

Conart Engineers Limited[®]

where construction engineering becomes an art



37th Annual Report 2010-2011



BOARD OF DIRECTORS

MR. JITENDRA S. SURA
CHAIRMAN &
MANAGING DIRECTOR

MR. TEJAS V. SURA
JT. MANAGING DIRECTOR

MR. HARSHAD B. JHAVERI
INDEPENDENT DIRECTOR

MR. HARESH V. PATEL
INDEPENDENT DIRECTOR

MR. SEVANTILAL P. SHAH
INDEPENDENT DIRECTOR

MR. PRADIP R. SURA
INDEPENDENT DIRECTOR

MR. CHANDRAKANT R. PATEL
INDEPENDENT DIRECTOR

MR. JIMISH J. SURA
NON-INDEPENDENT DIRECTOR

AUDITORS

GOVIND PRASAD & CO.
Chartered Accountants

REGISTERED OFFICE

35, Manoj Udyog,
40/A G.D. Ambekar Marg,
Wadala, Mumbai - 400 031.
Tel. : 40270999

REGISTRAR & TRANSFER AGENT

M/s. Sharex Dynamic (India) Pvt. Ltd.,
Unit 1, Lutra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072.

BANKERS

Bank of Baroda
Dena Bank
HDFC Bank
State Bank Of India
The Saraswat Co-operative Bank Ltd.

BRANCH OFFICE

Bombay Shopping Centre,
2nd Floor, R. C. Dutt Road,
Vadodara - 390 005

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Conart Engineers Limited[®]

NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Share holders of **CONART ENGINEERS LIMITED** will be held at AOTS ALUMINI ASSOCIATION OF WESTERN INDIA, 3rd floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai 400 031 on Friday 30th September 2011 at 3.00 P.M to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Haresh V. Patel who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. Chandrakant R. 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, (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."

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

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

Place: Mumbai
Date: 6th August, 2011

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 TO 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 23rd September, 2011 to 30th September, 2011 (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.
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.
8. 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: 6th August, 2011

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



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

BRIEF BIOGRAPHY OF DIRECTORS PROPOSED TO BE APPOINTED /

REAPPOINTED, AS REQUIRED IN TERMS OF LISTING AGREEMENT :

Name Of Director	Mr. Haresh Vithalbhai Patel
Date of Birth	30/08/1956
Date of Appointment	14/06/2001
Qualification	B.Com
Expertise in specific functional areas	Complete 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	Member of the Audit Committee & 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	300 Nos.

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 Committees of The Board of Directors of the Company	Member of Audit Committee
Chairman / Member of the Committees of Directors of other companies Audit Committee Shareholder's / Investors' Grievance Committee Remuneration Committee	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



DIRECTORS' REPORT

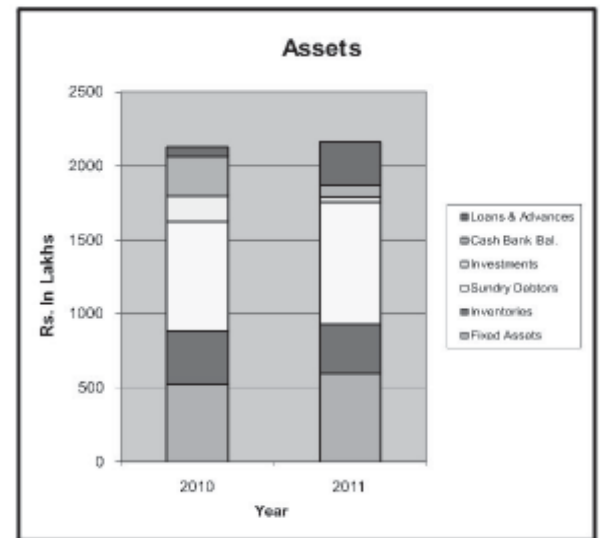
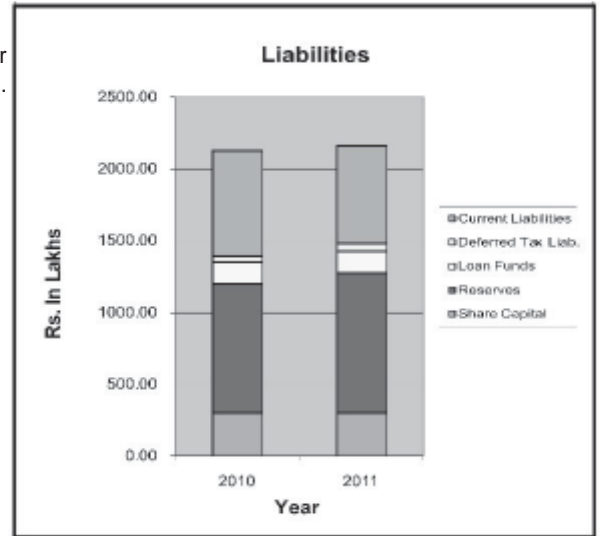
TO THE MEMBERS OF CONART ENGINEERS LIMITED

The Directors have pleasure in presenting their Thirty-Seventh Annual Report together with the Audited Statement of Accounts for the Financial year ended March 31, 2011.

FINANCIAL REVIEW

(Rupees In Lakhs)

	<u>2010-11</u>	<u>2009-10</u>
Gross revenue	3902.07	2692.87
Total expenditure	3818.76	2453.53
Operating Profit	83.31	239.34
Other Income	85.82	50.47
Profit Before Interest and Depreciation	169.13	289.81
Interest	20.89	10.12
Depreciation	47.87	34.84
Profit Before Tax	100.37	244.85
Provision for Taxation		
(a) Current	(16.05)	(75.75)
(b) Deferred Tax earlier year written Back	0.00	0.00
(c) Deferred Tax	6.89	(2.56)
(d) Fringe Benefit	0.00	0.00
(e) Prior Year Tax Adjustment	0.00	0.00
Profit after Tax	77.43	166.54
Balance Brought forward from earlier year	702.37	595.81
Amount available for appropriations	779.80	762.36
Appropriation		
Transfer to General Reserve	0.00	25.00
Proposed Dividend	0.00	30.00
Tax on Proposed Dividend	0.00	4.99
Balance carried to Balance sheet	779.80	702.37



PERFORMANCE REVIEW:

Your company has registered a robust growth in turnover of about 45%. The increase in price of Materials and Labour for ongoing projects continues to affect the profits of your company. While Profit before Tax dropped largely because of a liquidated damages in one of the projects, your directors are pursuing various strategies for new projects to ensure a promising future.

BUSINESS PROSPECTS:

Looking at the current scenario and future growth potential, Indian Infrastructure Sector is expected to outperform the trends in long term thereby providing excellent opportunities in the sector. The company has Your Directors are confident that a bright future lies ahead for the Real Estate Sector and your company. These 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 Newzeland (JAS-ANZ).

DIVIDEND:

The Board of Directors are of the opinion that the profit is to be ploughed back and hence do not recommend dividend this year.

DEPOSITORY SYSTEM:

87.08% of the equity shares of the company are dematerialised as on 31st March 2011.



DIRECTORS:

In accordance with the provisions of The Companies Act, 1956 and in accordance with the Articles of Association of the Company, Mr. Haresh V. Patel and Mr. Chandrakant R. Patel retire by rotation and being eligible for the reappointment have offered themselves for reappointment.

