



Conart Engineers Limited[®]

where construction engineering becomes an art



41st Annual Report 2014-2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Jitendra S. Sura
Chairman & Managing Director

Mr. Jimish J. Sura
Executive Director - Finance & CFO

Mr. Haresh V. Patel
Independent Director

Mr. Chandrakant R. Patel
Independent Director

Mr. Sunil C. Vakil
Independent Director

Ms. Pooja J. Sura
Additional Director (w.e.f. 1.11.14)

Ms. Ketki S. Parikh
Company Secretary

STATUTORY AUDITORS

M/s. Govind Prasad & Co.
Chartered Accountants, Mumbai
M. No.: 47948
Firm Registration. No.:114360W

BANKERS

Bank of Baroda [BOB]
State Bank Of India [SBI]
HDFC Bank
Dena Bank

REGISTRAR & TRANSFER AGENT

M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit -1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072
Maharashtra, India
Tel.: +91(22)28515606 / 5644
Email : sharexindia@vsnl.com
website :www.sharexindia.com

REGISTERED OFFICE

(Effective from : 26.07.2014)
17, Ground Floor, Jay Bharat Society
Nr. Solanki Palace,
3rd Road Old Khar
Khar West,
Mumbai - 400052
Maharashtra, India
Tel.: +91(22)26489621
E-mail: mumbai@conartengineers.com
Website: www.conartengineers.com
CIN: L45200MH1973PLC017072
ISIN: INE714D01012

BRANCH OFFICE

2nd Floor, Bombay Shopping Centre,
R.C. Dutt Road, Vadodara - 390007
Gujarat, India
Tel.: +91 (265) 2330946 / 7122
Email: vadodara@conartengineers.com
Website: www.conartengineers.com

BOARD COMMITTEES

Audit Committee
Mr. Sunil C. Vakil - Chairman
Mr. Chandrakant R. Patel
Mr. Haresh V. Patel

Stakeholders Relationship Committee

Mr. Haresh V. Patel - Chairman
Mr. Chandrakant R. Patel
Mr. Jimish J. Sura

Nomination & Remuneration Committee

Mr. Chandrakant R. Patel - Chairman
Mr. Haresh V. Patel
Mr. Sunil C. Vakil

ANNUAL GENERAL MEETING

41st AGM of the Company is scheduled to be held on Tuesday, 29th September, 2015 at 11.00 a.m. at Hotel Galaxy and Vallabh Banquets, 113, Prabhat Colony, Near Reliance Energy, Santacruz (E), Mumbai - 400 055, Maharashtra

As a measure to conserve natural resources, copies of Annual Report will not be distributed at the AGM. The Members are requested to kindly bring their copy to the AGM.

CONTENTS

1	Corporate Information	Back Title
2	Notice to Members	1
3	Board's Report	11
4	Extract of Annual Return	19
5	Secretarial Audit Report	25
6	Corporate Governance Report	27
7	Auditor's Report	43
8	Balance Sheet	46
9	Profit & Loss Account	47
10	Cash Flow Statement	48
11	Notes to Financial Statements	49
12	Form of Proxy	65



NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014)

Dear Members,

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 ('the Act') as amended, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 that Conart Engineers Limited ('the Company') is seeking the consent of its members for the businesses to be transacted by passing resolutions through E-Voting and Ballot to be conducted at AGM for the Forty First Annual General Meeting of the scheduled to be held on **Tuesday, 29th September, 2015 at Hotel Galaxy and Vallabh Banquets, 113, Prabhat Colony, Near Reliance Energy, Santacruz (E), Mumbai - 400 055, Maharashtra, at 11.00 A.M.**

Your consideration and approval is sought for the Resolutions annexed herewith. The statement to be annexed to Notice under Section 102 of the Act setting out the material facts and reasons for the resolutions is also appended herewith and is also sent to you along with Annual Report. The Notice of Annual General Meeting is available on the website of the Company as well.

A. ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 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. Jitendra S. Sura who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jimish J Sura who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Auditors.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Section 139, 142 and other applicable provision(s), if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable Rules, if any, M/s. Govind Prasad & Co., Chartered Accountants, Mumbai, having ICAI Firm Registration No. 114360W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are, hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 42nd Annual General Meeting of the Company to be held in 2016-17 (subject to ratification of their appointment by the Members at every AGM held after this AGM) on such remuneration plus Service Tax, out of Pocket Expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

B. SPECIAL BUSINESSES

5. **Appointment of Mrs. Pooja Jimish Sura as a Director.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Pooja Jimish Sura (DIN: 03565146), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is, hereby appointed as a Director of the Company."

