



ISO 9001 : 2008  
Reg. No.:RQ-91/050

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

where construction engineering becomes an art



*40th Annual Report 2013-2014*

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

## BOARD OF DIRECTORS

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

**Mr. Tejas V. Sura**  
Jt. Managing Director  
(Resigned w.e.f. 01.06.2014)

**Mr. Harshad B. Jhaveri**  
Independent Director  
(Resigned w.e.f. 01.06.2014)

**Mr. Haresh V. Patel**  
Independent Director

**Mr. Sevantilal P. Shah**  
Independent Director

**Mr. Pradip R. Sura**  
Director  
(Resigned w.e.f. 01.06.2014)

**Mr. Chandrakant R. Patel**  
Independent Director

**Mr. Jimish J. Sura**  
Executive Director-Finance & CFO  
(w.e.f. 26.07.2014)

**Mr. Sunil Vakil**  
Additional Director  
(w.e.f. 26.07.2014)

## 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.  
(O) : +91(22)28515606 / 5644  
Email : sharexindia@vsnl.com

## BANKERS

Bank of Baroda (BOB)  
Dena Bank  
HDFC Bank  
State Bank Of India (SBI)

## REGISTERED OFFICE

(Effective from: 26.07.2014)  
17, Ground Floor, Jay Bharat Society  
Nr. Solanki Palace, 3rd Road Old Khar,  
Khar West, Mumbai-400 052.  
Maharashtra, India,  
Tel.: +91(22)26489621  
Email : mumbai@conartengineers.com  
Website: www.conartengineers.com

## BRANCH OFFICE

Bombay Shopping Centre,  
2nd Floor, R. C. Dutt Road,  
Vadodara - 390 005  
Gujrat , India.  
Tel.: +91(265)2330946 / 7122  
Email.: celcs @conartengineers.com  
Website: www.conartengineers.com

## STATUTORY AUDITORS

Goivind Prasad & Co.  
Chartered Accountants, Mumbai  
F. No. : 114360W

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

## NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Shareholders of **CONART ENGINEERS LIMITED** will be held on **Friday 26<sup>th</sup> September, 2014** at **AOTS ALUMINI ASSOCIATION OF WESTERN INDIA, 3<sup>rd</sup> floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai – 400031, Maharashtra, at 11.00 A.M.** to transact, with or without modification(s) as may be permissible, the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 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. Jimish J. Sura who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jitendra S. Sura 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 is proposed as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Govind Prasad & Co., Chartered Accountants, Mumbai, having Registration No. 114360W, be and are, hereby re-appointed as the auditors of the Company and to hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting of the Company and that the Chairman/Managing Director of the Company, be and are, hereby authorised to fix their remuneration of the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

### SPECIAL BUSINESS:

5. To appoint Mr. Sunil Vakil (DIN: 02527630) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), 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, 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), 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 who holds office up to the date of this 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 his candidature for the office of Director, 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.”

6. To appoint Mr. Chandrakant Patel (DIN: 00315068) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), 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, 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.”

7. To appoint Mr. Haresh Patel (DIN: 01674897) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), 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, 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.”

8. To appoint Mr. Sevantil Shah (DIN: 00505378) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), 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, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sevantil Shah (DIN: 00505378), 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.”

9. To consider and if thought fit, pass, with or without modification(s) the following Resolution as Special Resolution for keeping the Statutory records and registers required to be maintained under Section 88 of Companies Act, 2013 at a place other than the Registered Office of the Company.

**“RESOLVED THAT** pursuant to provisions of Section 94 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the “Act”) approval of shareholders, be and is, hereby accorded for keeping the Registers required to be maintained under Section 88 along with copies of Annual Return prepared under Section 92 at the Branch Office at 2<sup>nd</sup> Floor, Bombay Shopping Centre, R.C. Dutt Road, Vadodra 390 007, Gujarat, India instead of the registered office of the Company.

**RESOLVED FURTHER THAT** Mr. Jimish Sura, Executive Director, be and is hereby authorized to file the copy of the resolution with the Registrar within the prescribed time and to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”

By order of the Board of Directors  
For Conart Engineers Limited  
Jitendra S. Sura  
Chairman & Managing Director

Place: Vadodara  
Date: 26<sup>th</sup> July, 2014



## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 15<sup>th</sup>, September, 2014 to Friday, 26<sup>th</sup> September, 2014 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members/Proxies should bring the Attendance Slip/Proxy Form sent herewith, duly filled in, for attending the Meeting.
5. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
6. Members holding shares in physical form are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses. Members holding shares in demat form are requested to notify their respective Depository Participant of any change in their addresses.
7. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
8. 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 the Corporate Governance Report forming part of this Annual Report.
9. 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.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. **Voting through electronic Means (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, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means (e-voting) and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). 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.

|   |
|---|
| <b>Explanatory Statement in respect of Special Businesses at item nos. 5 to 9 pursuant to Section 102 of the Companies Act, 2013 ('the Act'):</b> |
|---|

### Item # 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, Mr. Sunil Vakil (DIN: 02527630) as an Additional Director of the Company with effect from 26<sup>th</sup> July, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Sunil Vakil 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 Mr. Sunil Vakil for the office of Director of the Company.

Section 149 of the Companies Act, 2013 stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (Five) Consecutive years and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Sunil Vakil that he meets 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. Mr. Sunil Vakil possesses appropriate skills, experience and knowledge in the field of finance.

In the opinion of the Board, Mr. Sunil Vakil fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Sunil Vakil is independent of the management.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Sunil Vakil be appointed as an Independent Director.

Mr. Sunil Vakil is interested in the resolution with regard to his 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 point No. 5 of the Notice for approval by the shareholders.



## Item # 6

Mr. Chandrakant Patel (DIN: 00315068) is an Independent Director of the Company and have held the positions as such for 4 (four) years. It is proposed to appoint Mr. Chandrakant Patel as an Independent Director 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.

Mr. Chandrakant Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ('the Act') and has given their consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Chandrakant Patel for the office of Director of the Company.

The Company has also received a declaration from Mr. Chandrakant Patel that he meets 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 fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement with the Stock Exchange. Mr. Chandrakant Patel is independent of the management.

Mr. Chandrakant Patel is interested in the resolution with regard to his 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 Resolutions set out at Item No. 6 of Notice for approval by the shareholders.

## Item # 7 & 8

Mr. Haresh Patel (DIN: 01674897) and Mr. Sevantilal Shah (DIN: 00505378) are an Independent Director of the Company and have held the positions as such for more than 5 (five) years.

It is proposed to appoint Mr. Haresh Patel and Mr. Sevantilal Shah as an Independent Director 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 41<sup>st</sup> Annual General Meeting of the Company in the calendar year 2015.

Mr. Haresh Patel and Mr. Sevantilal Shah are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Haresh Patel and Mr. Sevantilal Shah for the office of Director of the Company.

The Company has also received declarations from Mr. Haresh Patel and Mr. Sevantilal Shah that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Haresh Patel and Mr. Sevantilal Shah fulfills the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Haresh Patel and Mr. Sevantilal Shah are independent of the management.

Mr. Haresh Patel and Mr. Sevantilal Shah are interested in the resolution with regard to his 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 the resolution.

The Board commends the Ordinary Resolutions set out at Item No. 7 & 8 of the Notice for approval by the shareholders.

## Item # 9

As per the provisions of section 94 of the Companies Act, 2013 the every company is required to maintain the Registers required to be kept under Section 88 of the Companies Act, 2013 and the copies of the Annual Return filed under Section 99 of the Companies Act, 2013 at its Registered Office.

If the company wish to maintain above mentioned documents at the place other than its registered office then the approval of members is required to be obtained by the way of Special Resolution in the General Meeting.

At present all the Registers and Annual Returns are being kept at the Registered Office of the Company. However, the major operations and administration of the Company are being managed by Branch office of the Company located at Vadodara. Thus, for the better administration it is proposed to keep these Registers at the Branch office of the Company at 2nd Floor, Bombay Shopping Centre, R.C. Dutt Road, Vadodara 390 007, Gujarat, India.

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 this passing of the aforesaid resolution.

The Board recommends the Special Resolution set out at Item No. 9 of Notice for approval by the shareholders.

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

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

Place: Vadodara  
Date: 26<sup>th</sup> July, 2014

Registered Office: 17, Ground Floor, Jay Bharat Society,  
Nr. Solanki Palace, 3rd Road Old Khar, Khar West, Mumbai-400052, Maharashtra, India



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

| Name of Directors   | (1)<br>Mr. Jitendra Sura                                     | (2)<br>Mr. Jimish Sura                                       | (3)<br>Mr. Haresh Patel   | (4)<br>Mr. Sevantilal Shah                       | (5)<br>Mr. Chandrakant R. Patel  | (6)<br>Mr. Sunil Vakil  |
|---|--|--|---|--|--|---|
| DIN   | 00480172   | 03096064   | 01674897  | 00505378   | 00315068   | 02527630  |
| Date of Birth   | 18.10.1950   | 05.09.1976   | 30.08.1956  | 01.12.1935                                       | 28.07.1946   | 06.05.1957  |
| Date of Appointment   | 01.12.1978   | 29.05.2010   | 14.06.2001  | 29.10.2002                                       | 30.10.2009   | 26.07.2014  |
| Qualification   | Civil Engineer   | M.S. in Civil Engineering                                    | Bachelor of Commerce  | Mechanical Engineer                              | M.S. in Civil Engineering  | Chartered Accountant  |
| Expertise in specific functional areas  | Expertise in the areas of Civil Construction and Engineering | Expertise in the areas of Civil Construction and Engineering | Expertise in the areas of Company Management and Administration | Expertise in the areas of Automobile Engineering | Expertise in Ferrous & Non Ferrous Foundry and Civil Engineering                       | Expertise in the areas of financial restructuring of corporate through mergers / arrangements and working as financial advisor for various Indian corporates. |
| List of Public Companies in which Directorships held Chairman / Member of the Committee of the Board of Directors of the Company. | - Conart Engineers Ltd                                       | - Conart Engineers Ltd                                       | -Conart Engineers Ltd.  | Conart Engineers Ltd                             | - Conart Engineers Ltd.<br>- Gujarat Metal Cast Industries Ltd.                        | -Conart Engineers Ltd.  |
| Chairman / Member of the Committees of Directors of other Companies   | Nil  | Nil  | Nil   | Nil  | -Gujarat Metal Cast Industries Ltd.<br><b>Investor Grievance Committee</b><br>- Member | Nil   |
| No. of Equity Shares held in company  | 1,51,701   | 6,12,106   | 300   | Nil  | Nil  | 2,000   |



## e- Voting Instruction

### # Voting through electronic Means (e-voting)

The instructions for members for voting electronically are as under:-

#### (1) In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the EVEN for 'Conart Engineers Limited' from the drop down menu and click on "SUBMIT"
- (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](http://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*   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-  |
|  | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| 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#                                     | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>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 <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .  |

- (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) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who 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](mailto: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, in PDF format in the system for the scrutinizer to verify the same.



**(2) In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Monday, 15<sup>th</sup> September, 2014 at 9.00 a.m. (IST) and ends on Wednesday, 17<sup>th</sup> September, 2014, at 6.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(3) General:**

- (a) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
  - (b) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date on 22<sup>nd</sup> August, 2014.
  - (c) Mr. Devesh Pathak of M/s. Devesh Vimal & Co., Company Secretary in Practice, Vadodara, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (d) The scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
4. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website [www.sanghiviforge.com](http://www.sanghiviforge.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
  5. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
  6. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company.





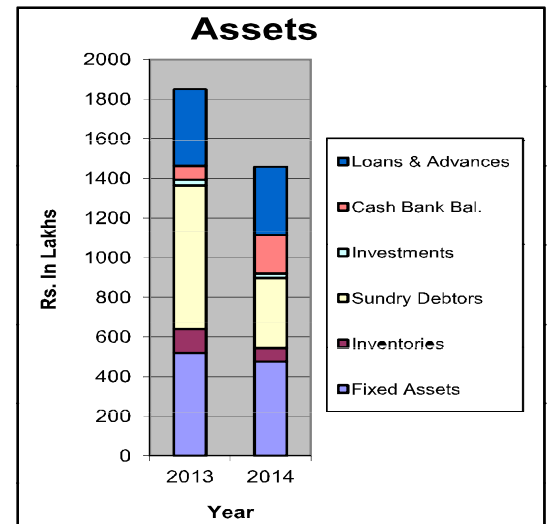
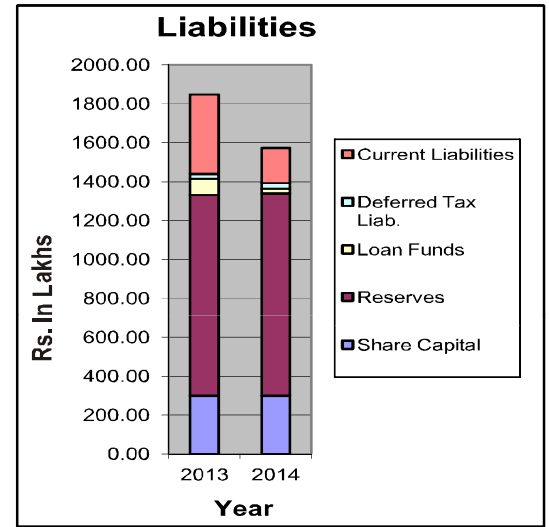
## DIRECTORS' REPORT

To the Members of  
**CONART ENGINEERS LIMITED**

Your Directors have pleasure in presenting their Fortieth Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2014.