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 judgements 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

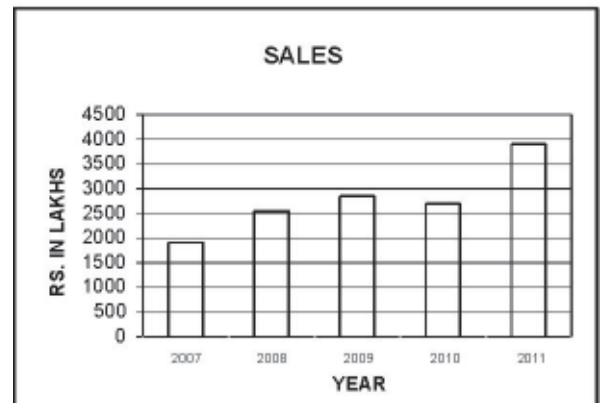
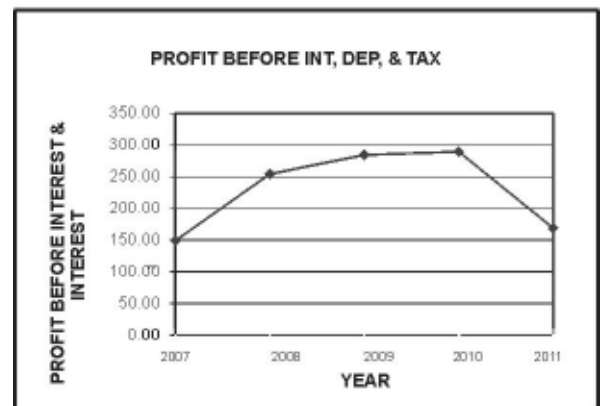
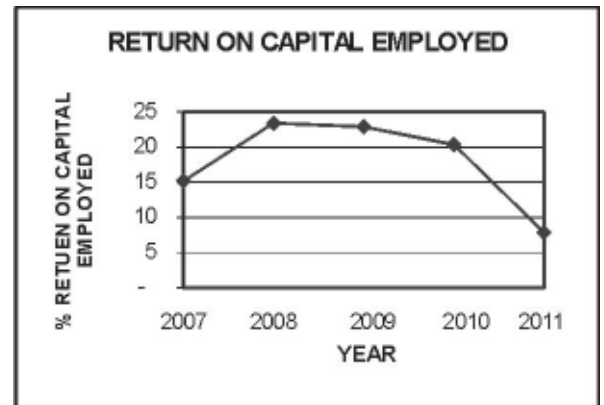
M/s. Govind Prasad & Co. Chartered Accountants, the Auditors of the Company hold office till the conclusion of this ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s Govind Prasad & Co. Chartered Accountant to the effect that their appointment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



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

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

Place: Mumbai
Date: 6th August, 2011



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 31st March 2011 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 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 31st March, 2011.
 - (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 : 6th August, 2011

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 loses 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.



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- (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 : 6th August, 2011



Conart Engineers Limited[®]

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31ST MAR 2011 Rupees	AS AT 31ST MAR 2010 Rupees
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	"1"	30,000,000	30,000,000
Reserves and Surplus	"2"	97,678,833	90,033,409
LOANS FUNDS			
Secured Loans	"3"	15,482,760	12,590,483
Unsecured Loans	"4"	0	2,735,000
DEFERRED TAX LIABILITIES (NET)		4,908,147	4,219,086
		148,069,740	139,577,978
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	"5"	86,227,397	74,274,482
Less : Depreciation		26,312,218	21,753,080
Net Block		59,915,179	52,521,402
CAPITAL WORK IN PROGRESS		101,111	0
INVESTMENT	"6"	3,452,686	17,358,711
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"7"	33,276,808	36,201,411
Sundry Debtors		82,475,014	73,967,489
Cash and Bank Balances		8,028,465	26,534,865
Loans and Advances		29,005,883	6,489,713
		152,786,170	143,193,478
Less: CURRENT LIABILITIES & PROVISIONS	"8"		
Current Liabilities		56,531,650	60,115,916
Provisions		11,653,756	13,379,697
		68,185,406	73,495,613
Net Current Assets		84,600,764	69,697,865
		148,069,740	139,577,978
Significant Accounting Policies and Notes to Accounts	"15"		

As per our report attached

For Govind Prasad & Co.
Chartered Accountants

For and on behalf of the Board

Govind Prasad
Proprietor

Jitendra S. Sura
Chairman & Managing Director

Tejas V. Sura
Jt. Managing Director

Place : Mumbai
Date : 6th August, 2011



Conart Engineers Limited[®]

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	A S AT 31ST MARCH 2011 Rupees	AS AT 31ST MAR 2010 Rupees
INCOME			
Sales and Services		390,206,675	269,287,472
Other Incomes	"9"	8,581,980	5,046,792
Increase/(Decrease) in WIP & Finished Goods	"10"	<u>(11,199,678)</u>	<u>18,086,134</u>
		387,588,977	292,420,398
EXPENDITURE			
Materials Consumed (including earth filling)	"11"	158,924,902	110,618,953
Construction Expenses	"12"	155,681,319	112,050,869
Administration and Other Expenses	"13"	56,070,346	40,768,691
Interest	"14"	2,088,593	1,012,389
Depreciation		4,884,331	3,580,924
Less : Transfer from Capital Revaluation Reserve		(97,265)	(97,265)
		<u>4,787,066</u>	<u>3,483,659</u>
		377,552,226	267,934,561
PROFIT/(LOSS) BEFORE TAX			
		10,036,751	24,485,837
Less :Provision for Tax - Current		(1,605,000)	(7,575,000)
Less :Provision for Tax - Deferred		(689,061)	(256,518)
PROFIT/(LOSS) AFTER TAX		7,742,690	16,654,319
Add :Balance Brought Forward			
Amt.Available for Appropriation		70,237,350	59,581,295
		77,980,040	76,235,614
APPROPRIATIONS			
Transfer to General Reserve		0	2,500,000
Proposed Dividend		0	3,000,000
Tax on Proposed Dividend		0	498,263
		<u>0</u>	<u>5998263</u>
Amt.Carried to Balance Sheet		77,980,040	70,237,351
Basic and Diluted earning per Share (in Rs.) (Refer note 10 to note to Accounts)		2.58	5.55

(Nominal value per equity share Rs.10)

Significant Accounting Policies and Notes to Accounts "15"

As per our report attached

For Govind Prasad & Co.
Chartered Accountants

For and on behalf of the Board

Govind Prasad
Proprietor

Jitendra S. Sura
Chairman & Managing Director

Tejas V. Sura
Jt. Managing Director

Place : Mumbai
Date : 6th August, 2011



Conart Engineers Limited[®]

	AS AT 31ST MARCH 2011 Rupees	AS AT 31 MARCH 2010 Rupees
SCHEDULE FORMING PART OF BALANCE SHEET		
Schedule		
Schedule "1"		
SHARE CAPITAL		
AUTHORISED		
30,00,000 Equity Shares of Rs.10/- each	30,00,000	30,00,000
ISSUED, SUBSCRIBED AND PAID UP		
30,00,000 Equity Shares of Rs.10/- each fully Paid-up	30,00,000	30,00,000
(Includes 900,000 Equity Shares of Rs.10/- each allotted as Bonus Shares Fully Paid-up by way of Capitalisation of Share Premium, General Reserves and Profit)		
Schedule		
Schedule "2"		
RESERVES AND SURPLUS		
CAPITAL REVALUATION RESERVE		
As Per last Balance Sheet	277,163	374,428
Less : Transfer to Profit and Loss Account	97,265	97,265
	179,898	277,163
SHARE PREMIUM		
As Per last Balance Sheet	14,00,000	14,00,000
GENERAL RESERVE		
As Per last Balance Sheet	5,518,895	3,018,895
Add : Transfer from Profit & Loss Appropriation A/c	-	2,500,000
	5,518,895	5,518,895
Balance in Profit and Loss Account	77,980,040	70,237,351
	97,678,833	90,033,409
Schedule		
Schedule "3"		
SECURED LOANS		
From Banks	9,815,162	8,926,374
Cash credit From Bank of Baroda	5,667,598	3,664,109
	15,482,760	12,590,483
NOTES:		
1. Loan from Bank is Secured by Hypothecation of Factory Land, Building Machinery and Motor Car and Personal Guarantees of Directors.		
2. Installment due within one year Rs.4641211/- (P.Y. Rs.2588719/-)		
3. C.C. from Bank is Secured by Hypothecation of Stock & Book debts. And Personally guaranteed by the Directors and Beneficiaries.		
Schedule		
Schedule "4"		
UNSECURED LOANS		
From Company	-	0
From Others	-	2,735,000
	-	2,735,000

