



30th Annual Report 2003-2004

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Conart Engineers Limited

WHERE CONSTRUCTION ENGINEERING BECOMES AN ART





Conart Engineers Limited

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COMPANY SECRETARY	BANKERS		
DIPALI RAWAL	Bank of Baroda Dena Bank The Saraswat Co-operative Bank Ltd. HDFC Bank		
AUDITORS	REGISTERED OFFICE		
V. L. SHAH & CO. Chartered Accountant	35, Manoj Udyog, 40/A G.D. Ambekar Marg, Wadala, Mumbai - 400 031. Tel. : 2414 8503 / 09		
	BRANCH OFFICE		
	Bombay Shopping Centre, 2nd Floor, R. C. Dutt Road, Vadodara - 390 005		



Conart Engineers Limited

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of the Conart Engineers Limited will be held on Friday 24th September, 2004 at 4.00 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 2004 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.

SPECIAL BUSINESS:

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

"RESOLVED THAT M/s. Govind Prasad & Co., Chartered Accountant be and is here by appointed as Auditors of the Company to fill casual vacancy caused by resignation of M/s. V. L. Shah & Co., Chartered Accounts and to hold office from this meeting until the conclusion of the next Annual General Meeting of the Company."

- 4 To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:-

"RESOLVED THAT approval pursuant to section 149(2A) of the Companies Act, 1956 be and is hereby given to the commencement by the Company of all or any of the business specified in clause 48 of the Objects clause III of the Memorandum of Association of the Company."

- 5 To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to provision of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is here by altered by adding Article no. 195 and 196 as stated below to the Articles of Association of the Company:-

"195 DEMATERIALISATION OF SECURITIES:

- a. Definitions – For the purpose of this Article :

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a Company formed registered under the Companies Act 1956 and which has been granted a Certificate of Registration under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means Beneficial Owner as defined in Clause (a) of subsection (I) of Section 2 of the Depositories Act, 1996.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial Owner(s) as defined in Clause (a) of subsection (I) of Section 2 of the Depositories Act, 1996.

"Record" includes the records maintain in the form of books or stored in computer or in such other form as may be determine by regulations made by SEBI in relation to the Depositories Act.

"Security" means such security as may be specified by SEBI from time to time.

- b. Dematerialization of Securities.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and /or offer its fresh in a dematerialised form pursuant to the Depositories Act and the Rules framed thereunder, if any.

- c. Option to Receive Securities Certificates or Hold Securities with Depository

Every person subscribing to or holding security of the company shall have option to receive security certificate or to hold the security with the depository. If a person op to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security



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and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the Security.

d. Securities in Depositories

In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificate and where such shares or securities are been held in an electronic and fungible form in a depository, the provisions of the Depositories Act, 1996 shall apply. Nothing contain in sections 153, 153A, 153B, 187B, 187C and 372A shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e. Rights of Depositories and Beneficial Owners.

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial owner.

Save as otherwise provided above the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the Beneficial Owner in records of the Depository shall be deemed to be a Member of the Company. The Beneficial owner of the security shall be entitled to all the rights and benefits and be subject to al the liabilities in respect of his security which are held by a Depository.

Beneficial Owner deemed as absolute Owner

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in share, or (except only as is by these Articles otherwise provided). Any right in respect of a share other than absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof but the Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

g. Depository to Furnish Information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

h. Service of Documents

Notwithstanding anything in the Act or these to the contrary, where securities are held in the Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

i. Provisions of Articles to apply to Share held in Depository

Except as specifically provided in these Articles, the provisions relating to joint holders of shares calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository so far as they apply to shares in physical forms subject to the provisions of the Depository Act.

j. Allotment of Securities dealt with in a Depository

Notwithstanding anything in the Act or these Articles where securities are dealt with by Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

k. Distinctive Number of Securities held in a Depository

The shares in the capital shall be numbered progressively according to their several denominations provided. However, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguish.

l. Register and Index of Beneficial Owners.

The Company shall caused to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised form in any media as may be permitted by law including in any form of electronic media.



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m Register of Transfers

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

n Transfer and Transmission of Shares held in Electronic Form

In the case of transfer or transmission of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being in any electronic and fungible form in a depository, the provisions of the Depositories Act, 1996 shall apply.

196 NOMINATION:-

"Notwithstanding anything contained in these Articles every Member of the Company may nominate in accordance with the provisions of Section 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares of the Company shall vest in the event of his death. Any nominations so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956."

By order of the Board of Directors
For Conart Engineers Limited

(Dipali Rawal)
Company Secretary

Place: Mumbai
Date: 26th June, 2004

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED TO BE A MEMBER. 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.
2. Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 15th September 2004 to Friday the 17th September 2004.
3. Members are requested to notify immediately about any change of address with PIN CODE to their Depository Participants (DPs) in respect of their Demated Shares and to the Company in respect of their Physical Share Certificates.
4. Shareholders are advised to convert their shares into the Demat form if they have not converted them so far.
5. Members / Proxies should bring the attendance slip, duly filed in for the attending the meeting.
6. Consequent upon the amendment of section 205(A) of the Companies Act, 1956 and the introduction of section 205(c) by the companies (Amendment) Act, 1999 the amount of dividend from year 1996 remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Accountant of the Company shall be transferred to the Investor Education and Protection Fund (the fund) set up by the Government of India and no payments shall be made in respect of any such claims by the fund.
7. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 1997 onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year ended 31st March 1997 is due for transfer to the fund on 19th September 2004.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS:

ITEM NO.3

As per Section 224(6) (a) of the Companies Act, 1956, when vacancy is caused by the 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.

