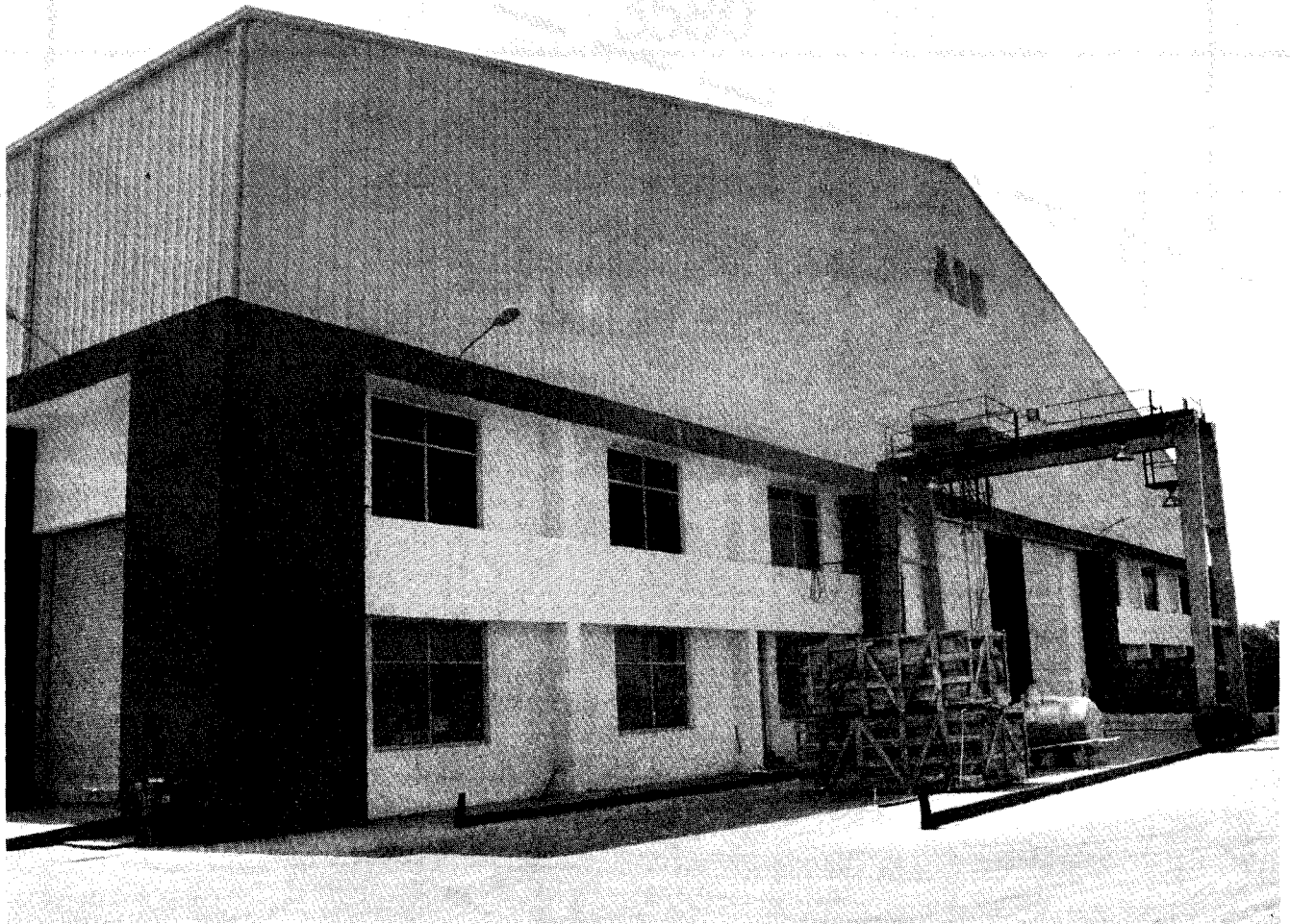




# Conart Engineers Limited<sup>®</sup>

where construction engineering becomes an art





## BOARD OF DIRECTORS

**MR. JITENDRAS S. SURA**  
CHAIRMAN &  
MANAGING DIRECTOR

**MR. TEJAS V. SURA**  
JT. MANAGING DIRECTOR

**MR. HARSHAD B. JHAVERI**  
INDEPENDENT DIRECTOR

**MR. HARESH V. PATEL**  
INDEPENDENT DIRECTOR

**MR. SEVANTILAL P. SHAH**  
INDEPENDENT DIRECTOR

**MR. PRADIP R. SURA**  
INDEPENDENT DIRECTOR

## AUDITORS

**GOVIND PRASAD & CO.**  
Chartered Accountants

## REGISTERED OFFICE

35, Manoj Udyog,  
40/A G.D. Ambekar Marg,  
Wadala, Mumbai - 400 031.  
Tel. : 2414 8503 / 09

## REGISTRAR & TRANSFER AGENT

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

## BANKERS

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

## BRANCH OFFICE

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

## CONTENTS

## PAGE NO.

• Notice	2
• Directors' Report	3-4
• Auditors' Report	5-7
• Balance Sheet	8
• Profit & Loss Account	9
• Schedules & Notes to Accounts	10-17
• Cash Flow Statement	18-19
• Management Discussion and Analysis	19
• Corporate Governance Report	20-23
• Auditor's Certificate on Corporate Governance	24



# Conart Engineers Limited®

## NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of **CONART ENGINEERS LIMITED** will be held on Friday 25<sup>th</sup> September 2009 at 3.00 P.M. at AOTS ALUMINI ASSOCIATION OF WESTERN INDIA, 3<sup>rd</sup> floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai 400 031 to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Haresh V. Patel who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Mr. Sevantilal P. Shah who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint M/s. Govind Prasad & Co., Chartered Accountants as the Auditors of the Company who is retiring at the ensuing Annual General Meeting and is eligible for reappointment has offer himself for reappointment and fix his remuneration.

By order of the Board of Directors

For **CONART ENGINEERS LIMITED**

(Mr. Jitendra S. Sura)

Chairman / Managing Director

Place: Mumbai

Date: 27<sup>th</sup> June 2009

### Registered Office:

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

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED TO BE A MEMBER. INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of Members and the Share Transfer Books of the Company will remain closed from 18<sup>th</sup> September, 2009 to 25<sup>th</sup> September, 2009 (Both Days Inclusive)
3. Members are requested to notify immediately about any change of address with PIN CODE to their Depository Participants (DPs) in respect of their Demated Shares and to the Company in respect of their Physical Share Certificates.
4. Shareholders are advised to convert their shares into the dematerialised form if they have not converted them so far.
5. Members / Proxies should bring the attendance slip, duly filled in for the attending the meeting.
6. Consequent upon the amendment of Section 205(A) of the Companies Act and the introduction of Section 205(C) by the Companies (Amendment) Act, 1999 the amount of dividend from year 1997-98 remaining unpaid or unclaimed for a period of Seven years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to the Investor Education and Protection Fund (the fund) set up by the Government of India and no payments shall be made in respect of any such claims by the fund.

By order of the Board of Directors

For **CONART ENGINEERS LIMITED**

(Mr. Jitendra S. Sura)