Schedule "5"

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost as on 01.04.10 Rs.	Additions During the Year Rs.	Sale / Adjustments Rs.	Cost as on 31.03.11 Rs.	As on 01.04.10 Rs.	During the Period Rs.	Adjustments Rs.	As on 31.03.11 Rs.	As on 31.03.11 Rs.	As on 31.03.10 Rs.
LAND (FREEHOLD)	963,011	0	0	963,011	0	0	0	0	963,011	963,011
PLANT AND MACHINERY	57,435,103	8,977,541	0	66,412,644	16,697,641	3,260,921	0	19,958,562	46,454,082	40,737,462
COMPUTER	1,147,930	123,134	0	1,271,064	439,084	182,227	0	621,311	649,753	708,846
FURNITURE AND FIXTURE	1,757,866	732,394	0	2,490,260	919,163	125,374	0	1,044,537	1,444,573	838,703
OFFICE EQUIPMENT AND AIR CONDITIONER	1,455,131	172,425	88,000	1,539,556	763,222	101,166	12,944	851,444	688,112	691,909
VEHICLES	11,515,441	2,471,991	436,570	13,550,862	2,933,970	1,214,643	312,249	3,836,364	9,714,498	8,581,471
	74,274,482	12,477,485	524,570	86,227,397	21,753,080	4,884,331	325,193	26,312,218	59,915,179	52,521,402
PREVIOUS YEAR	57,055,227	18,225,210	1,005,955	74,274,482	18,721,334	3,580,924	549,178	21,753,080	52,521,402	38,333,893

Note : Opening balance of Plant and Machinery includes Rs. 24,31,745 added on account of revaluation.



Conart Engineers Limited[®]

	AS AT 31ST MARCH 2011 Rupees		AS AT 31 MARCH 2010 Rupees	
Schedule "6"	No. of Shares	Rupees	No. of Shares	Rupees
INVESTMENTS				
LONG TERM TRADE INVESTMENT UNQUOTED				
In Fully Paid-up Equity Shares of The Saraswat Co-op. Bank Ltd.	1000	10,000.00	1000	10,000.00
		<u>10,000.00</u>		<u>10,000.00</u>
CURRENT NON-TRADE INVESTMENTS QUOTED				
In Fully Paid-up Equity Shares of Kailash Ficom Ltd.	900	13,500.00	900	13,500.00
Bubna Major Bio-tech Ltd.	12000	9,600.00	12000	9,600.00
Nutech Organic Ltd.	2500	2,500.00	2500	2,500.00
Pan Asia Industries Ltd.	1800	1,800.00	1800	1,800.00
Sayaji Iron & Engineering Co. Ltd.	4000	140,000.00	4000	140,000.00
		<u>167,400.00</u>		<u>167,400.00</u>
UNQUOTED				
In Fully Paid-up Equity Shares of Parekh Micro Electronics (India) Ltd.	17000	425,000.00	17000	425,000.00
		<u>602,400.00</u>		<u>602,400.00</u>
Less: Provision for Diminution in Value of Investments (Net)		<u>(11,400.00)</u>		<u>(11,400.00)</u>
		591,000.00		591,000.00
INVESTMENT IN PARTNERSHIP FIRM.				
35% Share in M/s. Spun Conart associates		5,058.00		5,058.00
18.75% Share in M/s. Spun Conart, Baroda		2,211,803.00		4,242,654.00
40% Share in M/s. Clue Real Estate Mktg. Enterprises LLP		644,825.00		12,520,000.00
		<u>2,861,686.00</u>		<u>167,67,711.00</u>
		<u>3,452,686.00</u>		<u>17,358,711.00</u>
Note:				
1. Aggregate amount of Market Value of quoted investment is Rs.9,60,580/- Rs.(P.Y.Rs.2,64,625/-)				
Schedule "7"				
CURRENT ASSETS, LOANS AND ADVANCES				
CURRENT ASSETS				
INVENTORIES				
(As per inventory taken, valued and certified by the Director)				
Finished Goods/Stock (Including Stock of Completed Flats)		1,055,282		1,055,282
Stock of Stores, Spares, Shuttering and Scaffoldings		2,102,078		1,791,428
Construction Materials		14,264,813		6,300,388
Work-In-Progress		15,854,635		27,054,313
		<u>33,276,808</u>		<u>36,201,411</u>
SUNDRY DEBTORS				
(Unsecured, considered good)				
Debts exceeding six months		22,007,367		14,516,050
Others		<u>60,467,647</u>		<u>59,451,439</u>
		82,475,014		73,967,489
CASH AND BANK BALANCES				
Cash on Hand		796,641		452,847
Balance with Scheduled Banks				
In Current Accounts		1,105,660		8,921,328
In Margin Money Account		4,649,865		6,964,380
In Fixed Deposit		<u>1,476,299</u>		<u>10,196,310</u>
		8,028,465		26,534,865
LOANS AND ADVANCES				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received		16,695,372		2,133,390
Advance Tax and Tds and Net of Provision		8,483,097		0
Prepaid Expenses		624,537		1,095,873
Deposits and Earnest Money		<u>3,202,877</u>		<u>3,260,450</u>
		<u>29,005,883</u>		<u>6,489,713</u>
		<u>152,786,170</u>		<u>143,193,478</u>



Conart Engineers Limited[®]

	AS AT 31ST MARCH 2011 Rupees	AS AT 31 MARCH 2010 Rupees
Schedule “8”		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	44,991,966	41,637,366
Due to Directors	423,229	247,372
Bank Account Overdrawn	75,709	-
Other Liabilities	9,224,404	10,612,783
Advance From Customer	1,816,342	7,618,395
	<u>56,531,650</u>	<u>60,115,916</u>
PROVISIONS		
Outstanding Liabilities	11,653,756	9,839,025
Proposed Dividend	0	3,000,000
Tax on Proposed Dividend	0	498,263
Provisions of Income Tax Net of Taxes Paid	0	42,409
	<u>11,653,756</u>	<u>13,379,697</u>
	<u>68,185,406</u>	<u>73,495,613</u>
Schedule Forming Part of Profit & Loss A/c		
Schedule “9”		
OTHER INCOME		
Interest Received Gross (Tds Rs.11904/-)	3,262,984	1,992,034
Provision for Diminution in value of investment w/back	0	142,500
Profit on sale of Assets	0	0
Other Income	5,318,996	2,912,258
	<u>8,581,980</u>	<u>5,046,792</u>
Schedule “10”		
INCREASE/(DECREASE) IN WORK-IN-PROGRESS AND FINISHED GOODS		
Closing Stock of Work-in-Progress	15,854,635	27,054,313
Closing Stock of Finished Goods	1,055,282	1,055,282
Less : Opening Stock of Work-in-Progress	(27,054,313)	(8,968,179)
Less : Opening Stock of Finished Goods	(1,055,282)	(1,055,282)
	<u>11,199,678</u>	<u>18,086,134</u>
Schedule “11”		
MATERIAL CONSUMED		
Total Material Purchase	166,889,327	114,826,610
Add : Opening Stock of Raw Material	6,300,388	2,092,731
Less : Closing Stock of Raw Material	(14,264,813)	(6,300,388)
NET MATERIALS CONSUMED	<u>158,924,902</u>	<u>110,618,953</u>