ITEM NO.4

The Company is presently carrying on the business of Civil construction. The Board of Directors of the Company wants to consider the proposals for expanding the Company's activities. Considering the financial resources of the Company and other factors, it is possible and desirable to diversify the Company's activity by undertaking the business of dealers/manufacturers in the construction equipments and materials. The Company is authorised to



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undertake the proposed activity under clause 48 of clause III of its Memorandum of Association. The Board is satisfied that the proposed business can be combined conveniently and advantageously with the existing business of the Company under the present circumstances.

According to section 149(2) of the Companies Act, 1956 no company can commence any new business unless the Company has approved the commencement of such new business by special resolution passed in that behalf at a general meeting.

The Company's Memorandum of Association is opened for the inspection of the Shareholders at the Company's registered office during usual business hours on any working day.

The Board recommends the acceptance of the resolution.

None of the directors of the Company are directly or indirectly interested in the said resolution.

ITEM NO 5

Present Articles are not providing for Dematerialization of the securities and nomination of the Securities. Under the situation it is advisable to insert the above stated Articles in the Articles of the Association of the Company.

Hence, the Board recommends the acceptance of the resolution at Item No.5. of the Notice.

The present Directors are interested in the resolution to the extent of their respective Shareholdings in the Company.

By order of the Board of Directors
For Conart Engineers Limited

Place: Mumbai
Date: 26th June, 2004

(Dipali Rawal)
Company Secretary

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





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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March 2004.

FINANCIAL REVIEW:

	(Rupees In Lacs)	
	2003-2004	2002-2003
Turnover	1552.29	1199.55
Operating Profit	267.32	209.15
Other Income	10.71	9.47
Administrative and Other Expenses	175.62	178.85
Interest	4.23	4.20
Depreciation	20.34	19.87
Profit/(Loss) Before Extra Ordinary Item & Tax	77.83	15.71
Increase / Decrease in the value of Investments (Net)	4.89	(2.77)
Less : Advance Tax & TDS net of refund	1.99	0.00
Profit/(Loss) Before Tax	80.72	12.94
Less : Provision for taxation	29.67	0
Add : Deferred Tax on Timing Differences	0.00	0.22
Profit/(Loss) after Tax	51.06	13.17
Surplus Brought Forward	77.74	77.90
Add: Written Back Differed Tax Liability	19.62	6.52
Balance available for Appropriation	148.42	97.59
Appropriations		
Deferred Tax Liability	58.86	19.85
Surplus Carried to Balance Sheet	89.56	77.74

PERFORMANCE REVIEW:

Sales and services of the Company have increased by 29.41% than that of the last year. During the year under review the Company has made operating profit of RS. 267.32 Lacs as against RS. 209.15 Lakhs in the last year. i.e. increase of 27.81%.

MANUFACTURING BRICKS FROM FLYASH:

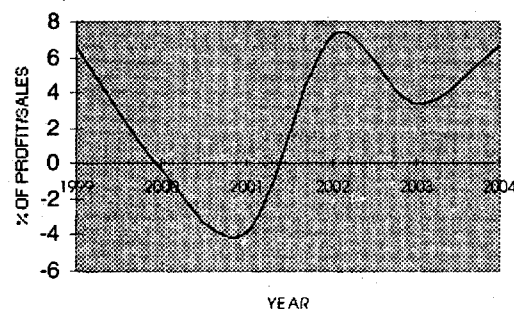
Your directors are trying to dispose off the fly ash bricks unit.

WIND POWER PROJECT:

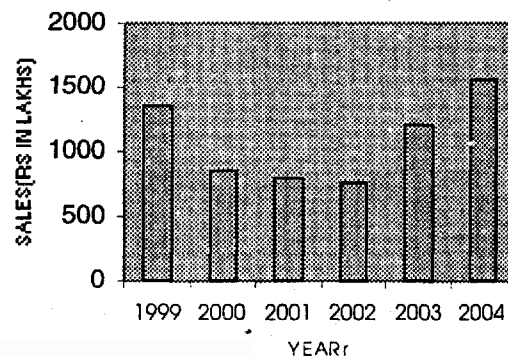
The Directors are in the process of negotiating for sale of the wind mill unit in the current financial year.

BUSINESS PROSPECTS: The prospects of the Company appear to be encouraging. Your directors are looking forward for the foreign collaboration and to expand its horizon out side the boundaries of the country either in terms of trade or manufacture. The increasing demand from the economy for the upcoming industries in the core sector has increased the prospects of the Company within the boundaries of the Country also. The need to introduce latest technology in the construction equipments and the materials has paved way for the Company for its business.

PSID&T/SALES



GROSS SALES



RETURN ON CAPITAL EMPLOYED