### FINANCIAL REVIEW

| Particulars                                | (Rs. In lakhs) |         |
|--|----------------|---------|
|  | 2013-14        | 2012-13 |
| Gross revenue                              | 841.53         | 2445.99 |
| Total expenditure                          | 864.96         | 2474.99 |
| Operating Profit                           | -23.43         | -29.00  |
| Other Income                               | 93.00          | 59.87   |
| Profit Before Interest and Depreciation    | 69.57          | 30.87   |
| Interest                                   | 6.65           | 21.12   |
| Depreciation                               | 47.01          | 46.96   |
| Profit Before Tax                          | 15.91          | -37.21  |
| Provision for Taxation                     |                |         |
| (a) Current                                | 2.15           | 15.06   |
| (b) Deferred Tax earlier year written Back | 0.00           | 0.00    |
| (c) Deferred Tax                           | 5.59           | -28.67  |
| (d) Fringe Benefit                         | 0.00           | 0.00    |
| (e) Prior Year Tax Adjustment              | 0.00           | 0.00    |
| Profit after Tax                           | 8.17           | -23.60  |
| Balance Brought forward from earlier year  | 836.44         | 860.04  |
| Amount available for appropriations        | 844.61         | 836.44  |
| Appropriation                              |                |         |
| Transfer to General Reserve                | 0.00           | 0.00    |
| Proposed Dividend                          | 0.00           | 0.00    |
| Tax on Proposed Dividend                   | 0.00           | 0.00    |
| Balance carried to Balance sheet           | 836.44         | 860.04  |



### PERFORMANCE REVIEW

Your company has been affected by the downturn in global & national economy thus leading to reduced turnover and drop in profitability. The increase in price of Materials and Labour continues to marginally affect the profits of your company. Your company is aggressively marketing to increase orders and increase turnover. Your directors are pursuing various strategies to ensure a promising future. This includes recent diversification in the field of Project Management services.

### BUSINESS PROSPECTS

In the current Budget the Government has earmarked huge funds for development of infrastructure. The Government is also committed to boost the Indian economy for overall growth. The company continues to receive inquiries for new projects from existing customers as well as through customer references. All these factors are positive indicators for your company.

### NEW STANDARD ADOPTED

Your company has successfully renewed its accreditation as an ISO 9001:2008 company from Joint Accreditation System of Australia and New Zealand (JAS-ANZ). Your Directors are confident that a bright future lies ahead for your company.

### DIVIDEND

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



**DEPOSITORY SYSTEM:**

87.85% of the equity shares of the company are dematerialized as on 31<sup>st</sup> March, 2014.

**DIRECTORS:**

In terms of the provisions of Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Jimish Sura and Mr. Jitendra Sura retire by rotation and being eligible for the reappointment have offered themselves for reappointment. The Company has received requisite notices in writing from members proposing Mr. Chandrakant Patel, Mr. Harsh V. Patel and Mr. Sevantilal P. Shah for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming 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 Exchanges.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

1. The applicable Accounting Standards have been followed in the preparation of the Annual Accounts and proper explanation has been furnished, relating to material departures.
2. Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. 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.
4. The Annual Accounts for the year ended on 31<sup>st</sup> March, 2014 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 thereto.

**FIXED DEPOSIT:**

The Company has not accepted any deposits from the public and its 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 13-14, total Foreign Exchange used and earned was Nil.

**TECHNOLOGY ABSORPTION**

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

**AUDITORS**

M/s. Govind Prasad & Co. Chartered Accountants, the Auditors of the Company hold office till the conclusion of this ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s Govind Prasad & Co. Chartered Accountant to the effect that their appointment as Auditors, if made would be within the limits under Section 141(3)(g) of the Companies Act, 2013.

**SECRETARIAL AUDITORS**

As a measure of good Corporate Governance Practice and as mandated by the Provisions of Companies Act, 2013, the Board of Directors of the Company appointed M/s. Samdani Shah & Associates, a firm of practicing Company Secretaries to conduct the Secretarial Audit for the Financial Year 2014-15.

**LISTING OF SHARES**

The Company's Equity Shares are presently listed on BSE Ltd, Mumbai.

**APPRECIATION**

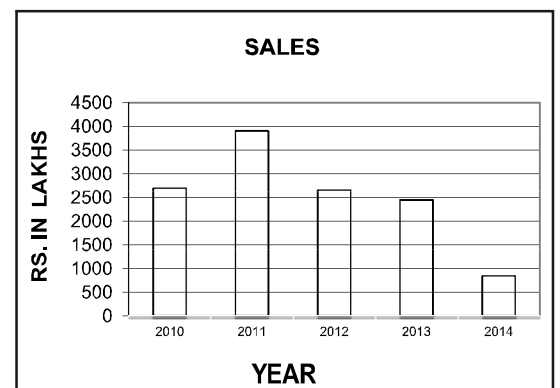
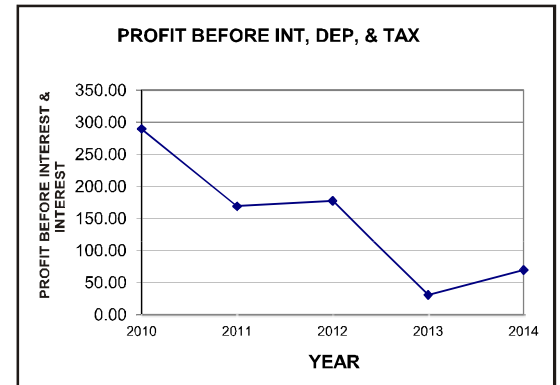
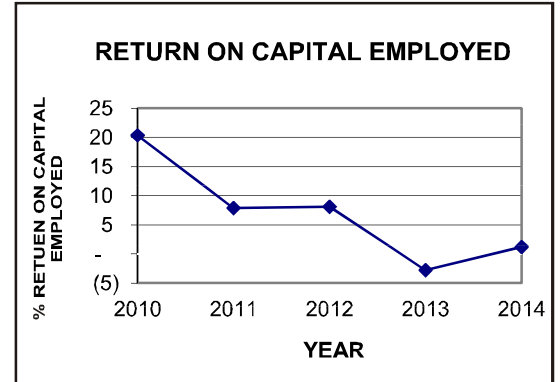
The Board wishes to place on record its gratitude to the Company's bankers, consultants, auditors and various Government authorities for their valuable support and guidance. The Board also places on record its sincere gratitude to all stakeholders including shareholders, valued clients, architect, consultant, 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

**Jitendra S. Sura**

Chairman / Managing Director

Place: Vadodara  
Date: 29<sup>th</sup> May, 2014





## **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. All these factors will continue to give a boost to the Construction Industry.

### **B) OPPORTUNITIES & THREATS:**

Interest of multinational companies to setup manufacturing in India 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. The company has entered the field of Project Management services which has a vast potential considering the opportunities. 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 personal 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 maintained profitability levels in spite of reduced turnover. The increase in price of Materials and Labour continues to marginally affect the profits of your company. Your company is aggressively marketing to increase orders and increase turnover. Your directors are pursuing various strategies to ensure a promising future. This includes recent diversification in the field of Project Management services.

### **E) BUSINESS PROSPECTS**

In the current Budget the Government has earmarked huge funds for development of infrastructure. The Government is also committed to boost the Indian economy for overall growth. The company continues to receive inquiries for new projects from existing customers as well as through customer references. All these factors are positive indicators for your company.

#### **NEW STANDARD ADOPTED:**

Your company has successfully renewed its accreditation as an ISO 9001:2008 company from Joint Accreditation System of Australia and New Zealand (JAS-ANZ). Your Directors are confident that a bright future lies ahead for your company.

### **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.



## CODE OF BUSINESS CONDUCT

This Code of Business Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, workers, and consultants of Conart Engineers Limited [hereby referred as Conart]. All of our employees and officers must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

Employees and officers are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this code, or the Company policy.

The employee promises to adhere to the following basic principles:

### 1. Compliance With Laws, Rules And Regulations:

Obedience to the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All the Company employees and officers must respect and obey the laws, rules and regulations of the cities, states and countries in which they operate. Although employees, workers, and consultants are not expected to know the details of each of these laws, rules and regulations. However, it is important to know enough to determine when to seek advice from the supervisors, managers or other appropriate personnel of the Company.

### 2. Conflicts Of Interest:

A "Conflict of Interest" exists when a person's private interest interferes in any way or even appears to interfere with the interests of Conart. A conflict situation can arise when a Key Managerial Personnel (KMP), Employee or Designated Officer takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when a KMP's, Employee and/or Designated Officer (or a member of his or her family) receives improper personal benefits as a result of his or her position in Conart. Loans to, or guarantees or obligations for KMP's, Employees and/or Designated Officers and their family members by Conart may create conflicts of interest and in instances that are prohibited by law.

It is a conflict of interest for a Company's KMP's, Employees and/or Designated Officers to work for a competitor, customer or supplier. The Company's KMP's, Employees and/or Designated Officers should avoid any direct or indirect business connection with Company's customers, suppliers or competitors, except as required on Company's behalf.

### 3. Insider Trading:

All non-public information about Conart should be considered confidential information. The KMP's, Employees and/or Designated Officers of the Company who have access to confidential information about Conart or any other entity are not permitted to use or share that information for trading purposes in CONART, the other entity's securities, or for any other purpose except for the conduct of Conart's Business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical, but also illegal.

### 4. Corporate Opportunities:

The KMP's, Employees and/or Designated Officers of the Company are prohibited from taking opportunities that are discovered through the use of corporate property, information or position held in the Company, for themselves without the consent of the Board of Directors. No KMP's, Employees and/or Designated Officers of the Company may use corporate property, information or position for personal gain and no KMP's, Employees and/or Designated Officers may compete with Conart, directly or indirectly, while in employment of the Company. The KMP's, Employees and/or Designated Officers of the Company owe a duty to Conart to advance the Company's interests when the opportunity to do so arises.

### 5. Competition And Fair Dealing:

The Company seeks to outperform our competition fairly and honestly. The Company does not strive for competitive advantages and/or superior performance through unethical or illegal business practices. At CONART stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is strictly prohibited. Each KMP's, Employees and/or Designated Officers should endeavor to respect the rights of and deal fairly with Conart's customers, suppliers, competitors and employees. No employee or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practices.

To maintain Conart's valuable reputation, compliance with quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

No gift or entertainment should ever be offered, given, provided or accepted by any Company KMP's, Employees and/or Designated Officers and any family member of a KMP's, Employees and/or Designated Officers unless it (1) is not a cash gift, (2) is consistent with customary business practices, (3) is reasonable in value, (4) cannot be construed as bribe or payoff and (5) does not violate any laws, regulations or applicable policies of the Company. The KMP's, Employees and/or Designated Officers should discuss with his / her HoD's and/or Superior in case where any gifts or proposed gifts that are not certain or are appropriate.

### 6. Discrimination And Harassment:

The diversity of Conart's KMP's, Employees and/or Designated Officers is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment. The Company does not tolerate any illegal discrimination or harassment based on race, color, religion, sex, caste or any other protected class.





## **7. Environmental, Health And Safety (EHS):**

The Company strives to provide each employee and officer a safe and healthy work environment. Each employee and officer has the responsibility for maintaining a safe and healthy workplace for all employees and officers by following environmental, safety, and health laws, rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions. Any kind of violence and threatening behavior is not permitted at Conart.

## **8. Record-Keeping, Financial Controls And Disclosures:**

Conart requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions. All business expense accounts must be documented and recorded accurately and in a timely manner. If one is not sure whether a certain expense is legitimate, he/she should immediately ask his/her HoD or Supervisor.