Conart Engineers Limited[®]

	AS AT 31ST MARCH 2011 Rupees	AS AT 31ST MARCH 2010 Rupees
Schedule “12”		
CONSTRUCTION EXPENSES		
Stores, Spares, Shuttering Consumed	12,703,223	9,508,820
Contract Labour Payments	101,181,282	67,178,984
Coolie, Cartage, Transportation	1,402,046	1,293,135
Machinery Hire Charges	6,895,261	4,233,971
Equipment Contract Payment	20,767,489	20,283,176
Repairs & Maintenance to Machinery	3,208,613	2,363,185
Site Expenses	6,190,046	5,581,287
Gas and Fuel	3,332,509	1,603,351
Octroi	850	4,960
	<u>155,681,319</u>	<u>112,050,869</u>
Schedule “13”		
ADMINISTRATION & OTHER EXPENSES		
Payments & Benefits to Employees :		
Salaries, Wages, Bonus & Commission	20,740,831	19,235,923
Contribution to Provident & Other Funds	2,810,106	2,968,991
Staff Welfare Expenses	<u>1,346,722</u>	<u>1,414,042</u>
	24,897,659	23,618,956
Rent, Rates and Taxes	4,890,950	3,590,196
Travelling and Conveyance	1,497,171	1,359,833
Compensation for use of Premises	2,919,885	2,174,917
Insurance Premium	3,095,519	1,189,381
Payment to Auditors	79,554	101,115
Repairs to Other Assets	568,588	548,084
Miscellaneous Expenses	8,065,785	7,110,119
Loss on Assets Sold & Discarded	53,377	214,999
Bad Debts	1,778,458	138,448
Liquidated Damages	<u>8,223,400</u>	<u>722,643</u>
	<u>56,070,346</u>	<u>40,768,691</u>
Schedule “14”		
INTEREST		
On Fixed Loans	1,090,122	394,523
On Other Loans	<u>998,471</u>	<u>617,866</u>
	<u>2,088,593</u>	<u>1,012,389</u>



Schedule "15"

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The Financial Statements are prepared to comply in all material aspects with the applicable accounting principal in India, the Accounting Standards issued by the institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

The financial statements are prepared in accordance with the historical cost convention using the accrual method of accounting.

2. USE OF ESTIMATES

The presentation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities. The estimates and assumption used in the accompanying Financial Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying Financial statements.

3. FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss except plant & machinery, which have revalued, are stated at revalued figure.

4. DEPRECIATION

Depreciation is provided on the Straight-Line Method at the rates prescribed under schedule XIV of the companies Act, 1956. In respect of revalued plant & machinery the difference between the depreciation on revalued amount and original cost, calculated on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, is charged to Capital revaluation Reserve.

5. INVENTORIES

- i) Amount of work in progress certified /billed in the subsequent year is pro-rated for the year under review, based on number of days involved.
- ii) Work in progress at initial stages is valued at cost.
- iii) Stock of stores and scaffolding have been valued at cost or net realizable value, whichever is lower having regard to the life of such material used.
- iv) Construction material at site have been valued, at lower of the cost and net realizable value.
- v) Stock of raw materials is valued at cost or net realizable value, whichever is lower.
- vi) Finished goods are valued at cost or market value, whichever is lower.

6. INVESTMENT

- i) Long term investment are stated at cost However, provision for diminution has been made if, such diminution is permanent in nature.
- ii) Current investments are stated at lower of cost and fair value.

7. CONTRACT RECEIPTS/REVENUE RECOGNITION

- i) In respect of contracts executed, the company accounts for income to the extend of work completed, on the basis of invoices certified. Uncertified contract receipts are determined on technical estimates.
- ii) Material supplied by the clients in accordance with the terms of contract is not taken into account as contract receipts.
- iii) Prices escalations /de-escalations are accounted as and when Certified.
- iv) Other income is recognized on accrual basis.

8. RETIREMENT BENEFITS

Contribution to defined contribution schemes such as provident fund and superannuation are charged to the profit & loss as incurred. The company also provides retirement benefits in the form of Gratuity and leave encashment on the basis of valuation, as at the Balance Sheet date. Gratuity liability is covered by a Group Gratuity policy with life insurance Corporation of India.

9. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Gains & Losses arising out of subsequent fluctuations are accounted for on actual payment or realization. Current assets & liabilities denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognized in the Profit & Loss Account.

10. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized subject to the consideration of prudence, on timing deference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



11. BORROWING COST

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing cost are charged as an expenses in the year in which these are incurred.

12. IMPAIRMENT OF ASSETS

Impairment loss is provided to the extent the carrying amounts of assets exceed their recoverable amount. Recoverable amount is the higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the costs of disposal.

13. PROVISIONS & CONTINGENT LIABILITIES

The Company creates a provision where there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

B) NOTES TO ACCOUNTS

1. CONTINGENT LIABILITIES

a) Guarantee given to the Bank Rs.2,24,35,500/- (Previous year Rs.3,37,45,776/-)

b) Income tax demand of Rs.8,84,945/- against which appeal is pending. (Previous year Rs.13,72,338/-)

2. Estimated amount of contract remaining to be executed on capital account and not provided for is Nil (Previous year Nil).

3. AUDITORS REMUNERATION

	As on 31/03/11 (Rupees)	As on 31/03/10 (Rupees)
Audit fees	45,000.00	45,000.00
Tax audit fees	27,000.00	27,000.00
Income tax fees	-	15,000.00
Out of Pocket Expenses	7,554.00	14,115.00
Service Tax	7,828.00	9,373.00
Total	87,382.00	1,10,488.00

4. MANAGERIAL REMUNERATION

Salary and Commission	37,87,500.00	30,00,000.00
Contribution to superannuation fund	10,23,605.00	8,10,000.00
Perquisites and benefit	3,98,060.00	3,55,422.00
Total	52,09,165.00	41,65,422.00

As employee-wise break-up of contribution to group gratuity scheme is not ascertainable, the amounts related to the individual Director has not been included above.

(ii) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956.

Profit / (Loss) before tax as per profit and loss account	63,80,290.00	2,44,85,837.00
Add: Directors' Remuneration	41,85,560.00	33,55,422.00
Depreciation	47,87,066.00	34,83,659.00
Loss on sale of Assets (Net)	53,377.00	2,14,999.00
	1,54,06,293.00	3,15,39,917.00
Less: Depreciation Under Section 350	48,84,331.00	35,80,924.00
Add/ (Less) : Profit/(Loss) on sale of assets U/s.350	(53,377.00)	(2,14,999.00)
Net Profit / (Loss) u/s. 198 and 309	1,05,75,339.00	2,81,73,992.00

5. QUANTITATIVE DETAILS

	As on 31/03/11		As on 31/03/10	
	Quantity	Rupees	Quantity	Rupees
Closing Stock				
Residential Flats and Shops	3700 sq. ft.	10,55,282	3700 sq. ft.	10,55,282

The other additional information as required is not applicable as the company is in services industries.

6. EXPENDITURE IN FOREIGN CURRENCY

Traveling expense	77,975	47,905
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7. Earning in foreign Currency :

	NIL	NIL
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8. Since the company is operating in one segment i.e. construction, segment wise reporting is not applicable.

