



## NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Shareholders of **CONART ENGINEERS LIMITED** will be held at the Registered Office of the Company at AOTS ALUMINI ASSOCIATION OF WESTERN INDIA, 3<sup>rd</sup> floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai 400 031 on Friday, 24<sup>th</sup> September 2010 at 3.00 P.M. to transact, with or without modification(s) as may be permissible, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To declare and sanction the payment of Dividend on equity shares of the Company for the Financial Year 2009-10.
3. To appoint a Director in place of Mr. Hashad B. Jhaveri who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradip R. Sura who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following resolution, which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Govind Prasad & Co., Chartered Accountants, (Bombay), be and are hereby re-appointed as the auditors of the Company and to hold office from the conclusion of this Meeting till conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorised to fix their remuneration of the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:  
"RESOLVED THAT Mr. Chandrakant R Patel who was appointed by the Board of Directors as an Additional Director of the company and who holds office up to the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:  
"RESOLVED THAT Mr. Jimish J Sura who was appointed by the Board of Directors as an Additional Director of the company and who holds office up to the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.  
  
RESOLVED FURTHER THAT pursuant to provisions of section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the appointment of Mr. Jimish J Sura as an Executive Director of the company for a period of three years w.e.f. 01<sup>st</sup> August, 2010 to manage the operation of the Company and that he be paid a remuneration of Rs. 75,000/- per month in addition to reimbursement of out of pocket expenses for general administration of the Business of the Company and subject to the terms and conditions, the draft of which placed before the meeting and initialled by the Chairman.  
  
RESOLVED FURTHER THAT Mr. Tejas Sura, Jt. Managing Director of the Company, be and is hereby authorised to execute such agreement, if any and to do all such further action as may be required to implement above resolution, under the common seal of the Company with the said Director."

Place: Mumbai  
Date: 29<sup>th</sup> May 2010  
**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**  
(Mr. Jitendra S. Sura)  
Chairman / Managing Director

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.  
THE 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. The Register of Members and the Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 (Both Days Inclusive)
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.



# Conart Engineers Limited®

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 has been 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. The relative explanatory statement, pursuant to Section 173 (2) of the Companies Act, 1956 is attached hereto.

Place: Mumbai

Date: 29<sup>th</sup> May 2010

**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**

(Mr. Jitendra S. Sura)

Chairman / Managing Director

## EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

### **Item # 6**

Mr. Chandrakant R Patel was appointed as an Additional Director of the Company w.e.f. 30<sup>th</sup> October, 2009 in the meeting of the Board of Directors held on 30<sup>th</sup> October 2009 As per the provisions of Section 260 of the Act, the Director holds office only up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received notice under Section 257 of the Act, in respect of the candidate, proposing his appointment as a Director of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the annexure attached to Notice. Keeping in view the experience and expertise of the person, his appointment as Director of the Company is recommended.

None of the Director is interested, is in any way, concerned or interested in the resolution.

### **Item # 7**

Mr. Jimish J Sura was appointed as an Additional Director of the Company w.e.f. 29<sup>th</sup> May, 2010 in the meeting of the Board of Directors held on 29<sup>th</sup> May, 2010. As per the provisions of Section 260 of the Act, the Director hold office only up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received notice under Section 257 of the Act, in respect of the candidate, proposing his appointment as a Director of the Company, along with the requisite deposit.

Mr. Jimish J Sura was appointed as an Executive Director w.e.f 01<sup>st</sup> August, 2010 in the meeting of Board of Directors held on 30<sup>th</sup> July, 2010 on remuneration and terms and condition as mentioned in the resolution set out as item no.7 in the notice of Annual General Meeting.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the annexure attached to Notice. Keeping in view the experience and expertise of the person, his appointment as Director of the Company is recommended.

None of the Director except Mr. Jitendra S. Sura, Mr. Tejas Sura and Mr. Pradip Sura is concerned or interested in the resolution.

## **BRIEF BIOGRAPHY OF DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED, AS REQUIRED IN TERMS OF LISTING AGREEMENT :**

<b>1. Mr. Harshad B Jhaveri:</b>	
Name Of Director	Mr. Harshad Bachubhai Jhaveri
Date of Birth	17/09/1933
Date of Appointment	31/07/2002
Qualification	B.Sc.
Expertise in specific functional areas	Electrical & Instrumentation Engg.
List of Public Companies in which Directorships held Chairman/Member of the Committee of the Board of Directors of the Company	Conart Engineers Limited Chairman of Shareholder's / Investors' Grievance Committee & Member of the Audit Committee & of Remuneration committee.
Chairman / Member of the Committees of Directors of other companies Audit Committee, Shareholder's / Investors' Grievance Committee & Remuneration Committee	None
No. of Equity Shares held in company	2400 Nos.