Chairman / Managing Director

Place: Mumbai

Date: 27<sup>th</sup> June 2009

### Registered Office:

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



## DIRECTORS' REPORT

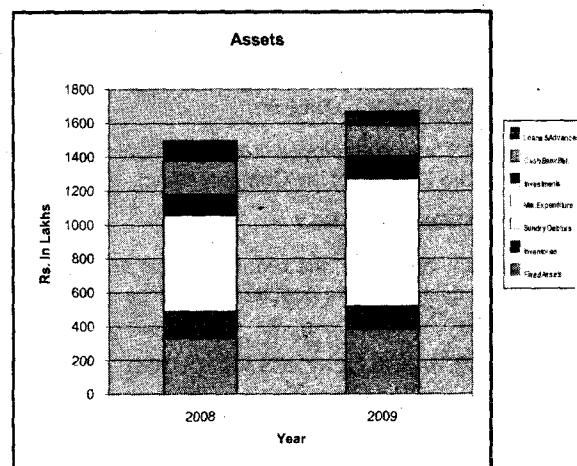
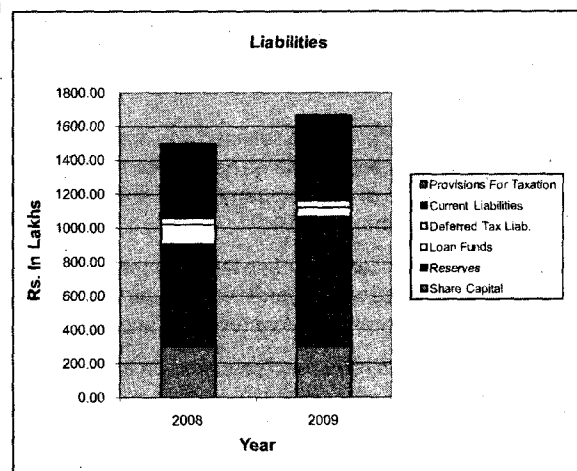
### TO THE MEMBERS OF CONART ENGINEERS LIMITED

The Directors have pleasure in presenting their Thirty-Fifth Annual Report and the Audited Statement of Accounts for the Financial year ended March 31 2009.

### FINANCIAL REVIEW

(Rupees In Lacs)

	<u>2008-09</u>	<u>2007-08</u>
Gross revenue	2847.81	2548.49
Total expenditure	2608.56	2332.28
Operating Profit	239.25	216.21
Other Income	45.32	38.29
Profit Before Interest and Depreciation	284.57	254.50
Interest	10.87	16.00
Depreciation	29.77	26.74
Profit Before Tax	243.93	211.74
Provision for Taxation		
(a) Current	(78.10)	(65.50)
(b) Deferred Tax earlier year written Back	0.00	0.00
(c) Deferred Tax	(0.54)	(1.22)
(d) Fringe Benefit	(3.59)	(3.32)
(e) Prior Year Tax Adjustment	0.00	(2.70)
Profit after Tax	161.70	139.01
Balance Brought forward from earlier year	434.11	295.10
Amount available for appropriations	595.81	434.11
Balance carried to Balance sheet	595.81	434.11



### PERFORMANCE REVIEW:

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

### BUSINESS PROSPECTS:

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

### NEW STANDARD ADOPTED:

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

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

### DIVIDEND:

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

### DEPOSITORY SYSTEM:

86.02% of the equity shares of the company are dematerialised as on 31<sup>st</sup> March 2009.

### DIRECTORS:

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



## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Annual Accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE:

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

## FIXED DEPOSIT:

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

## PARTICULARS OF EMPLOYEES:

The Company has no employee drawing remuneration equal to or more than the limits prescribed U/S 217(2A) of the Companies Act, 1956

## CONSERVATION OF ENERGY

The Company has taken the required steps and has been consistently exercising necessary vigilance in the direction of Energy conservation, which is of paramount importance.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## TECHNOLOGY ABSORPTION