9. Name and Nature of Transaction with related parties : 2010-2011

Name of Related Parties & Nature of Transaction Value of Transaction

Name of Person	Relationship	Nature of Transaction	Volume of Transaction in Rs.
Tejas V. Sura	Key Managerial Person	Unsecured Loan	-
		Interest Paid	2,52,232.00
Pradip R. Sura	Key Person Relative	Unsecured Loan	-
		Interest Paid	-
Pradip R. Sura (Director)	Key Person Relative	Compensation for use Premises Paid	3,16,080.00
Jitendra S. Sura (Managing Director)	Key Managerial Person	- Do -	60,000.00
Tejas V. Sura (Jt. Managing Director)	Key Managerial Person	- Do -	4,33,100.00
Ramesh S. Sura HUF	-	- Do -	1,29,096.00
Vinod S. Sura HUF	-	- Do -	1,29,096.00
Jitendra S. Sura HUF	-	- Do -	87,096.00
Jimish J. Sura	Key Person Relative	- Do -	2,24,940.00
Prachi J. Sura	Key Person Relative	- Do -	1,60,260.00
Nayana J. Sura	Key Person Relative	- Do -	-
Sushila R. Sura	Key Person Relative	- Do -	-
Alpa P. Sura	Key Person Relative	- Do -	-
Keyuri T. Sura	Key Person Relative	- Do -	-
Teena H. Gandhi	Key Person Relative	- Do -	32,364.00
Shweta D. Shah	Key Person Relative	- Do -	32,340.00
Pradip R. Sura HUF	-	- Do -	20,000.00
Shankarlal Sura Finance Corporation	Directors are Partners	- Do -	1,68,000.00

10. EARNING PER SHARE

Basic earning per share has been calculated by dividend profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has not issued any potential equity shares and accordingly, the basic earning per share and diluted earning per share are the same. Earning per share has been calculated as under:

	As on 31/03/11 (Rupees)	As on 31/03/10 (Rupees)
Profit after taxation after extra ordinary items	77,42,690.00	1,66,54,319.00
Profit after taxation before extra ordinary items	77,42,690.00	1,66,54,319.00
Weighted average no. of shares	30,00,000.00	30,00,000.00
Earning per share Basic and Diluted (After extra in Rs. Ordinary items)	2.58	5.55
Earning per share before extra ordinary items Basic and Diluted	2.58	5.55

11. Sundry Debtors and Creditors & advance are subjected to confirmation by the respective parties. Necessary Adjustments in account will be made in the year in which discrepancy, if any, may be noticed.

12. Sundry Loan & Advances and other assets are, in the opinion of management stated at the amount realizable in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required.

13. There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium enterprises development act 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

14. In accordance with Accounting Standard (AS) 15 - "Employee Benefits" an amount of Rs.6.59 Lac (Previous Year Rs.5.10 Lac) as contribution towards defined contribution plans is recognised as expense in the Profit and Loss Account. The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by LIC) are given below:

1 Assumption As On	31/03/2011	31/03/2010
Discount Rate	-	8%
Salary Escalation	-	4%
2 Table Showing changes in present value of obligation As on		
Present value of obligations as at beginning of year	3132075	-
Interest cost	250566	250566
Current Service Cost	262458	262458
Benefits Paid	(96239)	(63029)



Actuarial (gain)/loss on obligations	1391805	(245543)
Present value of obligations as at end of year	4940665	3336527
3. Table Showing changes in the fair value of plan assets As on		
Fair value of plant assets at beginning of year	3594973	2724314
Expected return on plan assets	389586	302131
Contributions	670684	631557
Benefits Paid	(96239)	(63029)
Actuarial (gain)/loss on Plan assets	NIL	NIL
Fair value of plant assets at end of year	4559004	3594973
4. Table Showing changes in the fair value of plan assets		
Fair value of plant assets at beginning of year	3594973	2724314
Actual return of plan assets	389586	302131
Contributions	670684	631557
Benefits Paid	(96239)	(63029)
Fair value of plant assets at end of year	4559004	3594973
Funded status	(381661)	258446
Excess of Actual over estimated return on plan assets NIL (Actual rate of retrun = Estimated rate of return as ARD falls on 31 st March)		
5. Actuarial Gain/Loss recognized		
Actuarial Gain/Loss on obligations	(1391805)	245543
Actuarial Gain/Loss for the year – plan assets	NIL	NIL
Actuarial Gain/Loss on obligations	1391805	(245543)
Actuarial Gain/Loss recognized in the year	1391805	(245543)
6. The amounts to be recognized in the balance sheet and statements of Profit and loss		
Present value of obligations as at the end of year	4940665	3336527
Fair value of plant assets at end of year	4559004	3594973
Funded status	(381661)	258446
Net asset/liability recognized in the year	381661	(258446)
7. Expenses Recognized in statement of Profit and loss		
Current Service Cost	262458	262458
Interest cost	250566	250566
Expected return on plan assets	(389586)	(302131)
Net Actuarial Gain/Loss recognized in the year	1391805	(245543)
Expenses Recognized in statement of Profit and loss	1515243	(34650)
15. Current taxation (Net of Provision) represents as under :		
Less: Provision for taxation	3,25,46,091/-	3,25,46,091/-
Current tax including Tds	<u>3,25,88,500/-</u>	<u>3,25,88,500/-</u>
	<u>(42,409/-)</u>	<u>(42,409/-)</u>
16. DETAILS OF DEFERRED TAX LIABILITY		
The company has during the year in accordance with Account Standard AS-22 "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, recognized in the profit & loss accounts a difference of Rs.(2,56,518/-) between net, deferred tax liabilities of Rs.42,19,086/- as on 31 st March 2011 and on the deferred tax liabilities of Rs. 39,62,568/- as on 31 st March 2010.		
Deferred Tax Liability		
Depreciation	<u>52,30,858/-</u>	52,30,858/-
Deferred Tax assets		
Less : Employer Benefits	<u>3,22,711/-</u>	<u>3,22,711/-</u>
Net Deferred Tax Liabilities		<u>49,08,147/-</u>

17. Figures have been rounded off to the nearest rupee.

18. Previous year figures have been regrouped / reclassified wherever necessary.



CASH FLOW STATEMENT

		2011		2010
	Rupees	Rupees	Rupees	Rupees
A Cash Flow From Operating Activities				
Net Profit/(Loss) Before Tax		10,036,751.00		24,485,837.00
Adjustment:				
Depreciation	4,787,066.00		3,483,659.00	
Interest Charged	2,088,593.00		1,012,389.00	
Profit on Sale of Assets	-		-	
Loss on Assets Sold & Discarded	53,377.00		448,817.00	
Provision for Decrease in Investment	-		214,999.00	
Asset written off	-		-	
Dividend Received	(10,000.00)		(8,000.00)	
Interest Received	(955,388.00)	5,963,651.00	(1,992,034.00)	2,568,513.00
Operating Profit Before Working Capital Charges		16,000,402.00		27,054,350.00
Adjustment:				
Inventories	2,924,602.00		(22,592,455.00)	
Sundry Debtors	(8,507,525.00)		(1,509,305.00)	
Loan & Advances	(14,033,073.00)		1,035,980.00	
Trade Payable	(1,769,535.00)	(21,385,531.00)	19,447,428.00	(599,742.00)
Cash Generated From Operation		(5,385,129.00)		26,454,608.00
Interest Received	955,385.00		1,992,034.00	
Direct Tax Paid	(10,130,506.00)		(7,066,302.00)	
Interest Charged	(2,088,593.00)	(11,263,714.00)	(1,012,389.00)	(6,086,657.00)
		(16,648,843.00)		20,367,951.00
B Net Cash From Operating Activities				
Cash Flow From Investing Activities				
Purchase of Fixed Assets	(12,477,485.00)		(18,225,210.00)	
	(101,111.00)			
Sale of Fixed Assets	146,000.00		241,782.00	
Purchase of Investment	13,906,025.00		(3,911,961.00)	
Dividend Received	10,000.00	1,483,429.00	8,000.00	(21,887,389.00)
Net Cash Used in Investment Activities		1,483,429.00		(21,887,389.00)
C Cash Flow From Financing Activities				
Increase in secured Loan	2,892,277.00		9,645,723.00	
Increase in unsecured Loan	(2,735,000.00)		375,000.00	10,020,723.00
	(3,498,263.00)	(3,340,986.00)		
TOTAL A+B+C		(18,506,400.00)		8,501,285.00
Cash and Cash Equivalents Opening	(26,534,865.00)		(18,033,580.00)	
Cash and Cash Equivalents Closing	8,028,465.00	(18,506,400.00)	26,534,865.00	8,501,285.00