6. **Appointment of Mr. Chandrakant Patel as an Independent Director.**

To consider and if thought, fit to pass the following Resolution as an Ordinary Resolution:

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and such other provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Chandrakant Patel (DIN: 00315068), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation, be and is, hereby appointed as an Independent Director of the Company to hold office for a term of one year till the conclusion of 42nd Annual General Meeting of the Company in the calendar year 2016."



7. **Appointment of Mr. Haresh V Patel as an Independent Director.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“Resolved That pursuant to the provisions of Sections 149, 150, 152 and such other provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Haresh Patel (DIN: 01674897), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation, be and is, hereby appointed as an Independent Director of the Company to hold office for a term of one year till the conclusion of 42nd Annual General Meeting of the Company in the calendar year 2016.”

8. **Appointment of Mr. Sunil C Vakil as an Independent Director.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“Resolved That pursuant to the provisions of Sections 149, 150, 152 and such other provisions, if any, of the Companies Act, 2013 (‘Act’) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sunil Vakil (DIN: 02527630), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation, be and is, hereby appointed as an Independent Director of the Company to hold office for a term of one year till the conclusion of 42nd Annual General Meeting of the Company in the calendar year 2016.”

9. **Appointment of Jitendra Sura as Chairman and Managing Director.**

To consider and if thought fit, to pass the following Resolution as Ordinary Resolution:

“Resolved That pursuant to the provisions of Article of Association of the Company and provisions of Sections, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and and Schedule V of the Companies Act, 2013, and subject to the approval of the Ministry of Corporate Affairs, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jitendra S Sura (DIN: 0480172) as Managing Director of the Company for a period of five years (5 years) commencing from October 31, 2014 and ending on October 30, 2019 upon the terms and conditions, including remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Jitendra S Sura.

Resolved Further That the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

10. **Appointment of Jimish Sura as Executive Director (Finance).**

To consider and if thought fit to pass the following Resolution as Ordinary Resolution:

“Resolved That pursuant to the provisions of Article of Association of the Company and provisions of Sections, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and and Schedule V of the Companies Act, 2013, and subject to the approval of the Ministry of Corporate Affairs, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jimish J Sura (DIN:03096064) as Executive Director (Finance) for a period of five years (5 years) commencing from November 1, 2014 and ending on October 31, 2019 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Jimish J Sura .

Resolved Further That the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

Registered Office:

17, Ground Floor, Jay Bharat Society
Nr. Solanki Palace, 3rd Road Old Khar,
Khar West, Mumbai-400052,
Maharashtra, India
CIN: L45200MH1973PLC017072
Email : vadodara@conartengineers.com
Date: 7th August, 2015

**By order of the Board of Directors
For Conart Engineers Limited**

**Ketki Parikh
Company Secretary**



NOTES:

1. **A MEMBER ENTITLED TO ATTEND THE ANNUAL GENERAL MEETING (the “Meeting”) IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxies should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).**
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of business to be transacted is annexed hereto.
5. Members desiring any information as regards the Notice and Accounts are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
6. Shareholders who have not en-cashed their dividend warrants for the year 2009-10 are requested to claim the amount from the Company at the earliest.
7. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (Form SH. 13) to Sharex Dynamic India Pvt. Ltd., Mumbai (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the Registered Office of the Company.
8. Members are requested to notify immediately to Company:
- (a) any change in their residential address.
 - (b) Income-Tax permanent Account Number (PAN).
 - (c) Bank details – Name and address of the Bank; A/c No.; type of A/c.

Members holding shares in demat form are requested to notify their respective Depository Participant of any change in above.

9. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios along with the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
10. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
11. Members seeking any information or clarification with regard to the accounts are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.
12. Pursuant to Clause 47(f) of the Listing Agreement entered into with the Stock Exchange, the Company has created an exclusive E-mail. Id: vadodara@conartengineers.com for quick redressal of shareholders/investors grievances.
13. The Notice is being sent to the members whose names appear on the register of members / list of beneficial owners received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on August 21, 2015.
14. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as **i.e. cut-off date i.e. September 22, 2015.**
15. In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its “green initiative in Corporate Governance”, MCA allows paperless compliances including service of a notice/document by companies to their Members through electronic mode. Therefore, as was done last year, the Company proposes to send documents required to be sent to Members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, and Independent Auditor's Report etc. to the Members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt



receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.conartengineers.com for download by the Members. The physical copies of the Annual Report will be made available upon receipt of a requisition from the Members, any time as a Member of the Company. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving future communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

16. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in this Annual Report.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to the Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Pvt. Ltd.