<b>2. Pradip R. sura</b>	
Name Of Director	Mr. Pradip Ramesh Sura
Date of Birth	10/05/1957
Date of Appointment	13/07/2006
Qualification	B.Pharm
Expertise in specific functional areas	Interior Contractor
List of Public Companies in which Directorships held Chairman/Member of the Committee of the Board of Directors of the Company	Conart Engineers Limited Member of the Audit Committee
Chairman / Member of the Committees of Directors of other companies Audit Committee, Shareholder's / Investors' Grievance Committee & Remuneration Committee	None
No. of Equity Shares held in company	215449 Nos.

<b>3. Mr. Chandrakant R. Patel :</b>	
Name Of Director	Mr. Chandrakant R. Patel
Date of Birth	28/07/1946
Date of Appointment	30/10/2009
Qualification	B.Engg & M.Sc. (USA)
Expertise in specific functional areas	Complete Management of Ferrous & Non Ferrous Foundry
List of Public Companies in which Directorships held	Conart Engineers Limited Gujarat Metal Cast Industries Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company Chairman / Member of the Committees of Directors of other companies Audit Committee, b) Shareholder's / Investors' Grievance Committee & Remuneration Committee	None Member of the Investor Grievance & Share Transfer Committee and Management Committee of Gujarat Metal Cast Industries Ltd.
No. of Equity Shares held in company	NIL

<b>4. Mr. Jimish J Sura :</b>	
Name Of Director	Mr. Jimish J. Sura
Date of Birth	05/09/1976
Date of Appointment	29/05/2010
Qualification	M.S Engineering
Expertise in specific functional areas	Construction Management
List of Public Companies in which Directorships held	Conart Engineers Limited
Chairman/Member of the Committee of the Board of Directors of the Company	None
Chairman / Member of the Committees of Directors of other companies Audit Committee, b) Shareholder's / Investors' Grievance Committee & Remuneration Committee	None
No. of Equity Shares held in company	119600 Nos.



## DIRECTORS' REPORT

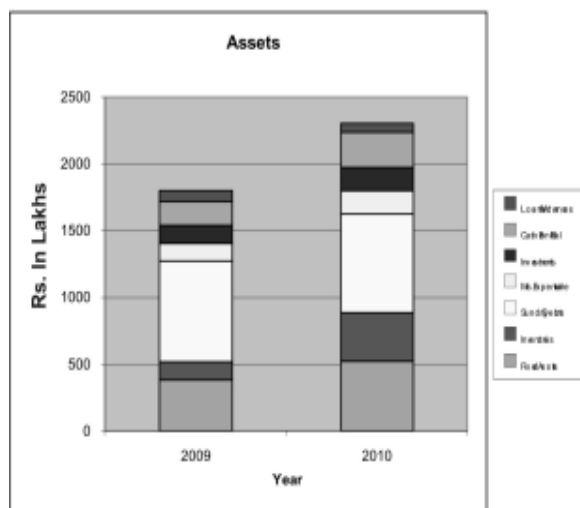
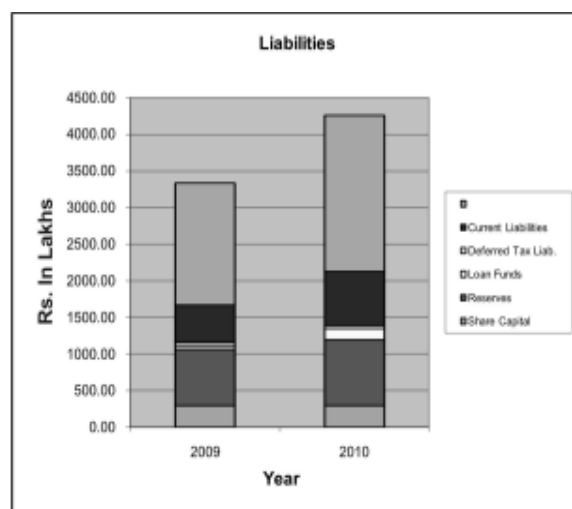
### TO THE MEMBERS OF CONART ENGINEERS LIMITED

The Directors have pleasure in presenting their Thirty-Sixth Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2010.