Auditor's Certificate:

We have verified the above Cash Flow Statement of Conart Engineers Limited derived from the Audited Financial Statements of the company for the period 1st April 2010 to 31st March 2011 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the Listing agreement with the Stock Exchange.

Additional information as required under part IV of schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and company's General Business Profile

a)	Registration Details	17,072
	State Code	11
	Balance Sheet Date	31st March 2011
b)	Capital raised during the year	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL



c)	Position of Mobilisation and Development of Funds	Rs.in 000
	Total Liabilities	148,070
	Total Assets	148,070
d)	Source of Funds	
	Paid- up Capital	30,000
	Reserves and Surplus	98,679
	Secured Loans	15,483
	Unsecured Loans	-
	Deferred Tax Liabilities	4,908
	Application of Funds	
	Net Fixed Assets	59,915
	Capital WIP	101
	Investment	3,453
	Net Current Assets	84,601
	Miscellaneous Expenditure	0
e)	Performance of the Company	
	Turnover (Gross receipts)	398,789
	Total Expenditure	388,752
	Profit/(Loss) Before Tax	10,037
	Profit/(Loss) After Tax	7,743
	Earning per Share (In Rs.)	2.58
	Dividend Rate On Equity Shares	NIL
f)	Genetic names of principal products services of the company	
	Item code no.(ITC Code)	Not applicable
	Product Description	Construction activity

A. MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE & ANALYSIS:

The Government continues to provide various incentives to boost infrastructure. The Construction Industry is integrally linked to infrastructure development. Real Estate Sector revival is in progress. All these factors will continue to give a boost to the Construction Industry.

B) OPPORTUNITIES & THREATS:

Increase in capacities in Manufacturing Sector coupled with development of infrastructure has opened various opportunities for your company. Your company has built up a strong goodwill and continues to be acknowledged as one of the leaders in the construction industry.

Your company continues to evolve strategies to diversify, which are in line with the present business activity of the company. Increased competition continues to drive improved quality standards in the construction industry.

The increase in Material, Labour and utility costs continues to be a cause of concern. The cost of skilled technical personnel coupled with scarcity thereof is another cause for concern.

C) SEGMENTS OR PRODUCT-WISE PERFORMANCE

The company has only one segment, construction so segment-wise reporting standard does not apply to it.

D) PERFORMANCE REVIEW

Your company has registered a robust growth in turnover of about 45%. The increase in price of Materials and Labour for ongoing projects continues to affect the profits of your company. While Profit before Tax dropped largely because of liquidated damages in one of the projects, your directors are pursuing various strategies for new projects to ensure a promising future.

E) BUSINESS PROSPECTS

Looking at the current scenario and future growth potential, Indian Infrastructure Sector is expected to outperform the trends in long term thereby providing excellent opportunities in the sector. The company has Your Directors are confident that a bright future lies ahead for the Real Estate Sector and your company. These 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 Newzeland (JAS-ANZ). Your Directors are confident that a bright future lies ahead for the Real Estate Sector and your company.

F) HRD/INDUSTRIAL RELATIONS

a) An orientation has been given to the personnel policies with emphasis on the performance. Right person on the right job has increased the productivity level. Also the teamwork and sense of involvement among the employees has increased the efficiency and effectiveness.

b) Disclosures are being made at the proper places where the management has personal interest that may have potential conflict with the interest of the company at large.

CAUTIONARY STATEMENT

The statement in the management discussion and analysis report cannot be construed as holding out any forecast.



A. REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability, professionalism and equity in all aspects of its operations and in all interaction with its stake holders including its shareholders. It is not only a statutory compliance but also internally driven need of the Company.

2. BOARD OF DIRECTORS :

(A) COMPOSITION OF BOARD

The present strength of Board is eight. The Board of Directors of the Company comprises of Executive Directors and Non-Executive Directors including five Independent Directors.

None of the Directors on the Board is a member of more than 10 committees or a chairman of more than 5 committees as stipulated in Clause 49 of the Listing Agreement

Name	Designation Category Of Director(s)	Attendance held		On Member / Chairman On BOD/Committee	Remarks
		Board Meeting	AGM 26-9-09		
Mr. Jitendra S. Sura	Managing Director Promoter, Non Independent Director	6	Yes	NONE	
Mr. Tejas V. Sura	Jt. Managing Director Promoter, Non Independent Director	6	Yes	NONE	
Mr. Haresh V. Patel	Non Executive, Independent Director	6	No	NONE	
Mr. Harshad B. Jhaveri	Non Executive, Independent Director	4	Yes	1- Chairman on BoD	
Mr. Sevantilal P. Shah	Non Executive, Independent Director	4	Yes	1-Chairman on BoD	
Mr. Pradip R. Sura	Non Executive, Independent Director	5	Yes	NONE	
Mr. Chandrakant R. Patel	Non Executive, Ind. Dir.	5	No	1-Chairman on BoD	
Mr. Jimish J. Sura	Director Promoter, Non Independent Director	6	Yes	NONE	

Mr. Haresh V. Patel and Mr. Chandrakant R. Patel are liable to retire by rotation and being eligible offer themselves for reappointment.

(B) NON - EXECUTIVE DIRECTOR'S COMPENSATION AND DISCLOSURES

Non - executive Directors are paid sitting fees for attending Board/committee Meetings. The details of compensation paid to them are disclosed as under :

Name of the Director	Board Meeting	Adult Committee	No. of Meeting attended investors' grievance/Share transfer Committee	Amount (Rs.)
Mr. Haresh V. Patel	6	4	4	6000.00
Mr. Harshad B. Jhaveri	4	4	4	10000.00
Mr. Sevantilal P. Shah	4	3	-	10000.00
Mr. Pradip R. Sura	5	4	4	8000.00
Mr. Chandrakant R. Patel	5	4	4	4000.00

DIRECTORS' SHARE HOLDING IN THE COMPANY

Name of Director	Shareholding in nos.
Mr. Jitendra S. Sura	157520
Mr. Tejas V. Sura	207970
Mr. Pradip R. Sura	204449
Mr. Harshad B. Jhaveri	2400
Mr. Sevantilal P. Shah	100
Mr. Haresh V. Patel	300
Mr. Chandrakant R. Patel	Nil
Mr. Jimish Jirendra Sura	119621

(C) BOARD MEETING(S) HELD DURING THE YEAR

During the financial year 2010-11 total Six Board Meetings were held on 17th April, 2010, 29th May, 2010, 30th July, 2010, 24th September, 2010, 2nd November, 2010, 28th January, 2011. The Maximum gap between any two meetings was not more than 4 Months.

