



# Conart Engineers Limited<sup>®</sup>

## NOTICE

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Share holders of **CONART ENGINEERS LIMITED** will be held at Atos Alumini Association of Western India, 301-A, 3rd Flr. India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai -400 031 on Monday , 30th September,, 2013 at 3.00 PM 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 2013 and Profit and Loss Account for the year ended on that date, the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Harshad Jhaveri who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Chandrakant Patel who retires by rotation and being eligible offers himself for re-appointment.
- 4) 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, Mumbai, having registration No. 114360W 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 Chairman Managing Director 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.”

By order of the Board of Directors  
For **CONART ENGINEERS LIMITED**

(Mr. Jitendra S. Sura)  
Chairman / Managing Director

Place: Vadodara  
Date: 30<sup>th</sup> May, 2013

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

## 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.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (Both Days Inclusive)
4. Relevant details of Directors seeking appointment/re-appointment, as required by Clause 49 of the Listing Agreement are annexed.
5. 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.
6. Shareholders are advised to convert their shares into the dematerialised form if they have not converted them so far.
7. Members / Proxies should bring the attendance slip, duly filed in for the attending the meeting.
8. 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.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with CEL.

By order of the Board of Directors  
For **CONART ENGINEERS LIMITED**

(Mr. Jitendra S. Sura)  
Chairman / Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May, 2013

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



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

**(a) Mr. Sevantilal P. Shah**

Name Of Director	<b>Mr. Harshad Bachubhai Jhaveri</b>
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	Conart Engineers Limited
Chairman / Member of the Committee of the Board of Directors of the company	Chairman of Shareholder's/Investor's 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) Mr. Chandrakant R. Patel**

Name Of Director	<b>Mr. Chandrakant R. Patel</b>
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 Limited.
Chairman/Member of the Committees 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  Member of the Investor Grievance & Saare Transfer Committee and Managment Committee of Gujarat Metal Cast Industries Ltd.
No. of Equity Shares held in company	NIL



## DIRECTORS' REPORT

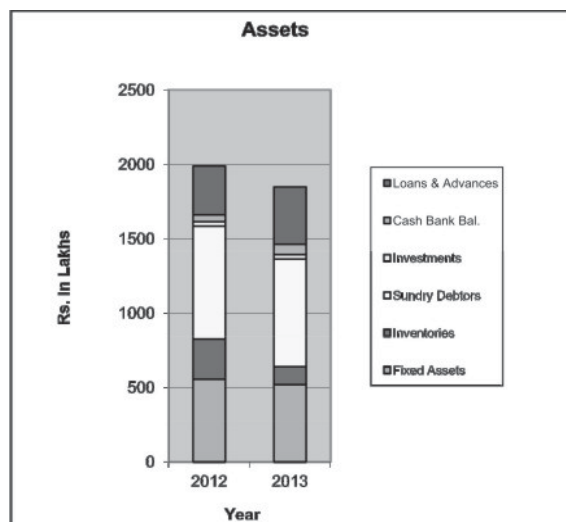
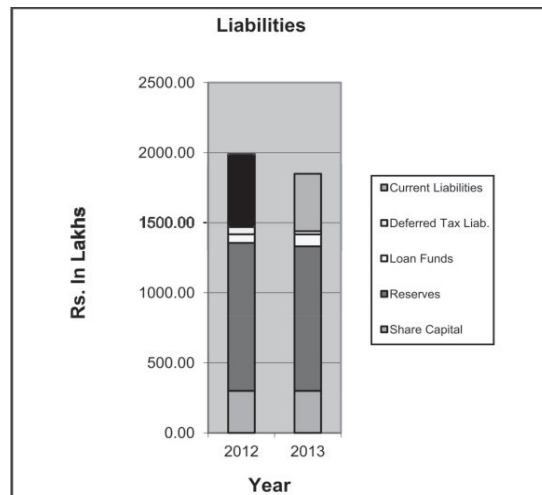
### TO THE MEMBERS OF CONART ENGINEERS LIMITED

The Directors have pleasure in presenting their Thirty-Ninth Annual Report and the Audited Statement of Accounts for the Financial year ended March 31, 2013.

### FINANCIAL REVIEW

(Rupees In Lakhs)

	2012-13	2011-12
Gross revenue	2445.99	2652.15
Total expenditure	2474.99	2520.59
Operating Profit	-29	131.56
Other Income	59.87	45.84
Profit Before Interest and Depreciation	30.87	177.40
Interest	21.12	19.87
Depreciation	46.96	47.83
Profit Before Tax	-37.21	109.70
Provision for Taxation		
(a) Current	15.06	(28.41)
(b) Deferred Tax earlier year written Back	0.00	0.00
(c) Deferred Tax	-28.57	2.57
(d) Fringe Benefit	0.00	0.00
(e) Prior Year Tax Adjustment	0.00	0.00
Profit after Tax	-23.6	78.72
Balance Brought forward from earlier year	860.04	779.80
Amount available for appropriations	836.44	858.53
Appropriation		
Transfer to General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
Balance carried to Balance sheet	860.04	779.80



### PERFORMANCE REVIEW

Your company has affected by the downturn in global & national economy thus leading to reduced turnover and drop in profitability. 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. This includes recent diversification in the field of Project Management services.

