



# 31st Annual Report 2004-2005

**Conart Engineers Limited<sup>TM</sup>**

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		
	BRANCH OFFICE		
	Bombay Shopping Centre, 2nd Floor, R. C. Dutt Road, Vadodara - 390 005		
AUDITORS			
GOVIND PRASAD & CO. Chartered Accountants			
REGISTERED OFFICE			
35, Manoj Udyog, 40/A G.D. Ambekar Marg, Wadala, Mumbai - 400 031. Tel. : 2414 8503 / 09			





# Conart Engineers Limited

## NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Conart Engineers Limited will be held on Friday, 23<sup>rd</sup> September, 2005 at 4.00 p.m. at AOTS ALUMINI ASSOCIATION OF WESTERN INDIA, 3<sup>rd</sup> 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 31<sup>st</sup> March 2005 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 Mr. Tejas V. Sura who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Mr. Haresh V. Patel who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint M/s. Govind Prasad & Co, Chartered Accountants as the Auditor of the Company who is retiring at this annual general meeting and is eligible for reappointment has offer himself for reappointment and fix his remuneration.

### SPECIAL BUSINESS:

- 5) To consider and if thought fit to pass with or without modification the following resolutions as a Special Resolution.

**"RESOLVED THAT** in suppression of the earlier resolution passed by the Members in their Meeting held on 29<sup>th</sup> September 2000, the Company hereby accords its approval and consent under sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the appointment of Mr. Ramesh S. Sura as Chairman of the Company, and to his receiving remuneration, benefits and amenities for the period from 19<sup>th</sup> November, 2004 to 18<sup>th</sup> November, 2009 upon the terms, conditions and stipulations contained in an agreement entered into between the Company and Mr. Ramesh S. Sura, a copy 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 by 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."

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

**"RESOLVED THAT** in suppression of the earlier resolution passed by the Members in their Meeting held on 29<sup>th</sup> September 2000, the Company hereby accords its approval and consent under sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the appointment of Mr. Jitendra S. Sura as Managing Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 19<sup>th</sup> November, 2004 to 18<sup>th</sup> November, 2009 upon the terms, conditions and stipulations contained in an agreement 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 by 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."

7. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** in suppression of the earlier resolution passed by the Members in their Meeting held on 29<sup>th</sup> September 2000 the Company hereby accords its approval and consent under sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the appointment of Mr. Tejas V. Sura as Jt. Managing Director of the Company, and to his receiving remuneration, benefits and amenities for the period from 19<sup>th</sup> November, 2004 to 18<sup>th</sup> November, 2009, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Tejas V. Sura, a copy 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



# Conart Engineers Limited

Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to by 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.”

By order of the Board of Directors

**For Conart Engineers Limited**

Place: Mumbai  
Date: 26th June, 2005

**(Dipali Rawal)**  
Company Secretary

**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 Tuesday 20<sup>th</sup> September 2005 to Friday 23<sup>rd</sup> September 2005.
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 dematerialised 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 and the introduction of Section 205(C) by the Companies (Amendment) Act, 1999 the amount of dividend from year 1997-98 remaining unpaid or unclaimed for a period of Seven years from the date of transfer to the Unpaid Dividend Account 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 31<sup>st</sup> March 1998 onwards, are requested to make their claims to the Company without any delay. It may be noted that the unclaimed dividend for the financial year ended 31<sup>st</sup> March 1998 is due for transfer to the Investors Education Fund in October 2005.

## EXPLANATORY STATEMENT:

The following explanatory statement pursuant to section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned at item No.5, 6, & 7 of the accompanying notice dated 28<sup>th</sup> June 2005.

## EXPLANATORY STATEMENTS IN RESPECT OF THE SPECIAL BUSINESS:

The Board at its meeting held on 28th October 2004 appointed Mr. Ramesh S. Sura as Chairman, Mr. Jitendra S. Sura as Managing Director, and Mr. Tejas V. Sura as Joint Managing Director for the period of Five years from 19th November 2004. The material terms of the appointment and remuneration payable to Mr. Ramesh S. Sura, Mr. Jitendra S. Sura and Mr. Tejas V. Sura as embodied in the agreements entered into with them upon receipt of the approval of the members as follows:

**(1) Period:** The agreements entered with Mr. Ramesh S. Sura, Chairman Mr. Jitendra S. Sura, Managing Director and Mr. Tejas V. Sura Jt. Managing Director are for the period of 5 Years from 19th November, 2004.