18. Voting through electronic Means (remote e-voting)

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, as amended from time to time and in terms of Clause 35B of the Listing Agreement, the Company has provided facility to members to exercise their votes through electronic means and have engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 41st Annual General Meeting (AGM). Instructions for the process to be followed for e-voting through electronic means are annexed to the Notice. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the e-voting instructions.

The facility for voting through ballot/polling paper shall also be made available at the venue of the 41st AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Sanjay Dholakia, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the ballot voting process at the AGM in a fair and transparent manner.

Electronic Voting Sequence Number (EVSN): 150819019.

The instructions for shareholders voting electronically are as under:-

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and all other applicable provisions of the Act and the Companies (management and Administration) Rules, 2014.

- (i) **The voting period begins on September 26, 2015 at 9.00 a.m. and ends on September 28, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on September 22, 2015 (the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) Log on to the e-voting website www.evotingindia.co.in
- (iii) Click on "Shareholders" tab.
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. The E-voting Sequence Number is : 150819019. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number for the Conart Engineers Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders and Custodians:

Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.



- After receiving the login details a compliance user should be created using the admin login and password. The Compliance use would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) **Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.**

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Pooja Jimish Sura (DIN: 3565146) as an Additional Director of the Company with effect from 1st November, 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Pooja Sura would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Pooja Sura for the office of Director of the Company. Mrs. Pooja Sura possesses appropriate skills, experience and knowledge in the field of Management and Information Technology. Keeping in view the vast expertise and knowledge, it will be in the interest of the Company that Mrs. Pooja Sura be appointed as a woman Director as stipulated under the Listing Agreement.

Mrs. Pooja Sura is interested in the resolution with regard to her appointment. Except Mr. Jitendra S Sura and Mr. Jimish J Sura, none of the other Directors / Key Managerial Personnel of the Company / their relatives is/are, in any way, concerned or interested, financially or otherwise, in passing of this resolution. The Board commends the Ordinary Resolution set out at point No. 5 of the Notice for approval by the shareholders.

Item Nos. 6, 7 and 8

Mr. Chandrakant Patel (DIN: 00315068), Mr. Haresh Patel (DIN: 01674897) and Mr. Sunil C Vakil (DIN: 02527630) were appointed as an Independent Director of the Company. It is proposed to appoint Mr. Chandrakant Patel, Mr. Haresh Patel and Mr. Sunil C Vakil as an Independent Directors of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange to hold office for a term of one year till the conclusion of 42nd Annual General Meeting of the Company in the calendar year 2016.

Mr. Chandrakant Patel, Mr. Haresh Patel and Mr. Sunil C Vakil are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ('the Act') and have given their consent to act as Director. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Director of the Company.

The Company has also received a declaration from Mr. Chandrakant Patel, Mr. Haresh Patel and Mr. Sunil C Vakil that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange. In the opinion of the Board, Mr. Chandrakant Patel, Mr. Haresh Patel and Mr. Sunil C Vakil fulfills the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement with the Stock Exchange. Mr. Chandrakant Patel, Mr. Haresh Patel and Mr. Sunil C Vakil are independent of the management and are interested in the resolution with regard to their appointment.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is/are, in any way, concerned or interested, financially or otherwise, in passing of this resolution. The Board commends the Ordinary Resolution set out at Item No. 6, 7 and 8 respectively of Notice for approval by the shareholders.

Item No. 9

Mr. Jitendra S Sura is a Civil Engineer and has been working with the Company since inception in different capacities. The term of Mr. Jitendra Sura was expired on October 30, 2014. Considering Mr. Jitendra Sura's immense contribution to the Company and future challenges, it is proposed to re-appoint him for a further period of five years. Accordingly, the Board of Directors at their



meeting held on October 31, 2014 had approved the re-appointment of Mr. Jitendra Sura as Chairman & Managing Director w.e.f. October 31, 2014 up till October 30, 2019.