All of Conart's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Conart's transactions, must be promptly disclosed, in accordance with applicable laws or regulations and must conform both to applicable requirements and to Conart's system of internal controls.

Business records and communications often become public and one should avoid exaggeration, derogatory, guesswork or inappropriate characterizations of people and Companies that may be misunderstood. This applies equally to e-mail, internal memo and formal reports. The Company's Records should always be retained or destroyed according to Conart's record retention policies.

## **9. Confidentiality:**

The KMP's, Employees and/or Designated Officers must maintain the confidentiality of proprietary information entrusted to them by the Company or its customers or suppliers, except when such disclosure is authorized in writing by the Board of Directors or required by any law or regulation in force. The proprietary information includes all non-public information that might be of use to competitors or harmful to Conart or its customers or suppliers, if disclosed or made public. It includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

## **10. Protection And Proper Use Of Company Assets:**

All employees and officers should protect Conart's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Conart's profitability. All Company's assets are to be used for the legitimate Company purposes. Any suspected incident of fraud or theft should be immediately reported for investigation to Company Management. The Company's assets should not be used for non-company business.

The obligation of KMP's, Employees and/or Designated Officers to protect Conart's assets includes Company's proprietary information. The proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Any unauthorized use or distribution of this information is a violation of Company Policy. Such violation could also be illegal and may result in civil or criminal penalties against such KMP's, Employees and/or Designated Officers.

## **11. Reporting any Illegal Or Unethical Behavior:**

The employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed behavior that they believe may be illegal or a violation of this Code of Conduct or Company's Policy or when in doubt about the best course of action in a particular situation. It is the policy of Conart not to allow any retaliation for reports made in good faith by employees of misconduct by others. The employees are expected to cooperate in internal investigations of misconduct.

## **12. Acknowledgement:**

All employees are expected to work to ensure prompt and constant compliance of this Code of Business Conduct of the Company. However, in some situation, it may be difficult to judge right or wrong conduct by an employee. In such cases, duty is cast on every employee to discuss the problem/situation with their superior. If any employee is uncomfortable discussing the problem/situation with their superior, one may approach Compliance Officer of the Company or directly to the Board of Directors of Conart, to report such an instance.

To help ensure compliance with this Code of Business Conduct, the Conart requires all KMP's, Employees, Designated Officers, Workers and Consultants, to review the Code of Business Conduct and acknowledge their understanding with the Code. Violation of any of the standards in this Code will be subject to disciplinary action, including possible dismissal of such a person. Furthermore, violation of this Code may also be termed as violation of the law of the land and may result in civil or criminal penalties against such persons.



## A. REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE 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 Board of Directors of Company has an optimum combination of Executive and Non-executive Directors to have a balanced Board Structure. The present strength of Board is Eight out of which five Directors are Non-executive. Out of the five Non-executive Director, four are Independent Directors. The Chairman of the Board of Directors of the Company is an Executive Director.

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                 | Attendance    |             | No. of Committees in which Chairman/Member (including CEL) | No. of Directorships in other Co. |
|--------------------------|------------------------------|--------------------------|---------------|-------------|--|-----------------------------------|
|                          |                              |                          | Board Meeting | AGM 30-9-13 |  |                                   |
| Mr. Jitendra S. Sura     | Chairman & Managing Director | Promoter Director        | 6             | Yes         | NONE   | Nil                               |
| Mr. Tejas V. Sura        | Jt. Managing Director        | Promoter Director        | 6             | Yes         | 1-Chairman   | Nil                               |
| Mr. Jimish J. Sura       | Executive Director           | Promoter Director        | 6             | Yes         | NONE   | Nil                               |
| Mr. Haresh V. Patel      | Non Executive Director       | Independent Director     | 3             | No          | 1  | Nil                               |
| Mr. Harshad B. Jhaveri   | Non Executive Director       | Independent Director     | 3             | No          | 2-Member   | 1                                 |
| Mr. Sevantilal P. Shah   | Non Executive Director       | Independent Director     | 4             | No          | NONE   | 1                                 |
| Mr. Pradip R. Sura       | Non Executive Director,      | Non-Independent Director | 6             | Yes         | 2-Member   | 1                                 |
| Mr. Chandrakant R. Patel | Non Executive Director       | Independent Director     | 5             | No          | 1-Chairman 1-Member  | 1                                 |

Mr. Jitendra S. Sura and Mr. Jimish J. Sura 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     | No. of Board Meeting Meeting Attended | No. of Audit Committee Meeting attended | No. of investors' grievance/Share transfer Committee Metting Attended | Amount(Rs.) |
|--------------------------|---------------------------------------|---|---|-------------|
| Mr. Haresh V. Patel      | 3                                     | 2                                       | N.A.  | 15,000.00   |
| Mr. Harshad B. Jhaveri   | 3                                     | 2                                       | 1   | 15,000.00   |
| Mr. Sevantilal P. Shah   | 4                                     | N.A.                                    | N.A.  | 20,000.00   |
| Mr. Pradip R. Sura       | 6                                     | 4                                       | 1   | 30,000.00   |
| Mr. Chandrakant R. Patel | 5                                     | 4                                       | N.A.  | 25,000.00   |

#### (C) DIRECTORS' SHARE HOLDING IN THE COMPANY

| Name of Director         | No. of Shares held on March 31, 2014 |
|--------------------------|--------------------------------------|
| Mr. Jitendra S. Sura     | 83,756                               |
| Mr. Tejas V. Sura        | 2,09,470                             |
| Mr. Pradip R. Sura       | 2,04,449                             |
| Mr. Harshad B. Jhaveri   | Nil                                  |
| Mr. Sevantilal P. Shah   | Nil                                  |
| Mr. Haresh V. Patel      | 300                                  |
| Mr. Chandrakant R. Patel | Nil                                  |
| Mr. Jimish Jitendra Sura | 1,21,121                             |

#### (D) BOARD MEETING(S) HELD DURING THE YEAR

During the financial year 2013-14 total Six Board Meetings were held on 16<sup>th</sup> April, 2013, 28<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 30<sup>th</sup> September, 2013, 13<sup>th</sup> November, 2013, and 30<sup>th</sup> January, 2014. The Maximum gap between any two meetings was not more than 4 Months.

#### (E) 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 31<sup>st</sup> March, 2014

Sd/-

**Jitendra S. Sura**

Chairman / Managing Director



### 3. AUDIT COMMITTEE

All the members of the Audit Committee are Non-Executive Directors. Out of which Two - Thirds of the members of audit committee are Independent Directors. T Chairman of the Audit Committee is an Independent director and was present at Annual General Meeting to answer shareholder queries. 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 2013-2014 are as follows:

| COMPOSITION              | CHAIRMAN/MEMBERS | NO. OF AUDIT COMMITTEE MEETING HELD DURING THE YEAR | NO. OF MEETING ATTENDED |
|--------------------------|------------------|---|-------------------------|
| Mr. Chandrakant R. Patel | Chairman         | 4   | 4                       |
| Mr. Pradip R. Sura       | Member           | 4   | 4                       |
| Mr. Haresh V. Patel      | Member           | 4   | 2                       |
| Mr. Harshad B. Jhaveri   | Member           | 4   | 2                       |

### 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 2013-14 are as follows:

| COMPOSITION            | CHAIRMAN/MEMBERS | NO. OF REMUNERATION COMMITTEE MEETING HELD DURING THE YEAR | NO. OF MEETING ATTENDED |
|------------------------|------------------|--|-------------------------|
| Mr. Haresh V. Patel    | Chairman         | 1  | 1                       |
| Mr. Sevantilal P. Shah | Member           | 1  | 1                       |
| Mr. Harshad B. Jhaveri | Member           | 1  | 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 2013-14 s as follows: -

| Executive Director   | Salary       | Perquisites & Allowances | Total        | Service contracts notice Period w.e.f. 30-10-2009 |
|----------------------|--------------|--------------------------|--------------|---|
| Mr. Jitendra S. Sura | 15,00,000.00 | 1,85,319.00              | 16,85,319.00 | 5 Years   |
| Mr. Tejas V. Sura    | 15,00,000.00 | 1,68,278.00              | 16,68,278.00 | 5 Years   |
| Mr. Jimish J. Sura   | 9,00,000.00  | 2,30,110.00              | 11,30,110.00 | 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' / INVESTORS' GRIEVANCE COMMITTEE:

The Company has a "Shareholders/ Investors Grievance Committee" to look into various issues relating to shareholders/Investors including transfer / transmission of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. Their attendances at the Shareholders' Investors' Grievances Committee Meeting held in the financial year 2013-2014 are as follows.

#### Details of Members of Shareholders/Investors Grievance Committee

| Name of the Director   | No. of Shareholders/Investors Grievance Committee meetings held during the Year | No. of Meetings attended |
|------------------------|---|--------------------------|
| Mr. Tejas V. Sura      | 1   | 1                        |
| Mr. Harshad B. Jhaveri | 1   | 1                        |
| Mr. Jitendra S. Sura   | 1   | 1                        |
| Mr. Pradip R. Sura     | 1   | 1                        |

Mr. Jimish J. Sura Executive Director is the Compliance Officer of the Company for this purpose whose email ID is celcs@conartengineers.com One investor complaint was received up to 31<sup>st</sup> March, 2014 and already resolved.

### 6. GENERAL BODY MEETINGS.

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

| Nature of Meeting                     | Date & Time                     | LOCATION   | DETAILS OF SPECIAL RESOLUTION  |
|---------------------------------------|---------------------------------|--|--|
| Thirty Seventh Annual General Meeting | 30th September 2011, 3.00 p.m.  | Aots Alumni Association of Western India, 3 <sup>rd</sup> Floor, India Printing House, G. D. Ambekar Marg , Wadala, Mumbai 400 031 | NONE   |
| Thirty Eight Annual General Meeting   | 21st September 2012, 12.00 noon | L.J. Business Centre, Behind Punjab National Bank N C Kelkar Road, Dadar (West), Mumbai 400 021                                    | Alteration in the Articles of Association for substituting Article 141 |
| Thirty Ninth Annual General Meeting   | 30th September 2013, 3.00 p.m.  | Aots Alumni Association of Western India, 3 <sup>rd</sup> 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.

### (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. |
|---------------------------------------|--|--|------------------------------|
| Pradip R. Sura (Director)             | Key Person Relative                            | Compensation for use Premises Paid           | 79,020.00                    |
| Tejas V. Sura (Jt. Managing Director) | Key Managerial Person                          | - Do -                                       | 79,020.00                    |
| Ramesh S. Sura HUF                    | -  | - Do -                                       | 65,322.00                    |
| Vinod S. Sura HUF                     | -  | - Do -                                       | 65,322.00                    |
| Jitendra S. Sura HUF                  | -  | - Do -                                       | 65,322.00                    |
| Jitendra S. Sura                      | -  | - Do -                                       | 15,000.00                    |
| Jimish J. Sura                        | -  | - Do -                                       | 1,27,920.00                  |
| Prachi N. Desai                       | Key Person Relative                            | - Do -                                       | 1,27,920.00                  |
| Pradip R. Sura HUF                    | Key Person Relative                            | - Do -                                       | 15,000.00                    |
| Shankarlal Sura Finance Corporation   | Directors are Partners                         | - Do -                                       | 1,03,425.00                  |
| Clue Realestate Marketing Ent. LLP    | LLP Where Company is a Partner                 | Loan   | 1,99,88,016.00               |
| Excon Agencies Pvt. Ltd.              | Co's where key persons relative are interested | Reimbursement exp for use of premises        | 1,13,047.00                  |
| Excon Agencies Pvt. Ltd.              | Co's where key persons relative are interested | Supply of Materials and Labour Contract Work | 1,82,964.00                  |
| Trishna Marble and Stone Industries   | Co's where Directors relative are interested   | Supply of Materials                          | 1,41,767.00                  |

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.

## 8. 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's results are displayed on website of BSE at [www.bseindia.com](http://www.bseindia.com). and are also displayed at the Company's website : [www.conartengineers.com](http://www.conartengineers.com).

The Management Discussion and Analysis forms part of this annual report.