(D) CODE OF CONDUCT

The Company's code of conduct, as adopted by the Board of Directors, is applicable to all Directors and senior management. The Board of Director and senior management have affirmed compliance with the code and the declaration received from the managing Director in this regard is given below :



"I hereby declare that all Directors and senior management of the company have affirmed compliance with the code of conduct for the financial year ended on 31st March, 2011

3. AUDIT COMMITTEE

All the members of the Committee are non-executive, independent Directors. The Statutory Auditor is being invited to the Committee meeting. The powers and terms of reference are wide enough covering the matters specified for the Audit Committee under the clause 49 Listing Agreement. Their attendances in the financial year 2010-2011 are as follows:

COMPOSITION	CHAIRMAN/MEMBERS	NO. OF AUDIT COMMITTEE MEETING HELD DURING THE YEAR	NO. OF MEETING ATTENDED
Mr. Harshad B. Jhaveri	Chairman	5	3
Mr. Haresh V. Patel	Member	5	4
Mr. Chandrakant R. Patel	Member	5	1
Mr. Pradip R. Sura	Member	5	4

4. REMUNERATION COMMITTEE

The Committee is formed to decide the remuneration and/or alternation in remuneration of Executive Directors. It is comprised of all the non-executive Director. Their attendances in the financial year 2010-11 are as follows:

COMPOSITION	CHAIRMAN/MEMBERS	ATTENDANCE
Mr. Haresh V. Patel	Chairman	1
Mr. Sevantilal P. Shah	Member	1
Mr. Harshad B. Jhaveri	Member	1

• Remuneration Policy

The Company does not pay remuneration to Non-Executive Directors except sitting fees and reimbursement of expenses for attending for Board Meeting and Committee Meeting thereof. Presently the Company's profit is inadequate to pay remuneration to Executive Directors and hence Schedule XIII part II –A is observed to pay remuneration with consent of the Remuneration Committee. The details of remuneration paid for the financial year 2010-11 is as follows: -

Executive Director	Salary	Perquisites & Allowances	Total	Service contracts notice Period w.e.f. 19-11-2004
Mr. Jitendra S. Sura	15,00,000.00	1,78,791.00	16,78,791.00	5 Years
Mr. Tejas V. Sura	15,00,000.00	1,53,644.00	16,53,644.00	5 Years
Mr. Jimish J. Sura	7,87,500.00	65,625.00	853,125.00	3 Years w.e.f 01-08-2010

(Perquisites and allowance is excluding the contribution to Superannuation Fund)

The Company does not have a scheme for stock option either for the Directors or the employees.

5. SHARE HOLDERS COMMITTEE:

The Company has a "Shareholders/ Investors Grievance Committee to look into various issues relating to shareholders/Investors including transfer of shares, non-receipt of balance-sheet, non-receipt of declared dividends etc.

Name of Members of Shareholder's and Grievance Committee

Name of the Director	No. of Shareholder's and Grievance Committee held during the Year	No. of Meetings attended
Mr. Tejas V. Sura	4	4
Mr. Harshad B. Jhaveri	4	4
Mr. Jitendra S. Sura	4	4
Mr. Pradip R. Sura	4	4

Mr. Tejas V. Sura Jt. Managing Director is the Compliance Officer of the Company for this purpose whose email ID is tejas.sura@conartengineers.com
Two investors complaint were received up to 31st March, 2011 and already resolved.

6. GENERAL BODY MEETINGS.

Details of the General Body Meeting and Special Resolution passed there under are as follows:

YEAR	TIME	LOCATION	SPECIAL RESOLUTION
26 th September 2008	3.00 p.m.	Aots Alumni Association of Western India, 3 rd Floor, India Printing House, G. D. Ambekar Marg, Wadala, Mumbai 400 031	NONE
25 th September 2009	3.00 p.m.	Aots Alumni Association of Western India, 3 rd Floor, India Printing House, G. D. Ambekar Marg, Wadala, Mumbai 400 031	NONE
24 th September 2010	3.00 p.m.	Aots Alumni Association of Western India, 3 rd Floor, India Printing House, G. D. Ambekar Marg, Wadala, Mumbai 400 031	NONE



Last year none of the resolutions were put through the Postal Ballot system and question of its conducting does not arise. This year no resolution is proposed to be followed under the Postal Ballot.

7. DISCLOSURES:

During the year under review besides the transactions mentioned below there were no other related party transactions by the Company with the promoters, and management that had a potential conflict with the interest of the Company at large.

8. (A) Basis of Related Party Transactions

Name of Related Parties & Nature of Transaction Value of Transaction

Name of Person	Relationship	Nature of Transaction	Volume of Transaction in Rs.
Tejas V. Sura	Key Managerial Person	Unsecured Loan	
		Interest Paid	2,52,232.00
Pradip R. Sura (Director)	Key Person Relative	Unsecured Loan	-
		Interest Paid	-
Pradip R. Sura	Key Person Relative	Compensation for use Premises Paid	3,16,080
Jitendra S. Sura (Managing Director)	Key Managerial Person	- Do -	60,000.00
Tejas V. Sura (Jt. Managing Director)	Key Managerial Person	- Do -	4,33,100.00
Ramesh S. Sura HUF	-	- Do -	1,29,096.00
Vinod S. Sura HUF	-	- Do -	1,29,096.00
Jitendra S. Sura HUF	-	- Do -	87,096.00
Jimish J. Sura	Key Person Relative	- Do -	2,24,940.00
Prachi J. Sura	Key Person Relative	- Do -	1,60,260.00
Nayana J. Sura	Key Person Relative	- Do -	-
Sushila R. Sura	Key Person Relative	- Do -	-
Alpa P. Sura	Key Person Relative	- Do -	-
Keyuri T. Sura	Key Person Relative	- Do -	-
Teena H. Gandhi	Key Person Relative	- Do -	32,364.00
Shweta D. Shah	Key Person Relative	- Do -	32,340.00
P.R. Sura HUF	-	- Do -	20,000.00
Shankerlal Sura Finance Corporation	Directors are Partner	- Do -	1,68,000.00

- The company has complied with all the requirements of the Listing Agreement of the Stock Exchange as well as regulations and guidelines of SEBI. Consequently, no penalties are imposed or strictures passed against your company by SEBI, Stock Exchange or any statutory authorities.

(B) Disclosure of Accounting Treatment:

The company has followed all relevant Accounting Standard, while preparing the financial Statement.

(c) Risk Management:

The Board of Directors and the Senior Management team is conscience and vigilant on the material developments taking place in the industry. There is system of regularly monitoring various kind of risks that are inherent to the nature of business and operations of the company.

9. MEANS OF COMMUNICATION:

- The quarterly and half yearly results are published in widely circulating national and local dailies such as Financial Express in English and Dainik Sagar in Marathi. They are not sent individual to the shareholders.
- The company results are displayed on website called www.bseindia.com. The Management Discussion and Analysis forms part of this annual report.