# Conart Engineers Limited

## (2) Nature of Duties:

Mr. Ramesh S. Sura, Chairman, Mr. Jitendra S. Sura, Managing Director and Mr. Tejas V. Sura, Jt. Managing Director shall devote the whole of their time and attention to the business and affairs of the Company. They shall have control of and exclusive responsibility for the general conduct and management of the business and affairs of the Company. They shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to them by the Board of Directors. 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 and to do and perform all such other acts and things which in the ordinary course of business they may consider necessary, proper and in the interest of the company.

## (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:** Salary payable to Mr. Ramesh S. Sura, Chairman Mr. Jitendra S. Sura, Managing Director and Mr. Tejas V. Sura Jt. Managing Director will be Rs.34000/-, Rs.34,000/- and Rs.29,000/— respectively per month.

Board has power to increase the Salary from time to time subject to the maximum salary of RS. 90,000/- payable to each of them.

**Commission:** For each financial year shall be such amount as the Board may in its absolute direction determine.

**Perquisites:** The Company shall provide perquisites such as gas electricity and water charges valued as per the Income Tax Rules, 1962. The House Rent Allowance to the eligible director shall be paid in accordance with the rules of the Company.

**Medical Benefits For Self And Family :** Reimbursement of expenses actually incurred to the Directors and their family, 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.

**Leave Travel Concession :** For self and their family, once in a year in accordance with the rules of the company.

**Club Fees:** Actual club fees subject to maximum of two clubs.

**Personal Accident Insurance And Group Term Insurance :**

Directors shall be paid premium maximum upto Rs. 10,000/- per annum for Personal Accident Insurance and Group Term Insurance.

**Provident Fund And Superannuation Fund :**

Contribution to the provident fund & superannuation scheme shall be in accordance with the rules of scheme paid for Jitendra S. Sura & Tejas V. Sura.

**Gratuity :** One-half month's salary for each completed year of service

**Leave Encashment :** Earned/ privilege leave may be allowed to them as per rules of the company, but leave accumulated and not avail during their tenure shall not be encashed.

**Car :** Free use of company 's maintained car with chauffeur on company's business. Expenses on use of car for private purpose shall be borne by directors

**Telephone :** Free mobile phone and basic telephone facility at residence. Personal long distance call charges will be borne by them provision of car & telephone at residence will not be considered as perquisites for use on company's business.

## Other Terms

- (1) The company shall reimburse actual entertainment and travelling expenses incurred in the course of the company's business.
- (2) Whole time Directors will not receive sitting fees for attending meeting of the board of Directors or committees thereof.
- (3) Whole time Directors shall keep the secrets of the company.
- (4) 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.



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- (5) 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 XII of the companies Act, 1956 or any amendment thereof.
- (6) Wherein any Financial Year if the Company has no profits or its profits are inadequate the remuneration payable will be in accordance with the provision of section II of the part II of schedule XII of the companies Act, 1956 as may be amended from time to time.

In compliance with the applicable provision of the Companies Act, 1956 special resolution in terms set out in item no.5 of the accompanying notice for appointment of Mr. Ramesh S.Sura is placed on his attending the age of 70 years and ordinary Resolutions in terms as set out in item no.6 & 7 of the accompanying notice are now being placed before the Members in the General Meeting for their approval.

Except Mr. Ramesh S. Sura , Jitendra S.Sura and Mr. Tejas V.Sura , no other Director of the company are concerned or interested in the said Ordinary Resolution.