## 9. GENERAL SHAREHOLDERS' INFORMATION

- AGM : Date, time and venue  
Friday, 26<sup>th</sup> September, 2014, 11.00 a.m. at Aots Alumni Association of Western India, 3rd Floor, India Printing House, G.D. Ambedkar Marg, Wadala, Mumbai - 400 031.MH.
- Financial Calendar (tentative)  
1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015  
i) First quarterly result : Last week of July 2014  
ii) Second quarterly result : Second week of November 2014  
iii) Third quarterly result : Last week of January 2015  
iv) Audited result in last week of May 2015 for the year ending 31<sup>st</sup> March ,2015
- Date of Book Closure  
Monday, 15<sup>th</sup> September 2014 to Friday, 26<sup>th</sup> September 2014 (both the days inclusive)
- Dividend Payment Date  
No dividend has been declared for the year 2013-2014
- Listing of Stock Exchange  
The share of the company is listed on Bombay stock exchange and the listing fees has been paid for the period ended 31<sup>st</sup> March, 2015.
- Stock Code  
Physical 522231 on Bombay stock exchange.
- Demat ISIN Number for NSDL And CDSL  
INE714D01012
- Market Price Data High / Low during each month end in the last financial year.  
Please see Annexure 'A'





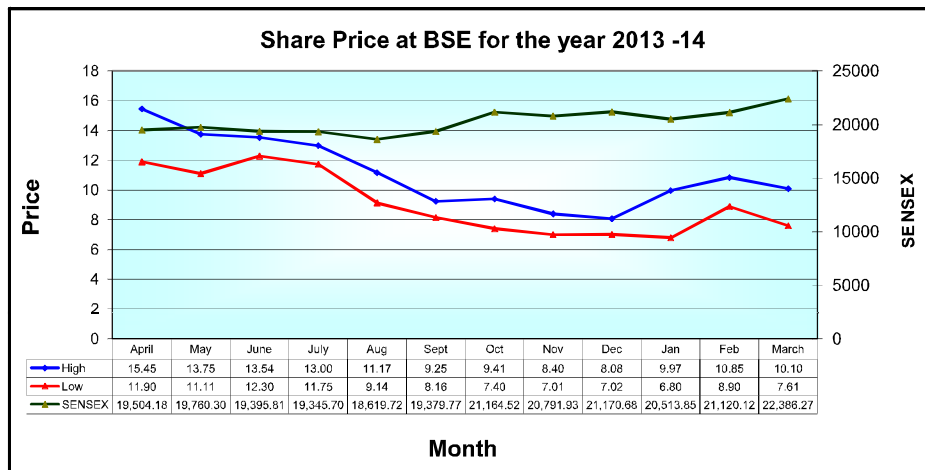
# Conart Engineers Limited<sup>®</sup>

- Distribution of shareholding Please see Annexure 'B'
- 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
- Shareholding Pattern Please see Annexure 'C'
- Dematerialisation of equity Shares 87.85% of the total paid up Equity shares issued by the company have been dematerialised upto 31<sup>st</sup> March, 2014
- Outstanding GDR Not issued
- Address for correspondence
  - (i) Regd. Office:** 17, Ground Floor, Jay Bharat Society Nr. Solanki Palace, 3rd Road, Old Khar, Khar West, Mumbai-400 052. Maharashtra, India,  
Email : mumbai@conartengineers.com  
Tel.: +91(22)26489621 / 09167237821
  - (ii) Branch Office:** 2nd Floor, Bombay Shopping Centre, R.C. Dutt Road, Vadodara-390007, Gujarat, India. Tel.: +91(265)2330946 / 7122  
Email.: celcs @conartengineers.com Website: www.conartengineers.com

## ANNEXURE "A"

High / Low Market Price of the Company's shares traded on The Stock Exchange, Mumbai during the year 2013-14 is furnished below:

| Month                        | High Price   | Low Price   | No. of Shares | BSE Sensex       |
|------------------------------|--------------|-------------|---------------|------------------|
| April                        | <b>15.45</b> | 11.90       | 3,682         | 19,504.18        |
| May                          | 13.75        | 11.11       | 10,987        | 19,760.30        |
| June                         | 13.54        | 12.30       | 8,268         | 19,395.81        |
| July                         | 13.00        | 11.75       | 488           | 19,345.70        |
| Aug                          | 11.17        | 9.14        | 4,712         | 18,619.72        |
| Sept                         | 9.25         | 8.16        | 10,855        | 19,379.77        |
| Oct                          | 9.41         | 7.40        | 3,556         | 21,164.52        |
| Nov                          | 8.40         | 7.01        | 1,455         | 20,791.93        |
| Dec                          | 8.08         | 7.02        | 5,848         | 21,170.68        |
| Jan                          | 9.97         | <b>6.80</b> | 5,062         | 20,513.85        |
| Feb                          | 10.85        | 8.90        | <b>24,040</b> | 21,120.12        |
| March                        | 10.10        | 7.61        | 8,592         | <b>22,386.27</b> |
|                              | <b>Total</b> |             | <b>87,545</b> |                  |
| <b>Average Shares Traded</b> |              |             | <b>7,295</b>  |                  |





## ANNEXURE "B"

Distribution of Shareholding as on 31/03/2014 :

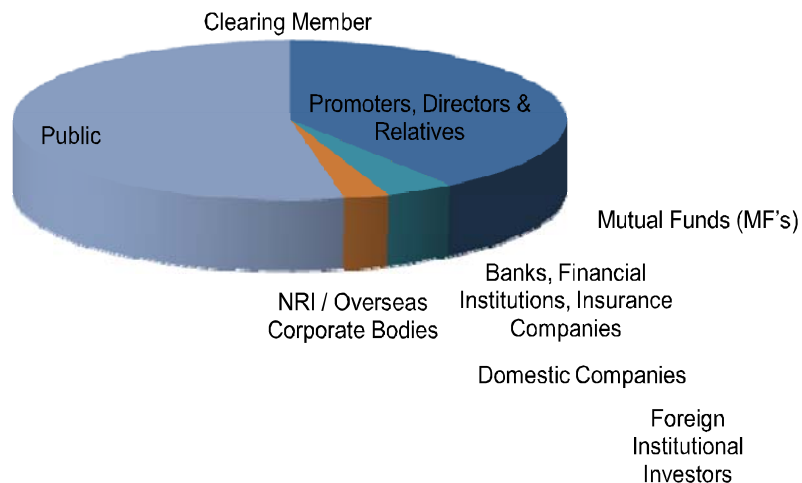
| No. of Equity Shares held | No. of Folios | % to Total Nos. | No. of Shares     | % to Total Capital |
|---------------------------|---------------|-----------------|-------------------|--------------------|
| Upto to 100               | 2,619         | 63.72           | 2,39,604          | 7.99               |
| 101 to 200                | 501           | 12.19           | 94,444            | 3.23               |
| 201 to 500                | 570           | 13.87           | 2,22,362          | 7.41               |
| 501 to 1000               | 224           | 5.45            | 1,89,516          | 6.32               |
| 1001 to 5000              | 146           | 3.55            | 3,27,995          | 10.93              |
| 5001 to 10000             | 23            | 0.51            | 1,64,081          | 5.47               |
| 10001 to 100000           | 24            | 0.58            | 9,11,554          | 30.39              |
| 100001 and above          | 5             | 0.12            | 8,50,444          | 28.35              |
| <b>Total</b>              | <b>4,162</b>  | <b>100.00</b>   | <b>3,00,00,00</b> | <b>100.00</b>      |

## ANNEXURE "C"

SHAREHOLDING PATTERN AS ON 31/03/2014

| Category of Shareholder   | No. of Shares held | Percentage to total (%) |
|---|--------------------|-------------------------|
| a. Promoters, Directors & Relatives                               | 12,06,515          | 40.217                  |
| b. Mutual Funds (MF's)  | 0                  | 0.00                    |
| c. Banks, Financial Institutions (FI's), Insurance Companies      | 200                | 0.07                    |
| d. Foreign Institutional Investors (FII's)                        | 0                  | 0.00                    |
| e. Domestic Companies   | 1,20,204           | 4.007                   |
| f. Non Resident Indians/ Overseas Corporate Bodies (NRI's /OCB's) | 78,310             | 2.610                   |
| g. Indian Public  | 15,94,771          | 53.16                   |
| h. Clearing Member  | 0                  | 0.00                    |
| <b>Total</b>  | <b>3,00,00,000</b> | <b>100.00</b>           |

### SHAREHOLDING PATTERN AS ON 31.03.2014





## 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 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the company's 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 Prasad & Co.**

Chartered Accountants

**Govind Prasad**

(Proprietor)

Place : Mumbai

Date : 29th May, 2014



## AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Conart Engineers Ltd. ('the Company') which comprise the Balance Sheet as on 31st March 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements given the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(ii) In the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and

(iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003 ('the Order') as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e. On the basis of written representation received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Govind Prasad & Co.**

Chartered Accountants

**Govind Prasad**

Proprietor

Membership No. 47948

Firm Registration No.114360W

Place: Mumbai

Date : 29<sup>th</sup> May, 2014



(Annexure to the Auditor's Report)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- (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 us, no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- (ii) **In respect of its Inventories:**
- (a) **As explained to us, inventories were physically verified during the year by the management at reasonable intervals.**
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us, the Company has granted interest bearing loan to 1 party covered in register u/s 301 aggregating to Rs. 1,99,88,016/-.
- (b) The terms and conditions of the loan is, in our opinion, prima facie not prejudicial to the interests of the company.
  - (c) The payment of principal amount by the party to whom loan was given by the company is regular as per the mutual understanding with the party.
  - (d) There is no overdue amount of such loan given to the aforesaid party.
  - (e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act and hence clause (iii) sub-clause (e), (f) and (g) of para 4 not applicable.
- (iv) **In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956;**
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - (b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 58A and 58AA of the Act.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209.
- (viii) According to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year outstanding for more than six months as at the last day of the financial year.
  - (b) The company does not have any disputed amount in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty etc.
- (ix) According to the information and explanations given to us, the company does not have accumulated losses exceeding 50% of its net worth at the end of the financial year. Further, the company has not incurred cash losses in the current year as well as in the immediate preceding financial year.
- (x) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xi) According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The nature of the Company's business/activities during the year is such that clauses (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended.
- (xiii) Since the company is also dealing in investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. Also the shares and other securities have been held by the company in its own name.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee to any banks for loans taken by others.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa, other than temporary deployment pending application.
- (xvii) The Company has not made any preferential allotment of shares during the year.
- (xviii) According to the information and explanations given to us, the company has not issued any debentures and hence clause xix is not applicable.
- (ixx) The Company has not raised any money by public issue during the year.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Govind Prasad & Co.**  
Chartered Accountants  
**Govind Prasad**  
Proprietor  
Membership No. 47948  
Firm Registration No.114360W



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

## BALANCE SHEET AS AT 31ST MARCH, 2014

| Particulars                          | Note No. |             | AS AT<br>31ST MARCH 2014<br>Rupees | AS AT<br>31ST MARCH 2013<br>Rupees |
|--------------------------------------|----------|-------------|------------------------------------|------------------------------------|
| <b>1 EQUITY AND LIABILITIES</b>      |          |             |                                    |                                    |
| <b>(I) SHAREHOLDER'S FUNDS</b>       |          |             |                                    |                                    |
| (a) Share Capital                    | 3        | 30,000,000  |                                    | 30,000,000                         |
| (b) Reserves and Surplus             | 4        | 103,979,668 | 133,979,668                        | 103,162,605                        |
| <b>(2) Non - Current liabilities</b> |          |             |                                    |                                    |
| (a) Long-term Borrowings             | 5        | 241,374     |                                    | 966,816                            |
| (b) Deferred tax liabilities (Net)   | 6        | 2,856,384   | 3,097,758                          | 2,297,705                          |
| <b>(3) Current liabilities</b>       |          |             |                                    |                                    |
| (a) Short-term borrowings            | 7        | 2,217,570   |                                    | 7,549,522                          |
| (b) Trade Payable                    | 8        | 12,164,872  |                                    | 31,673,525                         |
| (c) Other Current Liabilities        | 9        | 3,897,005   |                                    | 6,598,131                          |
| (d) Short term provisions            | 10       | 2,055,906   | 20,335,353                         | 2,644,157                          |
| <b>TOTAL</b>                         |          |             | <b>157,412,779</b>                 | <b>184,892,461</b>                 |
| <b>II ASSETS</b>                     |          |             |                                    |                                    |
| <b>I Non - Current Assets</b>        |          |             |                                    |                                    |
| (a) Fixed assets                     |          |             |                                    |                                    |
| i) Tangible assets                   | 11       | 47,589,814  |                                    | 51,846,105                         |
| ii) Intangible assets                | 12       | 32,891      |                                    | 51,743                             |
| (b) Non-current investment           | 13       | 2,215,474   |                                    | 2,940,467                          |
| (c) Long - term Loan and Advances    | 14       | 32,938,342  | 82,776,521                         | 36,311,544                         |
| <b>(2) Current Assets</b>            |          |             |                                    |                                    |
| (a) Current investments              | 15       | 11,659,205  |                                    | 0                                  |
| (b) Inventories                      | 16       | 6,804,962   |                                    | 12,117,896                         |
| (c) Trade Receivable                 | 17       | 35,423,964  |                                    | 72,379,705                         |
| (d) Cash and cash equivalents        | 18       | 19,181,649  |                                    | 6,931,954                          |
| (e) Short-term loans and advances    | 19       | 1,049,795   |                                    | 1,776,342                          |
| (f) Other current assets             | 20       | 516,683     | 74,636,258                         | 536,705                            |
| <b>Total</b>                         |          |             | <b>157,412,779</b>                 | <b>184,892,461</b>                 |