10. GENERAL SHAREHOLDERS' INFORMATION

- AGM : Date, time and venue 30th September, 2011
- Financial Calendar (tentative) 1st April 2011 to 31st March 2012
 - First quarterly result: last week of July 2011
 - Second quarterly result: last week of October 2011
 - Third quarterly result: last week of January 2012
 - Audited result in last week of June 2012 for the year ending 31st March ,2012
- Date of Book Closure 23th September 2011 to 30th September 2011
- Dividend Payment Date N.A.
- Listing of Stock Exchange The share of the company is listed on stock exchange Mumbai also the listing fees for the exchange is paid for the period ended 31st March, 2011
- Stock Code Physical 522231 on Bombay stock exchange.
- Demat ISIN Number for NSDL And CDSL IINE714D01012

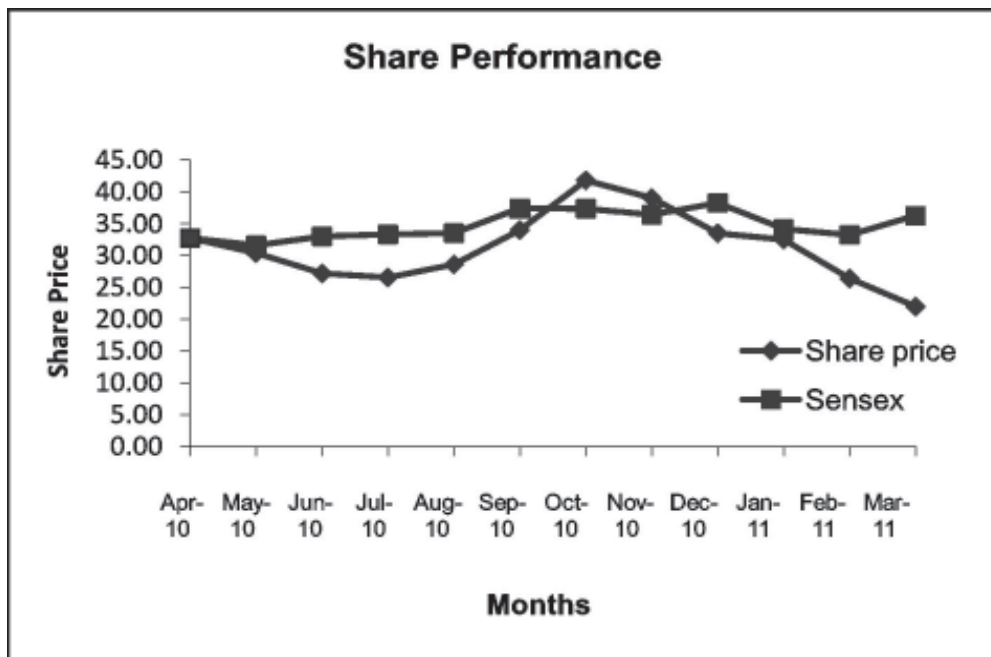


Conart Engineers Limited[®]

- Market Price Data High / Low during each month end in the last financial year. Please see Annexure 'B'
- Performance in comparison to BSE sensx Please see Annexure 'A'
- Registrar and transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
- Share transfer systems All the transfers received are proceeded and approved by the share transfer committee which normally meets once in a month
- Distribution of shareholding Please see Annexure 'C'
- Dematerialization shares and equity 87.08% of the shares issued by the company have been dematerialised upto 31st March, 2011
- Outstanding GDR Not issued
- Address for correspondence Conart Engineers Limited 35 Manoj Udyog, 40/A, G.D. Ambekar Marg, Wadala Mumbai-400 031. Phone; + 91(22) 40270999

ANNEXURE "A"

Share Performance of the company in comparison to BSE Sensex



ANNEXURE "B"

High / Low Market Price of the Company's shares traded on The Stock Exchange, Mumbai during the year 2010-11 is furnished below:

Period	Highest (Rupees)	Lowest (Rupees)	Period	Highest (Rupees)	Lowest (Rupees)
Apr-10	32.75	25.30	Oct-10	41.80	30.20
May-10	30.40	24.55	Nov-10	39.05	26.80
Jun-10	27.20	24.35	Dec-10	33.50	28.00
Jul-10	26.55	23.55	Jan-11	32.50	23.10
Aug-10	28.60	24.75	Feb-11	26.40	16.50
Sep-10	34.00	26.40	Mar-11	22.00	18.65



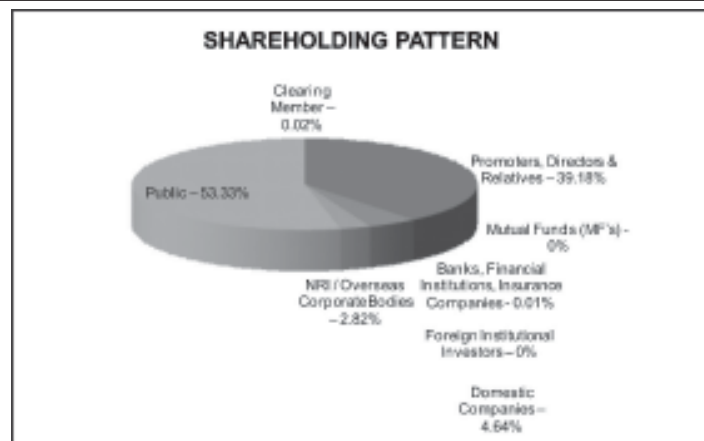
ANNEXURE "C"

Distribution of Shareholding as on 31/03/2011 :

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
Upto to 5000	3994	89.79%	6,114,520	20.38%
5001 to 10000	250	5.62%	2,103,500	7.01%
10001 to 20000	90	2.02%	1,399,160	4.66%
20001 to 30000	31	0.70%	783,940	2.61%
30001 to 40000	20	0.45%	718,430	2.39%
40001 to 50000	9	0.20%	434,570	1.45%
50001 to 100000	23	0.52%	1,747,660	5.83%
100001 and above	31	0.70%	16,698,220	55.66%
Total	4448	100.00%	3,00,00,000	100.00%

SHAREHOLDING PATTERN AS ON 31/03/2010

Category	No. of Shares held	Percentage to total (%)
a. Promoters, Directors & Relatives	1,175,281	39.18
b. Mutual Funds (MF's)	0	0.00
c. Banks, Financial Institutions (FI's), Insurance Companies	200	0.01
d. Foreign Institutional Investors (FI's)	0	0
e. Domestic Companies	139,340	4.64
f. Non Resident Indians/ Overseas Corporate Bodies (NRI's/OCB's)	84,495	2.82
g. Indian Public	1,599,944	53.33
h. Clearing Member	740	0.02
Total	3,00,000	100.00



Auditors Report on Corporate Governance

To The Members of
Conart Engineers Ltd.

We have examined the compliance of conditions of Corporate Governance by Conart Engineers Ltd. for the year ended on 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring Compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors & the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the ICAI we have to state that no investor grievances were pending for a period of one month against the company as per records maintain by the shareholders/investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company

Govind Agrawal & Co.

Chartered Accountants

Govind Agrawal

(Proprietor)

Place : **Mumbai**

Date 6th August, 2011

CONART ENGINEERS LIMITED[®]

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

ATTENDANCE SLIP 37th ANNUAL GENERAL MEETING

Please complete this attendance slip and hand it over at the venue of the Meeting

Name of the Member/s. or Proxy (in BLOCK LETTERS)	Email ID	Regd. Folio/Client ID No.	No. of Shares held

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company held at AOTS ALUMNI ASSOCIATION OF WESTERN INDIA', 3rd Floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai - 400 031, on Friday 30th September 2011, at 3.00 p.m.

SIGNATURE OF THE MEMBER/S OR PROXY

CONART ENGINEERS LIMITED[®]

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

FORM OF PROXY

I/We _____ of _____ in the district of _____ a member/members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ as my/our proxy to vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company to be held at AOTS ALUMNI ASSOCIATION OF WESTERN INDIA', 3rd Floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai - 400 031, on Friday 30th, September 2011, at 3.00 p.m.

Signed this _____ day of _____ 2011

Folio No.....
DPID.....
Client ID.....
No. of Shares held

1 Rs.
Revenue
Stamp

(Signature)

Notes: The proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the annual general meeting.