund requirements for capital expenditure and augmentation of long term resources.

The said Term Loans/ NCDs /Bonds/FCCBs/Other Instruments when sanctioned/availed/subscribed to are to be secured by appropriate mortgage/charge in favor of respective Financial Institutions/Multilateral Agencies/Bank/Overseas Bank and/or Financial Institutions/Other Lending Agencies on such of the assets of the Company both present and future, as may be decided by the Board of Directors. Also pursuant to section 293 (1)(a) of the companies Act, 1956 the power is accorded by the company to the Board of Directors to sell or lease the undertaking or part of undertateius of the company. The resolution at item No. 6 is considered necessary having regard to Section 293 (1)(a) of the Companies Act, 1956.

The Directors recommend the resolution at item No. 6 for your approval.

None of the Directors of the Company may be deemed to be in any way concerned or interested in the resolution.

ITEM NO.7

The sanction of the shareholders is sought to permit the Board to borrow money in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the Company's plans for expansion and diversification, your Board thinks it necessary to acquire this power and recommends passing of this resolution.

None of the Directors is in any way concerned or interested in this resolution proposed to be passed.

Place: Mumbai

Date: 29th June, 2002

By order of the Board of Directors
For Conart Engineers Limited

(Ramesh S. Sura)

Chairman

Registered Office:

35, Manoj Udyog,

40/A, G. D. Ambekar Marg,

Wadala, Mumbai-400 031



Conart Engineers Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty- Eighth Annual Report together with the audited Balance Sheet and Profit & Loss Statement for the financial year ended 31st March 2002.

FINANCIAL RESULTS:

	(Rupees in Lacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
Turnover	763.76	803.14
Operating Profit	178.51	131.93
Other Income	12.98	16.11
Administrative and Other Expenses	136.27	178.78
Interest	5.41	11.75
Depreciation	19.17	18.81
Profit /(Loss) Before Adjustments & Tax	30.63	(61.30)
Decrease in the value of Investments (Net)	9.35	—
Profit /(Loss) Before Tax	21.28	(61.30)
Less : Provision for Taxation.	0.66	—
Add : Excess Tax provision Written Back	—	1.78
Add : Deferred Tax on Timing Differences	0.94	—
Profit /(Loss) after Tax	21.56	(59.52)
Surplus Brought Forward	<u>63.80</u>	<u>123.32</u>
Balance available for Appropriation	85.36	63.80
Appropriations :		
Deferred Tax Liability	7.47	—
Surplus carried to Balance Sheet	77.90	63.80

PERFORMANCE REVIEW :

During the year under review the Company has made an operating profit of Rs. 178.51 lacs as against Rs.131.93 lacs in the last year. In spite of riots and disturbed economical condition in Gujarat, the Company's performance has been impressive in terms of Turn Over and Profit. The satisfied clients have appreciated us by giving us further projects and our credibility in the performance has lead to expansion in the Company's increased activity. Effective and efficient production and increased trust on stringent cost control measures have lead us to the Net Profit of Rs.21.56 Lacs as compared to the Net Loss of Rs.61.30 Lacs of last year.

MANUFACTURING BRICKS FROM FLYASH:

The Company has suspended the production of flyash bricks due to lack of demand. Your Directors are trying hard to dispose off the flyash bricks unit.

WIND POWER PROJECT:

Since the Company is not receiving proper returns and the maintenance of the windmill is very costly affair, your Directors are of the opinion to dispose off the windmill.