### Background

Significant Accounting Policies 1  
Notes to the financial statements 2

As per our report of even date

For and on behalf of the Board

For Govind Prasad & Co.  
Chartered Accountants

(Govind Prasad)  
Proprietor  
Membership No. 47948  
Firm Registration No. 114360W

Jitendra S. Sura  
Chairman & Managing Director

Jimish J. Sura  
Executive Director

Place : Mumbai  
Date : 29th May, 2014



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

## PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| Particulars  | Note No. | AS AT                     | AS AT                     |
|--|----------|---------------------------|---------------------------|
|  |          | 31ST MARCH 2014<br>Rupees | 31ST MARCH 2013<br>Rupees |
| <b>I INCOME</b>  |          |                           |                           |
| 1 Revenue from operations  | 21       | 84,152,653                | 244,599,689               |
| 2 Other Income   | 22       | 9,300,867                 | 5,986,996                 |
| <b>Total Revenue (I+II)</b>  |          | <b>93,453,520</b>         | <b>250,586,685</b>        |
| <b>II Expenses :</b>   |          |                           |                           |
| 3 Cost of Materials Consumed   | 23       | 22,799,217                | 116,914,008               |
| 4 Changes in inventories of finished goods work-in-progress                          | 24       | 4,541,378                 | 7,953,490                 |
| 5 Employee benefits expense  | 25       | 16,417,827                | 21,208,583                |
| 6 Finance costs  | 26       | 665,427                   | 2,111,645                 |
| 7 Depreciation and amortization exp  | 27       | 4,701,203                 | 4,695,779                 |
| 8 Other Expenses   | 28       | 42,737,725                | 101,424,610               |
| <b>Total Expenses</b>  |          | <b>91,862,777</b>         | <b>254,308,115</b>        |
| Profit before Tax  |          | 1,590,743                 | (3,721,430)               |
| Tax Expenses   |          |                           |                           |
| Current  |          | 215,000                   | 1,506,000                 |
| Deferred   |          | 558,679                   | (2,867,238)               |
| <b>Profit for the Year</b>   |          | <b>817,064</b>            | <b>(2,360,192)</b>        |
| Earning per equity share of face value of Rs.10/- each<br>Basic and diluted (in Rs.) |          | <b>0.27</b>               | <b>(0.79)</b>             |
| <b>Background</b>  | 1        |                           |                           |
| <b>Significant Accounting Policies</b>   | 2        |                           |                           |
| <b>Notes to the financial statements</b>   | 27 to 44 |                           |                           |

As per our report of even date

For and on behalf of the Board

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

**(Govind Prasad)**  
Proprietor  
Membership No. 47948  
Firm Registration No. 114360W

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

**Jimish J. Sura**  
Executive Director

Place : Mumbai  
Date : 29th May, 2014



## CASH FLOW STATEMENT

|  | Rupees            | 2014<br>Rupees      | Rupees           | 2013<br>Rupees     |
|--|-------------------|---------------------|------------------|--------------------|
| <b>A Cash Flow From Operating Activities</b>           |                   |                     |                  |                    |
| Net Profit/(Loss) Before Tax                           |                   | 1,590,743           |                  | (3,721,430)        |
| <b>Adjustment:</b>                                     |                   |                     |                  |                    |
| Depreciation   | 4,701,203         |                     | 4,695,779        |                    |
| Interest Charged                                       | 241,965           |                     | 1,576,043        |                    |
| Profit on Sale of Assets                               | 0                 |                     | (42,861)         |                    |
| Loss on Assets Sold & Discarded/Investment             | 9,805             |                     | 1,62,968         |                    |
| Provision for Decrease in Investment                   | (3,600)           |                     | 1,14,100         |                    |
| Provision for Doubtful Debts                           | 0                 |                     | 7,954,969        |                    |
| Asset written off                                      | 255,000           |                     | 0                |                    |
| Dividend Received                                      | (160,205)         |                     | (6,250)          |                    |
| Interest Received                                      | (2,892,936)       | 2,151,232           | (1,955,059)      | 12,499,689         |
| <b>Operating Profit Before Working Capital Charges</b> |                   | <b>3,741,975</b>    |                  | <b>8,778,259</b>   |
| <b>Adjustment:</b>                                     |                   |                     |                  |                    |
| Inventories  | 5,312,934         |                     | 14,935,471       |                    |
| Sundry Debtors   | 36,955,741        |                     | (4,396,720)      |                    |
| Loan & Advances  | 8,006,190         |                     | (1,637,193)      |                    |
| Trade Payable  | (22,870,225)      | 27,404,640          | (11,083,774)     | (2,182,216)        |
| Cash Generated From Operation                          |                   | <b>31,146,615</b>   |                  | <b>6,596,043</b>   |
| Interest Received                                      | 2,892,936         |                     | 1,955,059        |                    |
| Direct Taxes Paid                                      | (3,886,419)       |                     | (5,686,958)      |                    |
| Interest Charged                                       | (241,965)         | (1,235,448)         | (1,576,043)      | (5,307,942)        |
| Net Cash From Operating Activities                     |                   | <b>29,911,167</b>   |                  | <b>1,288,101</b>   |
| <b>B Net Cash From Operating Activities</b>            |                   |                     |                  |                    |
| <b>Cash Flow From Investing Activities</b>             |                   |                     |                  |                    |
| Purchase of Fixed Assets                               | (452,365)         |                     | (1,960,267)      |                    |
| Sale of Fixed Assets                                   | 16,500            |                     | 6,22,222         |                    |
| Sales of Investment                                    | 170,000           |                     | 0                |                    |
| Purchase of Investment                                 | (11,355,612)      |                     | (52,094)         |                    |
| Dividend Received                                      | 160,205           | (11,461,272)        | 6,250            | (1,383,889)        |
| Net Cash Used in Investing Activities                  |                   | <b>(11,461,272)</b> |                  | <b>(1,383,889)</b> |
| <b>C Cash Flow From Financing Activities</b>           |                   |                     |                  |                    |
| Loan Repaid  | (6,200,199)       |                     | 0                |                    |
| Loan Taken   | 0                 | (6,200,199)         | 2,395,268        | 2,395,268          |
| <b>TOTAL Of A+B+C</b>                                  |                   | <b>12,249,696</b>   |                  | <b>2,299,480</b>   |
| Cash and Cash Equivalents Opening                      | (6,931,954)       |                     | (4,632,474)      |                    |
| Cash and Cash Equivalents Closing                      | <b>19,181,650</b> | <b>12,249,696</b>   | <b>6,931,954</b> | <b>2,299,480</b>   |

### 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 2013 to 31st March 2014 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.

For **Govind Prasad & Co.**  
Chartered Accountants  
**Govind Prasad**  
Proprietor  
Membership No. 47948  
Firm Registration No.114360W

Place: Mumbai  
Date : 29<sup>th</sup> May, 2014





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

## NOTE FORMING PART OF BALANCE SHEET

AS AT  
31ST MARCH 2014  
Rupees

AS AT  
31ST MARCH 2013  
Rupees

### Notes to Accounts ..... "3"

#### (1) SHAREHOLDER'S FUNDS

##### (a) SHARE CAPITAL

##### AUTHORISED

30,00,000 Equity Shares of Rs.10/- each 30,000,000 30,000,000

##### ISSUED, SUBSCRIBED AND PAID UP:

30,00,000 Equity Shares of Rs.10/- each 30,000,000 30,000,000

##### a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Equity Shares of Rs.10/- each fully Paid-up

Shares Outstanding at the beginning of the year

Addition/ Deletion during the year

Shares Outstanding at the end of the year

| AS AT<br>31ST March 2014 |                   | AS AT<br>31ST March 2013 |                   |
|--------------------------|-------------------|--------------------------|-------------------|
| No.                      | Amount            | No.                      | Amount            |
| 3,000,000                | 30,000,000        | 3,000,000                | 30,000,000        |
| 0                        | 0                 | 0                        | 0                 |
| <b>3,000,000</b>         | <b>30,000,000</b> | <b>3,000,000</b>         | <b>30,000,000</b> |

##### b) Terms / rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Detail of Shareholders holding more than 5% shares:

Name of Shareholders

1) Tejas Vinod Sura

2) Pradip Ramesh Sura

3) Vinod S.Sura HUF

| AS AT<br>31ST March 2014 |   | AS AT<br>31ST March 2013 |        |
|--------------------------|---|--------------------------|--------|
| No. of Shares            | % | No. of Shares            | %      |
| 0                        | 0 | 209,470                  | 6.982% |
| 0                        | 0 | 204,449                  | 6.815% |
| 0                        | 0 | 202,400                  | 6.747% |

### Notes to Accounts ..... "4"

#### (b) RESERVES AND SURPLUS

##### CAPITAL RESERVE

|  |   |        |  |   |
|--|---|--------|--|---|
| Per last Balance Sheet                     | 0 | 82,633 |  |   |
| Less : Revaluation Assets W/OFF            | 0 | 0      |  |   |
| Less : Transfer to Profit and Loss Account | 0 | 82,633 |  |   |
|  |   | 0      |  | 0 |

##### SECURITY PREMIUM RESERVE

Per last Balance Sheet 14,000,000 14,000,000

##### SURPLUS

|                                      |            |                    |   |                    |
|--------------------------------------|------------|--------------------|---|--------------------|
| Balance in Profit and Loss Statement | 5,518,895  | 5,518,895          |   |                    |
| As per Last Balance Sheet            | 83,643,709 | 86,003,902         |   |                    |
| Add : Profit for the Year            | 817,064    | (2,360,192)        |   |                    |
| Add : Prior year Tax Adustment       | 0          | 89,979,668         | 0 | 89,162,605         |
|                                      |            | <b>103,979,668</b> |   | <b>103,162,605</b> |



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

|  | AS AT<br>31ST MARCH 2014<br>Rupees | AS AT<br>31ST MARCH 2013<br>Rupees |
|--|------------------------------------|------------------------------------|
|--|------------------------------------|------------------------------------|

## Notes to Accounts ..... "5"

### NON – CURRENT LIABILITIES

#### ( a ) LONG – TERM BORROWINGS

##### SECURED LOAN

|              |         |         |
|--------------|---------|---------|
| From Banks * | 241,374 | 966,816 |
|--------------|---------|---------|

##### \*H.P of Car , Vehicals Machinarys Pur

Repayment of term loans are:-on EMI basis

1) HDFC - Car GJ 06 FC 9952-5th of every month

## Notes to Accounts ..... "6"

|                                  |           |           |
|----------------------------------|-----------|-----------|
| ( b )DeferredTax Liability (Net) | 2,856,384 | 2,297,705 |
|----------------------------------|-----------|-----------|

### DETAILS OF DEFERD 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.558,679/-

Between net, deferred tax liabilities of Rs.2,856,384/- As on 31st March 2014

and on the deferred tax liabilities of Rs.2,297,705/- As on 31st March,2013

Deferred Tax Liability

|              |           |           |
|--------------|-----------|-----------|
| Depreciation | 5,510,704 | 5,066,800 |
| Total        | 5,510,704 | 5,066,800 |

Deferred Tax Assets

|                              |           |           |
|------------------------------|-----------|-----------|
| Employer Benefits            | 134,737   | 311,010   |
| Provision for Doubtful debts | 1,926,193 | 2,458,085 |
| MAT Credit Entitlement       | 214,204   | 0         |
| Unabsorbed Losses            | 379,187   | 0         |
| Total                        | 2,654,320 | 2,769,095 |
| Net Deferred Tax Liabilities | 2,856,384 | 2,297,705 |

### CURRENT LIABILITIES

## Notes to Accounts ..... "7"

#### (a) Short-term borrowings

|                                   |           |           |
|-----------------------------------|-----------|-----------|
| Cash credit From Bank of Baroda * | 2,217,570 | 7,549,522 |
|-----------------------------------|-----------|-----------|

\*C.C. from Bank is Secured by Hypothecation of Book debts.

Personal Guarantee of the following properties.