### FINANCIAL REVIEW

(Rupees In Lacs)

	<b>2009-10</b>	<b>2008-09</b>
Gross revenue	2692.87	2847.81
Total expenditure	2453.53	2608.56
Operating Profit	239.34	239.25
Other Income	50.47	45.32
Profit Before Interest and Depreciation	289.81	284.57
Interest	10.12	10.87
Depreciation	34.84	29.77
Profit Before Tax	244.85	243.93
Provision for Taxation		
(a) Current	(75.75)	(78.10)
(b) Deferred Tax earlier year written Back	0.00	0.00
(c) Deferred Tax	(2.56)	(0.54)
(d) Fringe Benefit	0.00	(3.59)
(e) Prior Year Tax Adjustment	0.00	0.00
Profit after Tax	166.54	161.70
Balance Brought forward from earlier year	595.81	434.11
Amount available for appropriations	762.36	595.81
Appropriation		
Transfer to General Reserve	25.00	0.00
Proposed Dividend	30.00	0.00
Tax on Proposed Dividend	4.99	0.00
Balance carried to Balance sheet	702.37	595.81



### PERFORMANCE REVIEW:

Your company has registered a robust growth in turnover of about 12%. The increase in price of Materials and Labour continues to marginally affect the profits of your company. Your company is aggressively marketing to increase orders and increase turnover. Your directors are pursuing various strategies to ensure a promising future.

### BUSINESS PROSPECTS:

In the current Budget the Government has earmarked huge funds for development of infrastructure. The Real Estate sector is also reviving since the corporate world has forecast a turnaround. The capex plans are now being implemented by corporate world. The Government is also committed to boost the Indian economy for overall growth. All these factors are positive indicators for your company.

### NEW STANDARD ADOPTED:

Your company has successfully renewed its accreditation as an ISO 9001:2008 company from JAS, Australia and Newzealand (JAS-ANZ).

Your Directors are confident that a bright future lies ahead for the Real Estate Sector and your company.

### DIVIDEND:

The Board of Directors recommend a dividend of 10% on equity shares i.e. Rs.1/- per share.

### DEPOSITORY SYSTEM:

86.44% of the equity shares of the company are dematerialised as on 31<sup>st</sup> March, 2010.



## DIRECTORS:

In accordance with the provision of the Company Act, 1956 and in accordance with the Articles of Association of the Company, Mr. Harshad Javeri and Mr. Pradip R Sura retire by rotation and being eligible for the reappointment have offered themselves for reappointment.

Mr. Chandrakant R Patel was appointed as an additional director of the company during the year with effect from 30<sup>th</sup> October, 2009 and his term has been expiring at the ensuing Annual General Meeting and being eligible for re-appointment

## DIRECTORS' RESPONSIBILITY STATEMENT

The applicable Accounting Standards have been followed in the preparation of the Annual Accounts and proper explanation has been furnished, relating to material departures.

Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Annual Accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE:

A separate report on corporate Governance is furnished along with this report and the Auditors' Certificate regarding the compliance of the said code is annexed there to.

## FIXED DEPOSIT:

The Company has not accepted any deposits from the public / directors.

## 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 EARNINGS AND OUTGO

During the financial year, total foreign exchange used and earned was Rs.Nil and Rs.Nil/- respectively.

## TECHNOLOGY ABSORPTION

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

## AUDITORS

M/s. Govind Prasad & Co. Chartered Accountants, the Auditors of the Company hold office till the conclusion of this ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s Govind Prasad & Co. Chartered Accountant to the effect that their appointment as Auditors, if made would be within the limits under Section 224(1B) of the Companies Act, 1956.

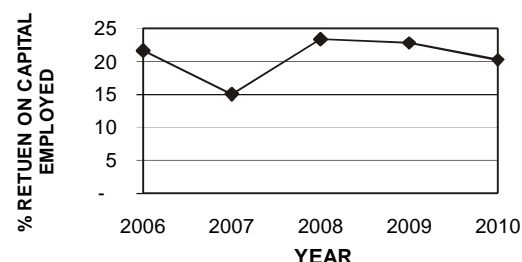
## LISTING OF SHARES

The companies Equity Shares are presently listed on Mumbai Stock Exchange.