By order of the Board of Directors

For Conart Engineers Limited

(Dipali Rawal)

Company Secretary

Place: Mumbai

Date: 26th June, 2005

**Registered Office:**

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

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# Conart Engineers Limited

## 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 2005.

### FINANCIAL REVIEW:

	(Rupees In Lacs)	
	2004-2005	2003-2004
Sales & Services	1694.99	1552.29
Total expenditure	1586.71	1456.68
Operating Profit	108.28	95.61
Loss on sale of capital assets	47.51	3.91
Other Income	13.98	15.60
Profit Before Interest and Depreciation	74.75	107.30
Interest	5.18	4.24
Depreciation	18.69	20.34
Profit Before Tax	50.88	82.73
Provision for Taxation		
(a) Current	37.18	29.67
(b) Deferred Tax earlier year written Back	8.66	-
(c) Deferred Tax	-	9.04
Profit after Tax	22.36	44.02
Balance Brought forward from earlier year	89.56	77.74
Amount available for appropriations	111.92	89.56
Balance carried to Balance sheet	111.92	89.56

### PERFORMANCE REVIEW:

Sales and services of the Company have increased by 9.20% than that of the last year. However, the operating profit has increased by 13.25% than that of the last year. Also, during the year the company has disposed off the windmill, fly ash unit and other capital assets and so the profit for the year has reduced to that extent.

### BUSINESS PROSPECTS:

Presently manufacturing sector is enjoying revival, so there will be increasing global demands and willingness to build capacities on large scale. As a result, the construction industry may have a higher value of projects to complete in the coming year. Also, the company has upgraded itself in terms of capital resources and framed proper strategy to cater the growing demand of the economy.

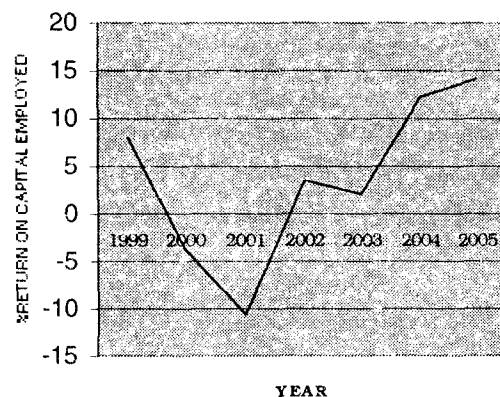
### DIVIDEND:

The Board of Directors has not recommended dividend this year.

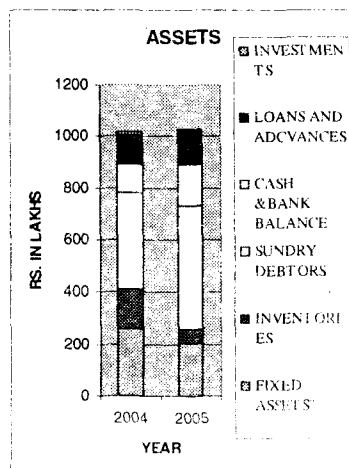
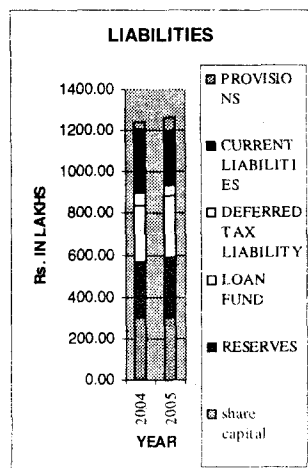
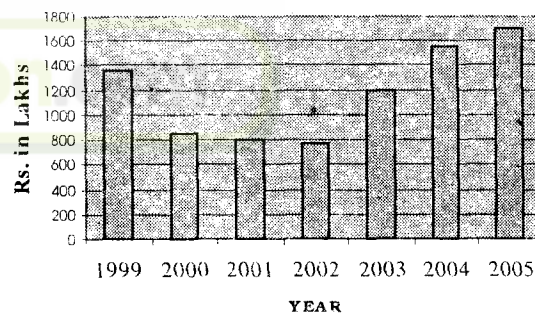
### DEPOSITORY SYASTEM:

58.91% of the equity shares of the company are dematerialised as on 31<sup>st</sup> March 2005.

### RETURN ON CAPITAL EMPLOYED



### SALES



### PROFIT BEFORE INT, DEP, & TAX/SALES