1) Residential property Spun Villa Plot No - 2 ,

Vadodara, belonging to Mr Jitendra Sura, MD , Conart Engg Ltd.

2) Office Premises No - 12 to 14 2nd floor Bombay

Shopping Centre Vadodara belonging to Mr Jimish Sura and Ms Prachi Desai

3) Residential flat No. 33 & 34 at Ankleshwar

belonging to the Conart Engineers Ltd.



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

AS AT  
31ST MARCH 2014  
Rupees

AS AT  
31 MARCH 2013  
Rupees

## Notes to Accounts ..... "8"

### ( b ) Trade Payable

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Trade Payable for material & labour | 11,236,755        | 27,937,936        |
| Others                              | 928,117           | 3,735,589         |
|                                     | <b>12,164,872</b> | <b>31,673,525</b> |

Refer Note 40

## Notes to Accounts ..... "9"

### ( c ) Other Current Liabilities

|   |                  |                  |
|---|------------------|------------------|
| Current Maturities of long-term debt: # | 381,426          | 524,231          |
| Due to Director                         | 1,745,495        | 1,216,473        |
| Other Liabilities                       | 1,770,084        | 3,687,942        |
| Advance from Customer                   | 0                | 1,169,485        |
|   | <b>3,897,005</b> | <b>6,598,131</b> |

### # Secured Loan (Baroda)

#### Short-Term Loan

|  |                |     |
|--|----------------|-----|
| 1) HDFC - Car GJ 06 FC 9952 - New Innova | 381,426        | Car |
|  | <b>381,426</b> |     |

## Notes to Accounts ..... "10"

### ( d ) Short – Term Provisions

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| Provision for Employee benefits | 337,813          | 523,190          |
| # Other                         | 1,718,093        | 2,120,967        |
|                                 | <b>2,055,906</b> | <b>2,644,157</b> |

## Notes to Accounts ..... "11"

### FIXED ASSETS

#### (I) Tangible Assets

| PARTICULARS                             | GROSS BLOCK                   |  |                              |                               | DEPRECIATION             |                             |                    | NET BLOCK                |                          |                          |
|---|-------------------------------|--|------------------------------|-------------------------------|--------------------------|-----------------------------|--------------------|--------------------------|--------------------------|--------------------------|
|   | Cost as on<br>01.04.13<br>Rs. | Additions<br>During the<br>Year<br>Rs. | Sale /<br>Adjustments<br>Rs. | Cost as on<br>31.03.14<br>Rs. | As on<br>01.04.13<br>Rs. | During the<br>Period<br>Rs. | Adjustments<br>Rs. | As on<br>31.03.14<br>Rs. | As on<br>31.03.14<br>Rs. | As on<br>31.03.13<br>Rs. |
| LAND (FREEHOLD)                         | 963,011                       | 0                                      | 0                            | 963,011                       | 0                        | 0                           | 0                  | 0                        | 963,011                  | 963,011                  |
| BUILDING                                | 5,221,460                     | 0                                      | 0                            | 5,221,460                     | 721,034                  | 174,397                     | 0                  | 895,431                  | 4,326,029                | 4,500,426                |
| PLANT AND MACHINERY                     | 6,17,14,266                   | 424,775                                | 0                            | 62,139,041                    | 25,706,936               | 3,008,286                   | 0                  | 28,715,222               | 33,423,819               | 36,007,330               |
| COMPUTER                                | 1,156,591                     | 16,281                                 | 0                            | 1,172,872                     | 825,996                  | 133,687                     | 0                  | 959,683                  | 213,189                  | 330,595                  |
| FURNITURE AND FIXTURE                   | 2,490,260                     | 0                                      | 0                            | 2,490,260                     | 1,261,290                | 102,535                     | 0                  | 1,363,825                | 1,126,435                | 1,228,970                |
| OFFICE EQUIPMENT<br>AND AIR CONDITIONER | 1,688,885                     | 11,309                                 | 197,878                      | 1,502,316                     | 925,016                  | 60,444                      | 171,573            | 813,887                  | 688,429                  | 763,868                  |
| VEHICLES                                | 12,792,180                    | 0                                      | 0                            | 12,792,180                    | 4,740,276                | 1,203,002                   | 0                  | 5,943,278                | 6,848,902                | 8,051,905                |
| <b>CURRENT YEAR</b>                     | <b>86,026,653</b>             | <b>452,365</b>                         | <b>197,878</b>               | <b>86,281,140</b>             | <b>34,180,548</b>        | <b>4,682,351</b>            | <b>171,573</b>     | <b>38,691,326</b>        | <b>47,589,814</b>        | <b>51,846,105</b>        |
| PREVIOUS YEAR                           | 85,856,743                    | 1,960,267                              | 1,790,357                    | 86,026,653                    | 30,469,016               | 4,759,560                   | 1,048,028          | 34,180,548               | 51,846,105               | 55,387,726               |

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

## Notes to Accounts ..... "12"

#### (II) Intangible Assets

| PARTICULARS         | GROSS BLOCK                   |  |                              |                               | DEPRECIATION             |                             |                    | NET BLOCK                |                          |                          |
|---------------------|-------------------------------|--|------------------------------|-------------------------------|--------------------------|-----------------------------|--------------------|--------------------------|--------------------------|--------------------------|
|                     | Cost as on<br>01.04.13<br>Rs. | Additions<br>During the<br>Year<br>Rs. | Sale /<br>Adjustments<br>Rs. | Cost as on<br>31.03.14<br>Rs. | As on<br>01.04.13<br>Rs. | During the<br>Period<br>Rs. | Adjustments<br>Rs. | As on<br>31.03.14<br>Rs. | As on<br>31.03.14<br>Rs. | As on<br>31.03.13<br>Rs. |
| COMPUTER – SOFTWARE | 118,604                       | 0                                      | 0                            | 118,604                       | 66,861                   | 18,852                      | 0                  | 85,713                   | 32,891                   | 51,743                   |
| <b>CURRENT YEAR</b> | <b>118,604</b>                | <b>0</b>                               | <b>0</b>                     | <b>118,604</b>                | <b>66,861</b>            | <b>18,852</b>               | <b>0</b>           | <b>85,713</b>            | <b>32,891</b>            | <b>51,743</b>            |
| PREVIOUS YEAR       | 118,604                       | 0                                      | 0                            | 118,604                       | 48,009                   | 18,852                      | 0                  | 66,861                   | 51,743                   | 70,595                   |
| <b>TOTAL</b>        | <b>86,145,257</b>             | <b>452,365</b>                         | <b>197,878</b>               | <b>86,399,744</b>             | <b>34,247,409</b>        | <b>4,701,203</b>            | <b>171,573</b>     | <b>38,777,039</b>        | <b>47,622,705</b>        | <b>51,897,848</b>        |
| <b>NET</b>          | <b>86,145,257</b>             | <b>452,365</b>                         | <b>197,878</b>               | <b>86,399,744</b>             | <b>34,247,409</b>        | <b>4,701,203</b>            | <b>171,573</b>     | <b>38,777,039</b>        | <b>47,622,705</b>        | <b>51,897,848</b>        |



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

|  | No. of<br>Shares  | Face<br>Value | AS AT<br>31ST MARCH 2014<br>Rupees | No. of<br>Shares | AS AT<br>31ST MARCH 2013<br>Rupees |
|--|-------------------|---------------|------------------------------------|------------------|------------------------------------|
| <b>Notes to Accounts ..... "13"</b>                                |                   |               |                                    |                  |                                    |
| <b>NON – CURRENT ASSETS</b>  |                   |               |                                    |                  |                                    |
| <b>( b ) NON-CURRENT INVESTMENTS</b>                               |                   |               |                                    |                  |                                    |
| <b>LONG TERM NON TRADE INVESTMENT</b>                              |                   |               |                                    |                  |                                    |
| <b>UNQUOTED</b>  |                   |               |                                    |                  |                                    |
| In Fully Paid-up Equity Shares of<br>The Saraswat Co-op. Bank Ltd. | 1,000             |               | 10,000                             | 1,000            | 10,000                             |
| Parekh Micro Electronics (India) Ltd.                              | 0                 |               | 0                                  | 17,000           | 4,25,000                           |
|  |                   |               | <b>10,000</b>                      | <b>18,000</b>    | <b>4,35,000</b>                    |
| <b>CURRENT NON-TRADE INVESTMENTS</b>                               |                   |               |                                    |                  |                                    |
| <b>QUOTED</b>  |                   |               |                                    |                  |                                    |
|  | <b>Fully Paid</b> |               |                                    |                  |                                    |
| In Fully Paid-up Equity Shares of<br>Kailash Ficom Ltd.            | 900               |               | 13,500                             | 900              | 13,500                             |
| Bubna Major Bio-tech Ltd.  | 12,000            |               | 9,600                              | 12,000           | 9,600                              |
| Nutech Organic Ltd.  | 2,500             |               | 2,500                              | 2,500            | 2,500                              |
| Pan Asia Industries Ltd.   | 1,800             |               | 1,800                              | 1,800            | 1,800                              |
| Sayaji Iron & Engineering Co. Ltd.                                 | 4,000             |               | 140,000                            | 4,000            | 140,000                            |
|  |                   |               | <b>167,400</b>                     |                  | <b>167,400</b>                     |
| Less: Provision for Diminution in Value of Investments (Net)       |                   |               | <b>(1,21,900)</b>                  |                  | <b>(1,21,500)</b>                  |
|  |                   |               | <b>45,500</b>                      |                  | <b>41,900</b>                      |
|  |                   |               | <b>55,500</b>                      |                  | <b>4,76,900</b>                    |
| <b>INVESTMENT IN PARTNERSHIP FIRM.</b>                             |                   |               |                                    |                  |                                    |
| <b>M/s Spun Conart Developers</b>                                  | <b>18.75 %</b>    |               | 2,039,974                          |                  | 2,343,567                          |
| ( Partners Details )   |                   |               |                                    |                  |                                    |
| 1) M/s Conart Engineers Ltd -                                      | 18.75 %           |               |                                    |                  |                                    |
| 2) The Spun pipe & Construction Co (Baroda)<br>Pvt Ltd -           | 50.00 %           |               |                                    |                  |                                    |
| 3) Geetaben Rohit Katakia -  | 18.75 %           |               |                                    |                  |                                    |
| 4) Virendra O Parekh -   | 12.50 %           |               |                                    |                  |                                    |
| <b>M/s Clue Real estate Marketing Enterprises</b>                  | <b>40%</b>        |               | 1,20,000                           |                  | 1,20,000                           |
| <b>( Partners Details )</b>  |                   |               |                                    |                  |                                    |
| 1) M/s Conart Engineers Ltd -                                      | 40.00 %           |               |                                    |                  |                                    |
| 2) Mr Virendra O Parekh -  | 10.00 %           |               |                                    |                  |                                    |
| 3) Mrs Neelam V Parekh -   | 10.00 %           |               |                                    |                  |                                    |
| 4) Mr Umesh K Patel -  | 25.00 %           |               |                                    |                  |                                    |
| 5) M/s Samarth Land Concepts pvt ltd-                              | 15.00 %           |               |                                    |                  |                                    |
| Note:  |                   |               | <b>22,15,474</b>                   |                  | <b>2,940,467</b>                   |