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

## AUDITORS

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

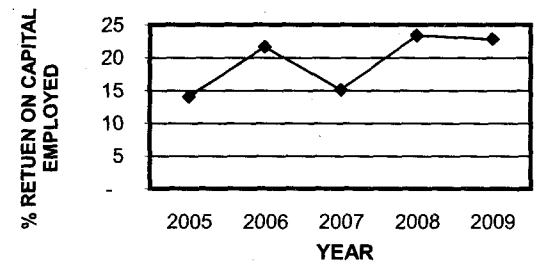
## LISTING OF SHARES

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

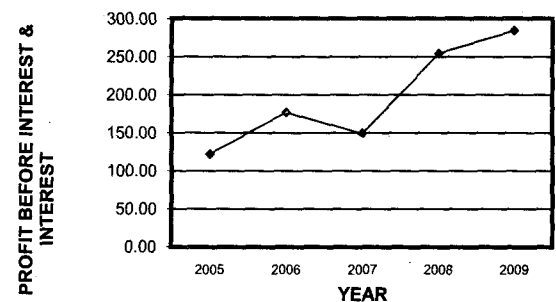
## APPRECIATION

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

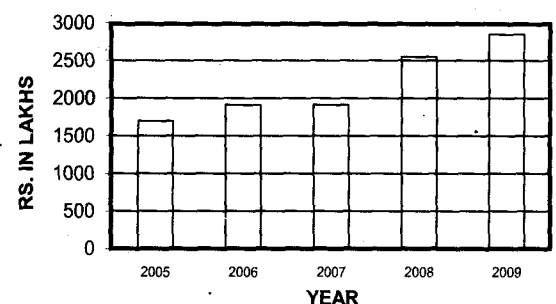
### RETURN ON CAPITAL EMPLOYED



### PROFIT BEFORE INT, DEP, & TAX



### SALES



On behalf of the Board of Directors  
For CONART ENGINEERS LIMITED

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

Place: Mumbai  
Date: 27<sup>th</sup> June 2009



## AUDITOR'S REPORT

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

1. We have audited the attached Balance Sheet of M/s **Conart Engineers Ltd.** as on 31<sup>st</sup> March 2009 and also the Profit & Loss Account of the Company and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act 1956, we give in the enclosure a statement on the matters specified in paragraph 4 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet, Profit & Loss Account and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by the report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) On the basis of the written representation received from the directors as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2009.
  - (ii) in the case of Profit & Loss Account of the **Profit** for the year ended on that date.
  - (iii) in the case of the cash flow statement of the cash flows for the year ended on that date.

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

**GOVIND PRASAD**  
Proprietor  
Membership No. 47948

Place: Mumbai  
Date : 27<sup>th</sup> June, 2009

Re: **CONART ENGINEERS LTD.**

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

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



- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured granted or taken by the Company to or from companies, firms or other parties covered in the register maintained U/S 301 of the Companies Act, 1956. according to the information and explanations given to us
  - a) The Company has taken loans from two parties covered in Register U/S 301 of the Companies Act, 1956 aggregating to Rs. 23,60,000/-
  - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interests of the Company.
  - c) The payment is made of the principal amount to the parties from whom loans taken by the Company is regular as per the mutual understanding between the parties.
  - d) There is no overdue amount of such loan taken from the aforesaid parties
  - e) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the registered maintained u/s 301 of the Act
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956;
  - (a) To the best of our knowledge and belief and according the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - (b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 58A and 58AA of the Act.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year outstanding for more than six months as at the last day of the financial year.
  - (b) The company does not have any disputed amount in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty etc. except ESIC of Rs.2,18,970 for the year 1996-97 against which appeal is pending.
- (x) According to the information and explanations given to us, the company does not have accumulated losses at the end of the financial year. Further, the company has not incurred cash losses in the current year as well as in the immediate preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of the Company's business/activities during the year is such that clauses (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended.



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

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

**GOVIND PRASAD**  
Proprietor  
Membership No. 47948

Place: Mumbai  
Date : 27<sup>th</sup> June, 2009





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

## BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	AS AT 31ST MAR 2009 Rupees	AS AT 31ST MAR 2008 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	"1"	30,000,000	30,000,000
Reserves and Surplus	"2"	76,974,614	60,901,257
<b>LOANS FUNDS</b>			
Secured Loans	"3"	2,944,760	8,506,746
Unsecured Loans	"4"	2,360,000	2,739,702
<b>DEFERRED TAX LIABILITIES (NET)</b>		<u>3,962,568</u>	<u>3,908,500</u>
		<u>116,241,942</u>	<u>106,056,205</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
	"5"		
Gross Block		57,055,227	50,852,214
Less : Depreciation		<u>(18,721,334)</u>	<u>(17,674,986)</u>
Net Block		38,333,893	33,177,228
<b>INVESTMENT</b>	"6"	13,304,250	12,098,428
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	"7"		
Inventories		13,608,956	15,767,418
Sundry Debtors		75,476,794	56,812,509
Cash and Bank Balances		18,033,580	20,321,608
Loans and Advances		<u>7,991,982</u>	<u>11,544,730</u>
		115,111,312	104,446,265
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	"8"		
Current Liabilities		44,519,358	38,296,223
Provisions		<u>5,988,155</u>	<u>5,369,493</u>
		50,507,513	43,665,716
Net Current Assets		<u>64,603,799</u>	<u>60,780,549</u>
		<u>116,241,942</u>	<u>106,056,205</u>
Significant Accounting Policies and Notes to Accounts	"14"		