Terms of Appointment

- (a) Salary : (a) Rs. 1,25,000 per month /- with annual increments, if any as may be decided by the Board on the recommendation of the Remuneration Committee based on the merit and taking into account the Company's performance, (b) benefits, perquisites and allowances as may be determined by the Board from time to time.
- (b) Minimum Remuneration: Notwithstanding anything contrary herein contained, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the appointee by way of salary, perquisites and allowances, as specified above.
- (c) The terms and conditions of the appointment of the appointee as stated above may be altered or varied from time to time by the Board at its discretion, so as not to exceed the limits specified in Schedule V of the Act or any amendments thereto.
- (d) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the appointee, unless specifically provided otherwise.
- (e) This appointment may be terminated by either party by giving to the other six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice in writing.
- (f) The appointee shall not become interested or otherwise concerned, directly or through their spouse and/or children, in any selling agency of the Company.
- (g) The appointee is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Sections 164 and 165 of the Act.
- (h) If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Managing Director and also cease to be a Director.
- (i) If at any time the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director of the Company.
- (j) If at any time the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director of the Company.
- (k) Upon the termination by whatever means of the appointee's employment:
 - (i) the appointee shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office.
 - (ii) the appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associated companies.
- (l) Sitting fees: The Chairman & Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.
- (m) Chairman & Managing Director not liable to retire by rotation: Subject to the provisions of the Act, Chairman & Managing Director shall not while he continues to hold office of the Chairman & Managing Director be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Chairman & Managing Director if he ceases to hold office of Director for any cause.

Any Member desirous of having inspection of the Agreement referred to in the resolution may do so on any working day during office hours upto the date of the ensuing Annual General Meeting of the Company. None of the Directors except Mr. Jitendra Sura, Mr. Jimish Sura and Mrs. Pooja Sura, Key Managerial Personnel of the Company and/or their relatives, is in any way concerned or interested in the said resolution. Pursuant to the requirement of the Listing Agreement on appointment of the Director, a statement containing briefly the details of Mr. Jitendra Sura is given in this Annual Report. The Board commends the Ordinary Resolution set out at Item No. 9 of Notice for approval by the shareholders.

Item No. 10

Mr. Jimish J Sura is Master in Civil Engineering and has been working with the Company in different capacities. The term of Mr. Jimish J Sura was expired on October 31, 2014. Considering Mr. Jimish Sura's immense contribution to the Company and future challenges, it is proposed to re-appoint him for a further period of five years. Accordingly, the Board of Directors at their meeting held on October 31, 2014 had approved the re-appointment of Mr. Jimish Sura as Executive Director (Finance) w.e.f. November 1, 2014 up till October 31, 2019.



Terms of Appointment

- (a) Salary : (a) Rs. 1,50,000 per month /- with annual increments, if any as may be decided by the Board on the recommendation of the Remuneration Committee based on the merit and taking into account the Company's performance, (b) benefits, perquisites and allowances as may be determined by the Board from time to time.
- (b) Minimum Remuneration: Notwithstanding anything contrary herein contained, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the appointee by way of salary, perquisites and allowances, as specified above.
- (c) The terms and conditions of the appointment of the appointee as stated above may be altered or varied from time to time by the Board at its discretion, so as not to exceed the limits specified in Schedule V of the Act or any amendments thereto.
- (d) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the appointee, unless specifically provided otherwise.
- (e) This appointment may be terminated by either party by giving to the other six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice in writing.
- (f) The appointee shall not become interested or otherwise concerned, directly or through their spouse and/or children, in any selling agency of the Company.
- (g) The appointee is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Sections 164 and 165 of the Act.
- (h) If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Managing Director and also cease to be a Director.
- (i) If at any time the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director of the Company.
- (j) If at any time the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director of the Company.
- (k) Upon the termination by whatever means of the appointee's employment:
- (i) the appointee shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office.
- (ii) the appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associated companies.
- (l) Sitting fees: The Chairman & Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.
- (m) Executive Director not liable to retire by rotation: Subject to the provisions of the Act, Executive Director shall not while he continues to hold office of the Executive Director (F) be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Chairman & Managing Director if he ceases to hold office of Director for any cause.

Any Member desirous of having inspection of the Agreement referred to in the resolution may do so on any working day during office hours upto the date of the ensuing Annual General Meeting of the Company. None of the Directors except Mr. Jimish Sura, Mr. Jitendra Sura and Mrs. Pooja Sura, Key Managerial Personnel of the Company and/or their relatives, is in any way concerned or interested in the said resolution. Pursuant to the requirement of the Listing Agreement on appointment of the Director, a statement containing briefly the details of Mr. Jimish Sura is given in this Annual Report. The Board commends the Ordinary Resolution set out at Item No. 10 of Notice for approval by shareholder.

Registered Office:

17, Ground Floor, Jay Bharat Society
Nr. Solanki Palace, 3rd Road Old Khar,
Khar West, Mumbai-400052,
Maharashtra, India
CIN: L45200MH1973PLC017072
Email : vadodara@conartengineers.com
Date: 7th August, 2015

**By order of the Board of Directors
For Conart Engineers Limited**

**Ketki Parikh
Company Secretary**