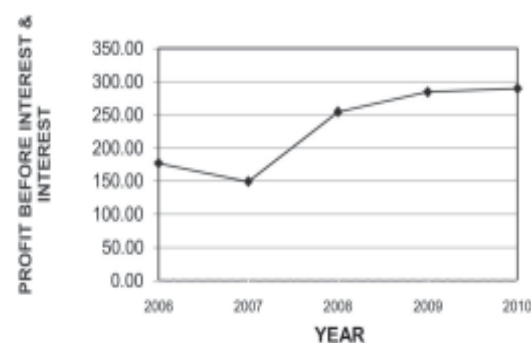
## APPRECIATION

The Board wishes to place on record its gratitude to the Company's bankers, consultants, auditors and various Government authorities for their valuable support and guidance. The Board also places on record its sincere gratitude to all stakeholders including shareholders, valued clients, architect, consultant, contractors, suppliers and well wishers for their goodwill, patronage and wholehearted support. The Board also records the concentrated efforts put in and the valuable contribution made by the staff at all levels of your Company and looks forward to their unwavering commitment and teamwork for the all-round progress of the Company.

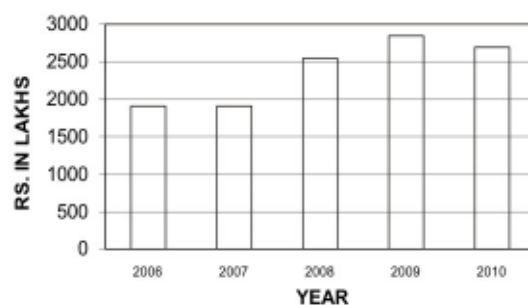
## RETURN ON CAPITAL EMPLOYED



## PROFIT BEFORE INT, DEP, & TAX



## SALES



On behalf of the Board of Directors  
For **CONART ENGINEERS LIMITED**



## AUDITOR'S REPORT

To the Members of **Conart Engineers Ltd.**

1. We have audited the attached Balance Sheet of M/s **Conart Engineers Ltd.** as on 31<sup>st</sup> March 2010 and also the Profit & Loss Account of the Company and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act 1956, we give in the enclosure a statement on the matters specified in paragraph 4 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes 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 examination of such books.
  - (c) The Balance Sheet, Profit & Loss Account and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by the report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) On the basis of the written representation received from the directors as on 31<sup>st</sup> March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
  - (ii) in the case of Profit & Loss Account of the **Profit** for the year ended on that date.
  - (iii) in the case of the cash flow statement of the cash flows for the year ended on that date.

For **GOVIND PRASAD & CO.**

CHARTERED ACCOUNTANTS

**GOVIND PRASAD**

Proprietor

Membership No. 47948

Place: Mumbai

Date : 29<sup>th</sup> May, 2010

**Re: CONART ENGINEERS LTD.**

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.



- (ii) In respect of its Inventories:
- (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured granted or taken by the Company to or from companies, firms or other parties covered in the register maintained U/S 301 of the Companies Act, 1956. according to the information and explanations given to us
- a) The Company has taken loan from 1 party covered in Register U/S 301 of the Companies Act, 1956 aggregating to Rs. 27,35,000/-
  - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interests of the Company.
  - c) The payment is made of the principal amount to the parties from whom loans taken by the Company is regular as per the mutual understanding between the parties.
  - d) There is no overdue amount of such loan taken from the aforesaid parties
  - e) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the registered maintained u/s 301 of the Act
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956;
- (a) To the best of our knowledge and belief and according the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - (b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 58A and 58AA of the Act.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year outstanding for more than six months as at the last day of the financial year.
  - (b) The company does not have any disputed amount in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty etc. except ESIC of Rs.2,18,970 for the year 1996-97 against which appeal is pending and income tax liability of Rs.8,84,945/- for the year 2006-07.
- (x) According to the information and explanations given to us, the company does not have accumulated losses at the end of the financial year. Further, the company has not incurred cash losses in the current year as well as in the immediate preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of the Company's business/activities during the year is such that clauses (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended.
- (xiv) Since the company is also dealing in investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. Also the shares and other securities have been held by the company in its own name.





- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee to any banks for loans taken by others.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa, other than temporary deployment pending application.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xiv) According to the information and explanations given to us, the company has not issued any debentures and hence clause xix is not applicable.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **GOVIND PRASAD & CO.**  
CHARTERED ACCOUNTANTS

**GOVIND PRASAD**

Proprietor  
Membership No. 47948

Place: Mumbai  
Date : 29<sup>th</sup> May, 2010