As per our report attached

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

**For and on behalf of the Board**

**Govind Prasad**  
Proprietor

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

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

Place : Mumbai  
Date : 27th June 2009



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

## PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	AS AT 31ST MARCH 2009 Rupees	AS AT 31ST MAR 2008 Rupees
<b>INCOME</b>			
Sales and Services		284,780,772	254,848,697
Other Incomes	"9"	4,531,848	3,829,206
Increase/(Decrease) in WIP & Finished Goods	"10"	(1,571,754)	(650,075)
		<b>287,740,866</b>	<b>258,027,828</b>
<b>EXPENDITURE</b>			
Materials Consumed (including earth filling)		112,174,330	95,295,164
Construction Expenses	"11"	109,244,731	104,050,476
Administration and Other Expenses	"12"	37,864,897	33,232,834
Interest	"13"	1,087,015	1,599,886
Depreciation		3,073,968	2,771,847
Less : Transfer from Capital Revaluation Reserve		(97,265)	(97,265)
		<b>2,976,703</b>	<b>2,674,582</b>
		<b>263,347,676</b>	<b>236,852,942</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>			
		<b>24,393,190</b>	<b>21,174,886</b>
Less : Provision for Tax - Current		(7,810,000)	(6,550,000)
Less : Provision for Tax - Deferred		(54,068)	(122,000)
Less : Provision for Fringe Benefit Tax - Current		(358,500)	(332,500)
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>16,170,622</b>	<b>14,170,386</b>
<b>Add : Balance Brought Forward</b>			
		<b>43,410,669</b>	<b>29,510,360</b>
<b>Add : Prior year Tax Adjustments</b>			
		<b>-</b>	<b>(270,077)</b>
<b>Amt. Available for Appropriation</b>		<b>59,581,291</b>	<b>43,348,246</b>
<b>Amt. carried to Balance Sheet</b>		<b>59,581,291</b>	<b>43,410,669</b>
<b>Basic and Diluted earning per Share (in Rs.)</b>		<b>5.39</b>	<b>4.72</b>
<b>(Refer note 10 to note to Accounts)</b>			

(Nominal value per equity share Rs.10)

Significant Accounting Policies and Notes to Accounts "14"

As per our report attached

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

**For and on behalf of the Board**

**Govind Prasad**  
Proprietor

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

**Tojas V. Sura**  
Jt. Managing Director

Place : Mumbai  
Date : 27th June 2009



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

	ASAT 31ST MARCH 2009 Rupees	ASAT 31 MARCH 2008 Rupees
<b>Schedule "1"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
30,00,000 Equity Shares of Rs.10/- each	30,000,000	30,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,00,000 Equity Shares of Rs.10/- each fully Paid-up (Includes 900,000 Equity Shares of Rs.10/- each allotted as Bonus Shares Fully Paid-up by way of Capitalisation of Share Premium, General Reserves and Profit)	30,000,000	30,000,000
<b>Schedule "2"</b>		
<b>RESERVES AND SURPLUS</b>		
<b>CAPITAL REVALUATION RESERVE</b>		
As Per last Balance Sheet	471,693	568,958
Less : Transfer to Profit and Loss Account	97,265	97,265
	374,428	471,693
<b>SHARE PREMIUM</b>		
As Per last Balance Sheet	14,000,000	14,000,000
<b>GENERAL RESERVE</b>		
As Per last Balance Sheet	3,018,895	3,018,895
	3,018,895	3,018,895
Balance in Profit and Loss Account	59,581,291	43,410,669
	76,974,614	60,901,257
<b>Schedule "3"</b>		
<b>SECURED LOANS</b>		
From Banks	2,944,760	5,230,724
Cash credit From Bank of Baroda	-	3,276,022
	2,944,760	8,506,746
<b>NOTES:</b>		
1. Loan from Bank is Secured by Hypothecation of Factory Land, Building Machinery and Motor Car and Personal Guarantees of Directors.		
2. Installment due within one year Rs.3070092/- (P.Y. Rs.1051763/-)		
3. C.C. from Bank is Secured by Hypothecation of Stock & Book debts. And Personally guaranteed by the Directors and Beneficiaries.		
<b>Schedule "4"</b>		
<b>UNSECURED LOANS</b>		
From Company	-	279,702
From Others	2,360,000	2,460,000
	2,360,000	2,739,702
<b>Schedule "5"</b>		
<b>FIXED ASSETS</b>		