1. Aggregate amount of Market Value of quoted investment is Rs.45,500/- (P.Y. Rs.41,900/-)



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

|   | AS AT<br>31ST MARCH 2014<br>Rupees |                   | AS AT<br>31ST MARCH 2013<br>Rupees |                   |
|---|------------------------------------|-------------------|------------------------------------|-------------------|
| <b>Notes to Accounts ..... "14"</b>                                 |                                    |                   |                                    |                   |
| <b>( d ) Long-term Loan and Advances</b>                            |                                    |                   |                                    |                   |
| Clue Real estate Marketing Enterprises LLP – Loan #                 |                                    | 19,988,016        |                                    | 18,274,244        |
| Advance Tax & TDS & Net Of Provision                                |                                    | 8,645,443         |                                    | 15,628,187        |
| Deposits and Earnest Money  |                                    | 4,304,883         |                                    | 2,409,113         |
|   |                                    | <b>32,938,342</b> |                                    | <b>36,311,544</b> |
| <b>#Clue Real estate Marketing Enterprises LLP</b>                  |                                    |                   |                                    |                   |
| Loan to a LLP where company is partner                              |                                    |                   |                                    |                   |
| <b>( 2 ) CURRENT ASSETS</b>   |                                    |                   |                                    |                   |
| <b>Notes to Accounts ..... "15"</b>                                 |                                    |                   |                                    |                   |
| <b>( a ) Current Investments (i) IN Mutual Fund</b>                 |                                    |                   |                                    |                   |
| HDFC CMF - SAVING PLAN  | No. of Units                       | Amount            | No. of Units                       | Amount            |
| NAV as on 31st March 2014 Rs. 10.6364                               | 714615.677                         | 7,600,938         | 0                                  | 0                 |
| HDFC CMF - TAP  | 404552.359                         | 4,058,267         | 0                                  | 0                 |
| NAV as on 31st March 2014 Rs. 10.0315                               |                                    |                   |                                    |                   |
|   |                                    | <b>11,659,205</b> |                                    | <b>0</b>          |
| <b>Notes to Accounts ..... "16"</b>                                 |                                    |                   |                                    |                   |
| <b>( a ) Inventories</b>  |                                    |                   |                                    |                   |
| (As per inventory taken, valued and certified by the Director)      |                                    |                   |                                    |                   |
| Construction Materials  |                                    | 181,806           |                                    | 870,118           |
| Work-In-Progress  |                                    | 4,666,277         |                                    | 8,943,845         |
| Finished Goods/Stock (Including Stock of Completed Flats)           |                                    | 791,472           |                                    | 1,055,282         |
| Stock of Stores, Spares, Shuttering and Scaffolding                 |                                    | 1,165,407         |                                    | 1,248,651         |
|   |                                    | <b>6,804,962</b>  |                                    | <b>12,117,896</b> |
| <b>Notes to Accounts ..... "17"</b>                                 |                                    |                   |                                    |                   |
| <b>( b ) Trade Receivable</b>                                       |                                    |                   |                                    |                   |
| Unsecured, considered good  |                                    | 26,720,669        |                                    | 36,521,818        |
| # Debts exceeding six months  |                                    | 6,233,634         |                                    | 7,954,969         |
| Less : Provision for Bad Debts                                      |                                    | <b>20,487,035</b> |                                    | <b>28,566,849</b> |
| Others  |                                    | 14,936,929        |                                    | 43,812,856        |
|   |                                    | <b>35,423,964</b> |                                    | <b>72,379,705</b> |
| <b>Notes to Accounts ..... "18"</b>                                 |                                    |                   |                                    |                   |
| <b>( c ) Cash and Cash equivalents</b>                              |                                    |                   |                                    |                   |
| Balance with Scheduled Banks  |                                    | 6,862,499         |                                    | 4,910,115         |
| In Current Accounts   |                                    | 1,681,592         |                                    | 1,792,150         |
| In Margin Money Account   |                                    | 10,392,618        |                                    | 164,281           |
| In Fixed Deposit  |                                    | 244,940           |                                    | 65,408            |
| Cash on Hand  |                                    | <b>19,181,649</b> |                                    | <b>6,931,954</b>  |
| <b>Notes to Accounts ..... "19"</b>                                 |                                    |                   |                                    |                   |
| <b>( d ) Short Term-Loan and Advances</b>                           |                                    |                   |                                    |                   |
| (Unsecured, considered good)  |                                    |                   |                                    |                   |
| Advances recoverable in cash or in kind or for value to be received |                                    | 1,049,795         |                                    | 1,776,342         |
|   |                                    | <b>1,049,795</b>  |                                    | <b>1,776,342</b>  |



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

|   | AS AT<br>31ST MARCH 2014<br>Rupees | AS AT<br>31ST MARCH 2013<br>Rupees |
|---|------------------------------------|------------------------------------|
| <b>Notes to Accounts ..... "20"</b>                               |                                    |                                    |
| <b>( e ) Other Current Assets</b>                                 |                                    |                                    |
| Prepaid Expenses  | 516,683                            | 536,705                            |
|   | <b><u>516,683</u></b>              | <b><u>536,705</u></b>              |
| <b>Notes to Accounts ..... "21"</b>                               |                                    |                                    |
| <b>REVENUE FROM OPERATIONS</b>                                    |                                    |                                    |
| Sales and Services  | 80,427,653                         | 240,999,689                        |
| Consultancy Fees  | 3,725,000                          | 3,600,000                          |
|   | <b><u>84,152,653</u></b>           | <b><u>244,599,689</u></b>          |
| <b>Notes to Accounts ..... "22"</b>                               |                                    |                                    |
| <b>OTHER INCOME</b>   |                                    |                                    |
| Interest Received   | 2,892,936                          | 19,55,059                          |
| Dividend from Investment (Gross)                                  | 160,205                            | 6,250                              |
| Shares of Profit in Partnership Firms                             | 306,404                            | 307,841                            |
| Bad Debts Recovered   | 2,593,556                          | 0                                  |
| Other Income  | 3,347,766                          | 3,717,846                          |
| <b>TOTAL</b>  | <b><u>9,300,867</u></b>            | <b><u>5,986,996</u></b>            |
| <b>Notes to Accounts ..... "23"</b>                               |                                    |                                    |
| <b>MATERIALS CONSUMED</b>   |                                    |                                    |
| Total Material Purchase   | 22,110,905                         | 110,161,606                        |
| Add. Opening Stock of Raw Materials                               | 870,118                            | 7,622,520                          |
| Less :Closing Stock of Raw Materials                              | (181,806)                          | (870,118)                          |
| <b>NET MATERIALS CONSUMED</b>                                     | <b><u>22,799,217</u></b>           | <b><u>0</u></b>                    |
| <b>Notes to Accounts ..... "24"</b>                               |                                    |                                    |
| <b>INCREASE/(DECREASE) IN WORK-IN-PROGRESS AND FINISHED GOODS</b> |                                    |                                    |
| Closing Stock of Work-in-Progress                                 | 4,666,277                          | 8,943,845                          |
| Closing Stock of Finished Goods                                   | 791,472                            | 1,055,282                          |
| Less : Opening Stock of Work-in-Progress                          | 8,943,845                          | 16,897,335                         |
| Less : Opening Stock of Finished Goods                            | 1,055,282                          | 1,055,282                          |
| <b>TOTAL</b>  | <b><u>4,541,378</u></b>            | <b><u>7,953,490</u></b>            |
| <b>Notes to Accounts ..... "25"</b>                               |                                    |                                    |
| <b>Employee benefits expense</b>                                  |                                    |                                    |
| Salaries, Wages, Bonus & Commission                               | 12,989,739                         | 17,069,816                         |
| Contribution to Provident & Other Funds                           | 1,951,268                          | 2,264,860                          |
| Staff Welfare Expenses  | 1,476,820                          | 1,873,907                          |
| <b>TOTAL</b>  | <b><u>16,417,827</u></b>           | <b><u>21,208,583</u></b>           |
| <b>Notes to Accounts ..... "26"</b>                               |                                    |                                    |
| <b>FINANCE COST</b>   |                                    |                                    |
| Interest on Fixed Loans   | 97,031                             | 315,580                            |
| Interest on other Loans   | 144,934                            | 1,260,463                          |
| Bank Commission Charges   | 159,248                            | 92,591                             |
| Bank Guarantee Commission   | 264,214                            | 443,011                            |
| <b>TOTAL</b>  | <b><u>665,427</u></b>              | <b><u>2,111,645</u></b>            |
| <b>Notes to Accounts ..... "27"</b>                               |                                    |                                    |
| <b>Depreciation and amortization exp</b>                          |                                    |                                    |
| i) Tangible assets  | 4,682,351                          | 4,759,560                          |
| ii) Intangible assets   | 18,852                             | 18,852                             |
|   | <b><u>4,701,203</u></b>            | <b><u>4,778,412</u></b>            |



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

|  | AS AT<br>31ST MARCH 2014<br>Rupees | AS AT<br>31ST MARCH 2013<br>Rupees |
|--|------------------------------------|------------------------------------|
| <b>Notes to Accounts ..... "28"</b>      |                                    |                                    |
| <b>Other Expenses</b>                    |                                    |                                    |
| <b>1) MANUFACTURING EXPENSES</b>         |                                    |                                    |
| Stores, Spares, Shuttering Consumed      | 850,578                            | 2,854,032                          |
| Contract Labour Payments                 | 16,528,416                         | 42,824,884                         |
| Coolie, Cartage, Transportation          | 249,522                            | 341,763                            |
| Machinery Hire Charges                   | 228,060                            | 2,022,990                          |
| Equipment Contract Payment               | 9,342,591                          | 21,129,489                         |
| Repairs & Maintenance to Machinery       | 455,185                            | 1,257,839                          |
| Site Expenses                            | 2,366,603                          | 4,684,019                          |
| Gas and Fuel                             | <u>1,119,080</u>                   | <u>2,313,198</u>                   |
|  | <b><u>31,140,035</u></b>           | <b><u>77,428,214</u></b>           |
| <b>2) ADMINISTRATION AND SELLING EXP</b> |                                    |                                    |
| Rent, Rates and Taxes                    | 1,290,409                          | 1,807,807                          |
| Travelling and Conveyance                | 740,964                            | 863,091                            |
| Compensation for use of Premises         | 927,639                            | 1,823,708                          |
| Insurance Premium                        | <u>871,767</u>                     | <u>1,386,028</u>                   |
|  | <b><u>3,830,779</u></b>            | <b><u>5,880,634</u></b>            |
| Payment to Auditors for:                 |                                    |                                    |
| Audit Fees                               | 60,000                             | 60,000                             |
| Audit Fees - Income Tax Matters          | 45,000                             | 0                                  |
| Company Law Matters                      | 4,000                              | 4,000                              |
| Tax Audit                                | 40,000                             | 40,000                             |
| Out of Pocket Expenses                   | 22,400                             | 21,554                             |
| Sub-Total                                | <u>171,400</u>                     | <u>125,554</u>                     |
| Repairs to Other Assets                  | 856,367                            | 397,861                            |
| Miscellaneous Expenses                   | 644,504                            | 1,130,783                          |
| Loss on Assets Sold & Discarded          | 9,805                              | 162,968                            |
| Loss on Sales of Investment              | 255,000                            | 0                                  |
| Provision for Bad debts                  | 0                                  | 7,954,969                          |
| Bad Debts                                | 361,206                            | 2,889,873                          |
| Liquidated Damages                       | 700,000                            | 0                                  |
| Professional and Consulting Fees         | 2,321,386                          | 2,123,216                          |
| Postage, Telephone and Telex             | 384,126                            | 538,951                            |
| Printing and Stationery                  | 192,488                            | 290,206                            |
| Electricity Charges                      | 265,153                            | 295,943                            |
| Business Promotion Exp                   | 128,705                            | 275,614                            |
| Motor Vehicle Expenses                   | <u>1,476,771</u>                   | <u>1,929,824</u>                   |
|  | <b><u>7,595,511</u></b>            | <b><u>17,990,208</u></b>           |
| <b>TOTAL</b>                             | <b><u>42,737,725</u></b>           | <b><u>101,424,610</u></b>          |

## Notes to Accounts ..... "1"

### BACKGROUND

Conart Engineers Limited is a listed company and is engaged providing full range of General Contracting and Project Management Services for Industrial, Commercial, and residential Construction projects. We service to sectors like Heavy Machinery, Pharmaceuticals, Chemicals, Textiles, and Educational. Our experience has been Four decades long. Majority of our projects are awarded from Private Sectors clients and are based on At-Risk Contracting.

## Notes to Accounts ..... "2"

### SIGNIFICANT ACCOUNTING POLICIES

#### a. 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.

#### b. 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.



- c. 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.
- d. 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.
- e. INVENTORIES**
- 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.
  - Work in progress at initial stages is valued at cost.
  - 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.
  - Construction material at site have been valued, at lower of the cost and net realizable value.
  - Stock of raw materials is valued at cost or net realizable value, whichever is lower.
  - Finished goods are valued at cost or market value, whichever is lower.
- f. INVESTMENT**
- Long term investment are stated at cost However, provision for diminution has been made if, such diminution is permanent in nature.
  - Current investments are stated at lower of cost and fair value.
- g. CONTRACT RECEIPTS /REVENUE RECOGNITION**
- In respect of contracts executed, the company accounts for income to the extent of work completed, on the basis of invoices certified. Uncertified contract receipts are determined on technical estimates.
  - Material supplied by the clients in accordance with the terms of contract is not taken into account as contract receipts.
  - Prices escalations /de-escalations are accounted as and when Certified.
  - Other income is recognized on accrual basis.
- h. 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.
- i. 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.
- j. 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.
- K. 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.
- l. 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.
- m. 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.