### BUSINESS PROSPECTS:

In the current Budget the Government has earmarked huge funds for development of infrastructure. The Government is also committed to boost the Indian economy for overall growth. The company continues to receive inquiries for new projects from existing customers as well as through customer references. 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 Joint Accreditation System of Australia and New Zealand (JAS-ANZ). Your Directors are confident that a bright future lies ahead for your company.

### DIVIDEND:

The Board of Directors do not recommend dividend this year.

**DEPOSITORY SYSTEM:**

87.64% of the equity shares of the company are dematerialised as on 31<sup>st</sup> March, 2013.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, Mr. Harshad B. Jhaveri and Mr. Chandrakant F. Patel retire by rotation and being eligible for the reappointment have offered themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Director confirm following: 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, an 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 for the year ended on 31st March, 2013 have been prepared on 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 limit 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 12-13, total foreign exchange used and earned was Nil

**TECHNOLOGY ABSORPTION**

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

**AUDITORS**

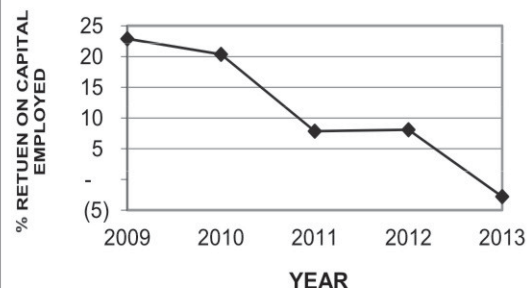
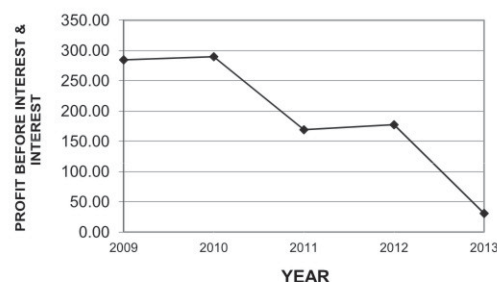
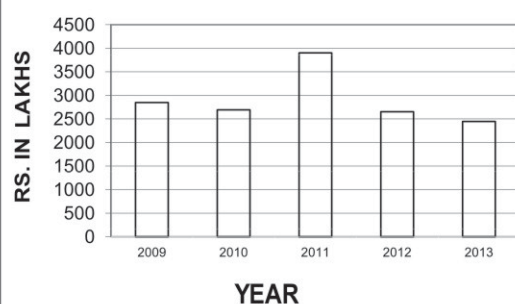
M/s. Govind Prasad & Co. Chartered Accountants, the Auditors of the Company hold office till the conclusion of this ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s Govind Prasad & Co. Chartered Accountants to the effect that their appointment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

**LISTING OF SHARES**

The company's 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**

(Mr. Jitendra S. Sura)  
Chairman / Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May, 2013



## AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Conart Engineers Ltd. ('the Company') which comprise the Balance Sheet as on 31st March 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements given the information required by the Act 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 31st March, 2013;
- (ii) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors Report) Order, 2003 ('the Order') as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that :
  - 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 examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e. On the basis of written representation received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **GOVIND PRASAD & CO.**

CHARTERED ACCOUNTANTS

**GOVIND PRASAD**

Proprietor

Membership No. 47948  
Firm Registration No. 114360W

Place: Mumbai

Date : 30<sup>th</sup> May, 2013



**Re: CONART ENGINEERS LTD.**

(Annexure to the Auditor's Report)

- (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)
  - a) In respect of loans, secured or unsecured granted by the Company to companies, firms or other parties covered in the register maintained under sections 301 of the Companies Act, 1956. according to the information and explanations given to us, the Company has granted interest bearing loan to 1 party covered in Register U/S 301 aggregating to Rs. 1,82,74,244.00.
  - b) The terms and conditions of the loan is, in our opinion, prima facie not prejudicial to the interests of the company.
  - C) The payment of principal amount by the party to whom loan was given by the company is regular as per the mutual understanding with the party.
  - D) There is no overdue amount of such loan given to the aforesaid party.
  - E) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act and hence clause (iii) sub-clause (e), (f) and (g) of para 4 not applicable.
- (iv) 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.
- (v) 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.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) 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.
- (viii) 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.
- (ix) According to the information and explanations given to us, the company does not have accumulated losses exceeding 50% of its net worth 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.
- (x) 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.
- (xi) 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.



- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) The Company has not made any preferential allotment of shares during the year.
- (xviii) According to the information and explanations given to us, the company has not issued any debentures and hence clause xix is not applicable.
- (xiv) The Company has not raised any money by public issue during the year.
- (xx) 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  
Firm Registration No. 114360W

Place: Mumbai  
Date : 30<sup>th</sup> May, 2013





# Conart Engineers Limited<sup>®</sup>

## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.		AS AT 31ST MAR 2013 Rupees	AS AT 31ST MAR 2012 Rupees
<b>1 EQUITY AND LIABILITIES</b>				
<b>(I) SHAREHOLDER'S FUNDS</b>				
(a) Share Capital	1	30,000,000		30,000,000
(b) Reserves and Surplus	2	103,162,605	133,162,605	105,605,429
<b>(2) Non - Current liabilities</b>				
(a) Long-term Borrowings	3	966,816		1,946,320
(b) Deferred tax liabilities (Net)	4	2,297,705	3,264,521	5,164,943
<b>(3) Current liabilities</b>				
(a) Short-term borrowings	5	7,549,522		4,174,750
(b) Trade Payable	6	31,673,525		39,421,104
(c) Other Current Liabilities	7	6,598,131		9,588,492
(d) Short term provisions	8	2,644,157	48,465,335	2,989,991
<b>TOTAL</b>			<b>184,892,461</b>	<b>198,891,029</b>
<b>II ASSETS</b>				
<b>I Non - Current Assets</b>				
(a) Fixed assets				
i) Tangible assets	9	51,846,105		55,387,726
ii) Intangible assets	10	51,743		70,595
(b) Non-current investment	11	2,940,467		3,002,473
(c) Long - term Loan and Advances	12	36,311,544	91,149,859	29,890,415
<b>(2) Current Assets</b>				
(a) Inventories	13	12,117,896		27,053,367
(b) Trade Receivable	14	72,379,705		75,937,954
(c) Cash and cash equivalents	15	6,931,954		4,632,474
(d) Short-term loans and advances	16	1,776,342		1,488,070
(e) Other current assets	17	536,705	93,742,602	1,427,955
<b>Total</b>			<b>184,892,461</b>	<b>198,891,029</b>
<b>Significant Accounting Policies</b>	<b>26</b>			
<b>Notes to the financial statements</b>	<b>27</b>			

As per our report of even date

**For Govind Prasad & Co.**

Chartered Accountants

**(Govind Prasad)**

Proprietor

Place : Mumbai

Date : 30th May, 2013

**For and on behalf of the Board**

**Jitendra S. Sura**

Chairman & Managing Director

**Tejas V. Sura**

Jt. Managing Director





# Conart Engineers Limited<sup>®</sup>

## PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	A S AT 31ST MARCH 2013 Rupees	AS AT 31ST MAR 2012 Rupees
<b>I INCOME</b>			
1 Revenue from operations	18	244,599,689	265,215,317
2 Other Income	19	5,986,996	4,584,426
<b>Total Revenue (I+II)</b>		<b>250,586,685</b>	<b>269,799,743</b>
<b>II Expenses :</b>			
3 Cost of Materials Consumed	20	116,914,008	115,607,933
4 Changes in inventories of finished goods work-in-progress	21	7,953,490	(1,042,700)
5 Employee benefits expense	22	21,208,583	24,668,857
6 Finance costs	23	2,111,645	1,986,778
7 Depreciation and amortization exp	24	4,695,779	4,782,658
8 Other Expenses	25	101,424,610	112,825,677
<b>Total Expenses</b>		<b>254,308,115</b>	<b>258,829,203</b>
Profit before Tax		(3,721,430)	10,970,540
Tax Expenses			
Current		1,506,000	2,840,600
Deferred		(2,867,238)	256,796
<b>Profit for the Year</b>		<b>(2,360,192)</b>	<b>7,873,144</b>
Earning per equity share of face value of Rs.10/- each		<b>(0.79)</b>	<b>2.62</b>
Basic and diluted (in Rs.)			
<b>Significant Accounting Policies</b>	<b>26</b>		
<b>Notes to the financial statements</b>	<b>27 to...</b>		

As per our report of even date

For and on behalf of the Board

**For Govind Prasad & Co.**  
Chartered Accountants

**(Govind Prasad)**  
Proprietor

**Jitendra S. Sura**  
Chairman & Managing Director

**Tejas V. Sura**  
Jt. Managing Director

Place : Mumbai  
Date : 30th May, 2013