**Notes to Accounts ..... "29"**

**1. CONTINGENT LIABILITIES**

Guarantee given to the Bank Rs.1,11,46,952/-(Previous year Rs..1,89,13,000/-)

**Notes to Accounts ..... "30"**

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

**Notes to Accounts ..... "31"**

**3. AUDITORS REMUNERATION**

|                                 | As on 31/03/14<br>(Rupees) | As on 31/03/13<br>(Rupees) |
|---------------------------------|----------------------------|----------------------------|
| Audit fees                      | 60,000.00                  | 60,000.00                  |
| Audit Fees - Income Tax Matters | 45,000.00                  | 0.00                       |
| Tax audit fees                  | 40,000.00                  | 40,000.00                  |
| Co. Law Matter                  | 4,000.00                   | 4,000.00                   |
| Out of Pocket Expenses          | 22,400.00                  | 21,554.00                  |
| Service Tax                     | 18,416.00                  | 12,854.00                  |
| Total                           | <b>1,89,816.00</b>         | <b>1,38,408.00</b>         |





## Notes to Accounts ..... "32"

### 4. MANAGERIAL REMUNERATION

|                                     |  |
|-------------------------------------|--|
| Salary and Commission               |  |
| Contribution to superannuation fund |  |
| Perquisites and benefit             |  |
| Total                               |  |

| As on 31/03/14<br>(Rupees) | As on 31/03/13<br>(Rupees) |
|----------------------------|----------------------------|
| 39,00,000.00               | 39,00,000.00               |
| 10,53,000.00               | 10,53,000.00               |
| 5,83,707.00                | 4,16,117.00                |
| <b>55,36,707.00</b>        | <b>53,69,117.00</b>        |

As employee-wise break-up of contribution to group gratuity scheme is not ascertainable, the amounts related to the individual Director have 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 |  |
| Add: Directors' Remuneration                              |  |
| Depreciation  |  |
| Loss on sale of Assets (Net)                              |  |

| As on 31/03/14<br>(Rupees) | As on 31/03/13<br>(Rupees) |
|----------------------------|----------------------------|
| 15,90,748.00               | -37,21,430.00              |
| 44,83,707.00               | 43,16,117.00               |
| 47,01,203.00               | 46,95,779.00               |
| 9,805.00                   | 1,62,968.00                |
| <b>1,07,85,463.00</b>      | <b>54,53,434.00</b>        |
| 47,66,491.00               | 46,95,779.00               |
| 0.00                       | 42861.00                   |
| <b>60,18,972.00</b>        | <b>8,00,616.00</b>         |

|   |  |
|---|--|
| Less: Depreciation Under Section 350          |  |
| Add/ (Less) : Profit/(Loss) on sale of assets |  |
| Net Profit / (Loss) u/s. 198 and 309          |  |

## Notes to Accounts ..... "33"

### EXPENDITURE IN FOREIGN CURRENCY

Traveling expense

NIL NIL

## Notes to Accounts ..... "34"

Earning in foreign Currency :

NIL NIL

## Notes to Accounts ..... "35"

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

## Notes to Accounts ..... "36"

### Name and Nature of Transaction with related parties: 2013-2014

Name of Related Parties & Nature of Transaction Value of Transaction

| Name of Person                        | Relationship                                   | Nature of Transaction                 | Volume of Transaction in Rs. |
|---------------------------------------|--|---------------------------------------|------------------------------|
| Pradip R. Sura (Director)             | Key Person Relative                            | Compensation for use Premises Paid    | 79,020.00                    |
| Tejas V. Sura (Jt. Managing Director) | Key Managerial Person                          | - Do -                                | 79,020.00                    |
| Ramesh S. Sura HUF                    | -  | - Do -                                | 65,322.00                    |
| Vinod S. Sura HUF                     | -  | - Do -                                | 65,322.00                    |
| Jitendra S. Sura HUF                  | -  | - Do -                                | 65,322.00                    |
| Jitendra S. Sura                      | -  | - Do -                                | 15,000.00                    |
| Jimish J. Sura                        | -  | - Do -                                | 1,27,920.00                  |
| Prachi N. Desai                       | Key Person Relative                            | - Do -                                | 1,27,920.00                  |
| Pradip R. Sura HUF                    | Key Person Relative                            | - Do -                                | 15,000.00                    |
| Shankarlal Sura Finance Corporation   | Directors are Partner                          | - Do -                                | 1,03,425.00                  |
| Clue Realestate Marketing Ent. LLP    | LLP Where Company is a Partner                 | Loan                                  | 1,99,88,016.00               |
| Excon Agencies Pvt. Ltd.              | Co's where key persons relative are interested | Reimbursement exp for use of Premises | 1,13,047.00                  |
| Excon Agencies Pvt. Ltd.              | Co's where key persons relative are interested | Supply of Materials & Labour          | 1,82,964.00                  |
| Trishna Marble and Stone Industries   | Co's where Director relatives are intersted    | Contract Work                         |                              |
|                                       |  | Supply of Materials                   | 1,41,767.00                  |

## Notes to Accounts ..... "37"

### 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:

|   |  |
|---|--|
| Profit after taxation after extra ordinary items                        |  |
| Profit after taxation before extra ordinary items                       |  |
| Weighted average no. of shares  |  |
| Earning per share Basic and Diluted (After extra in Rs. Ordinary items) |  |
| Earning per share before extra ordinary items Basic and Diluted         |  |

| As on 31/03/14<br>(Rupees) | As on 31/03/13<br>(Rupees) |
|----------------------------|----------------------------|
| 8,17,064.00                | -23,60,192.00              |
| 8,17,064.00                | -23,60,192.00              |
| 30,00,000.00               | 30,00,000.00               |
| 0.27                       | -0.79                      |
| 0.27                       | -0.79                      |

## Notes to Accounts ..... "38"

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.

## Notes to Accounts ..... "39"

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.



## Notes to Accounts ..... "40"

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.

## Notes to Accounts ..... "41"

In accordance with Accounting Standard (AS) 15 - "Employee Benefits" an amount of Rs.4.05 Lac (Previous Year Rs.6.04 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:

|   |   |                |                |
|---|---|----------------|----------------|
| a | Assumption As On  | 31/03/2014     | 31/03/2013     |
|   | Discount Rate   | 8.00%          | 8.00%          |
|   | Salary Escalation   | 4.00%          | 4.00%          |
| b | Table Showing changes in present value of obligation As on                                |                |                |
|   | Present value of obligations as at beginning of year                                      | 4289162        | 4864889        |
|   | Interest cost   | 343133         | 389191         |
|   | Current Service Cost  | 208786         | 256812         |
|   | Benefits Paid   | (1946079)      | (1777543)      |
|   | Actuarial (gain)/loss on obligations  | 434070         | 555813         |
|   | Present value of obligations as at end of year  | <b>3329072</b> | <b>4289162</b> |
| c | Table Showing changes in the fair value of plan assets As on                              |                |                |
|   | Fair value of plant assets at beginning of year   | 4515921        | 5351819        |
|   | Expected return on plan assets  | 334449         | 461309         |
|   | Contributions   | 386118         | 480336         |
|   | Benefits Paid   | (1946079)      | (1777543)      |
|   | Actuarial (gain)/loss on Plan assets  | NIL            | NIL            |
|   | Fair value of plant assets at end of year   | 3290409        | 4515921        |
| d | Table Showing changes in the fair value of plan assets                                    |                |                |
|   | Fair value of plant assets at beginning of year   | 4515921        | 5351819        |
|   | Actual return of plan assets  | 334449         | 461309         |
|   | Contributions   | 386118         | 480336         |
|   | Benefits Paid   | (1946079)      | (1777543)      |
|   | Fair value of plant assets at end of year   | 3290409        | 4515921        |
|   | Funded status   | (38663)        | 226759         |
|   | Excess of Actual over estimated return on plan assets NIL                                 |                |                |
|   | (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March) | NIL            | NIL            |
| e | Actuarial Gain/Loss recognized  | (434070)       | (555813)       |
|   | Actuarial Gain/Loss on obligations  | NIL            | NIL            |
|   | Actuarial Gain/Loss on obligations  | 434070         | 555813         |
|   | Actuarial Gain/Loss recognized in the year  | 434070         | 555813         |
| f | 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  | <b>3329072</b> | <b>4289162</b> |
|   | Fair value of plant assets at end of year   | 3290409        | 4515921        |
|   | Funded status   | (38663)        | 226759         |
|   | Net asset/liability recognized in the year  | (38663)        | 226759         |
| g | Expenses Recognized in statement of Profit and loss                                       |                |                |
|   | Current Service Cost  | 208786         | 256812         |
|   | Interest cost   | 343133         | 389191         |
|   | Expected return on plan assets  | (334449)       | (461309)       |
|   | Net Actuarial Gain/Loss recognized in the year  | 434070         | 555813         |
|   | Expenses Recognized in statement of Profit and loss                                       | 651540         | 740507         |

## Notes to Accounts ..... "42"

Current taxation (Net of Provision) represents as under :

|                               |                     |                       |
|-------------------------------|---------------------|-----------------------|
| Current tax including Tds     | 1,32,07,043.00      | 3,15,42,287.00        |
| Less: Provision for taxation  | 45,61,600.00        | 1,59,14,100.00        |
| Adv Tax Paid Net of Provision | <u>86,45,443.00</u> | <u>1,56,28,187.00</u> |

## Notes to Accounts ..... "43"

Figures have been rounded off to the nearest rupee.

## Notes to Accounts ..... "44"

Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For Govind Prasad & Co.

Chartered Accountants

(Govind Prasad)

Proprietor

Membership No. 47948

Firm Registration No. 114360W

Jitendra S. Sura

Chairman & Managing Director

Jimish J. Sura

Executive Director

Place : Mumbai

Date : 29th May, 2014



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

**Registered Office:** 17, Ground Floor, Jay Bharat Society Nr. Solanki Palace, 3rd Road Old Khar, Khar West, Mumbai-400 052. Maharashtra, India, Email : mumbai@conartengineers.com Tel.: +91(22)26489621, CIN : L45200MH1973PLC017072

**Branch Office :** Bombay Shopping Centre, 2nd Floor, R. C. Dutt Road, Vadodara - 390 005 Gujrat , India. Tel.: +91(265)2330946 / 7122 Email.: celcs @conartengineers.com Website: www.conartengineers.com

## ATTENDANCE SLIP

### 40th 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<br>(in block Letters )  | Regd. Folio/Client ID No. | No. of Shares held |
|--|---------------------------|--------------------|
|  |                           |                    |
| <p>I/We hereby record my/our presence at the 40th Annual General Meeting of the Company held at Atos Alumni Association of Western India, 301-A, 3 rd Fl. India Printing House, 42, G.D. Ambekar Marg, Wadala, Mumbai 400 031 Friday, 26<sup>th</sup> September 2014 at 11.00 AM</p> |                           |                    |
| <p>_____</p> <p>Signature of the Member(s)</p>   |                           |                    |

Notes :

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

**Registered Office:** 17, Ground Floor, Jay Bharat Society Nr. Solanki Palace, 3rd Road Old Khar, Khar West, Mumbai-400 052. Maharashtra, India, Email : mumbai@conartengineers.com Tel.: +91(22)26489621, CIN : L45200MH1973PLC017072

**Branch Office :** Bombay Shopping Centre, 2nd Floor, R. C. Dutt Road, Vadodara - 390 005 Gujrat , India. Tel.: +91(265)2330946 / 7122 Email.: celcs @conartengineers.com Website: www.conartengineers.com

## FORM OF PROXY 40th ANNUAL GENERAL MEETING

|                           |   |  |
|---------------------------|---|--|
| Registered Foilo No.      | : |  |
| DP ID No. / Client ID No. | : |  |
| Name                      | : |  |
| Email ID                  | : |  |

I/We, being the members(s) of holding \_\_\_\_\_ Shares of Conart Engineers Limited, hereby appoint :

1. Name :

Address :

Email ID :

Signature : \_\_\_\_\_ or failling him / her

2. Name :

Address :

Email ID :

Signature : \_\_\_\_\_ or failling him / her

3. Name :

Address :

Email ID :

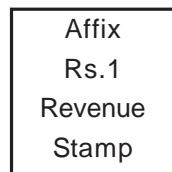
Signature : \_\_\_\_\_ or failling him / her

as my / our proxy to vote for me/us or my /our behalf at the 40th Annual General Meeting of the company to be held on Friday, 26th September, 2014 at Atos Alumni Association of Western India, 301-A, 3 rd Fl. India Printing House, 42, G.D. Ambekar Marg, Wadala, Mumbai 400 031. at 11.00 a.m. or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of the Shareholder (s) : \_\_\_\_\_

Signature of the Proxy Holder (s) : \_\_\_\_\_



Note : This form in order to effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.



If Undelivered, please return to,



**CONART ENGINEERS LIMITED<sup>®</sup>**

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