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.08 Rs.	Additions During the Year Rs.	Sale / Adjustments Rs.	Cost as on 31.03.09 Rs.	As on 01.04.08 Rs.	During the Period Rs.	Adjustments Rs.	As on 31.03.09 Rs.	As on 31.03.09 Rs.	As on 31.03.08 Rs.
LAND (FREEHOLD)	963,011	-	-	963,011	-	-	-	-	963,011	963,011
PLANT AND MACHINERY	37,128,981	8,429,195	1,473,219	44,084,957	12,969,258	2,090,751	752,890	14,307,119	29,777,838	24,159,722
COMPUTER	1,193,428	251,458	658,350	786,536	891,804	54,248	658,296	287,756	498,780	301,624
FURNITURE AND FIXTURE	1,506,328	42,996	124,098	1,425,226	883,217	73,845	124,080	832,982	592,244	623,111
OFFICE EQUIPMENT AND AIR CONDITIONER	1,539,283	46,969	206,047	1,380,205	818,354	64,455	196,913	685,896	694,309	720,929
VEHICLES	8,521,184	481,054	586,946	8,415,292	2,112,353	790,669	295,441	2,607,581	5,807,711	6,408,831
	50,852,215	9,251,672	3,048,660	57,055,227	17,674,986	3,073,968	2,027,620	18,721,334	38,333,893	33,177,228
PREVIOUS YEAR	42,833,628	9,997,512	1,978,926	50,852,214	16,254,338	2,771,847	1,351,199	17,674,986	33,177,228	26,579,290

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



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

		AS AT 31ST MARCH 2009 Rupees		AS AT 31 MARCH 2008 Rupees
Schedule "6"	No. of Shares	Rupees	No. of Shares	Rupees
<b>INVESTMENTS</b>				
<b>LONG TERM TRADE INVESTMENT</b>				
<b>UNQUOTED</b>				
In Fully Paid-up Equity Shares of The Saraswat Co-op. Bank Ltd.	1000	10,000.00 <u>10,000.00</u>	1000	10,000.00 <u>10,000.00</u>
<b>CURRENT NON-TRADE INVESTMENTS</b>				
<b>QUOTED</b>				
In Fully Paid-up Equity Shares of Kailash Ficom Ltd.	900	13,500.00	900	13,500.00
Bubna Major Bio-tech Ltd.	12000	9,600.00	12000	9,600.00
Nutech Organic Ltd.	2500	2,500.00	2500	2,500.00
Pan Asia Industries Ltd.	1800	1,800.00	1800	1,800.00
Sayaji Iron & Engineering Co. Ltd.	4000	140,000.00 <u>167,400.00</u>	4000	140,000.00 <u>167,400.00</u>
<b>UNQUOTED</b>				
In Fully Paid-up Equity Shares of Parekh Micro Electronics (India) Ltd.	17000	425,000.00 <u>602,400.00</u>	17000	425,000.00 <u>602,400.00</u>
Less: Provision for Diminution in Value of Investments (Net)		<u>(153,900.00)</u> 448,500.00		<u>(151,400.00)</u> 451,000.00
<b>INVESTMENT IN PARTNERSHIP FIRM.</b>				
18.75% Share in M/s. Spun Conart, Baroda		12,855,750.00 <u>13,304,250.00</u>		11,647,428.00 <u>12,098,428.00</u>
Note : 1. Aggregate amount of Market Value of quoted investment is Rs.13500/-Rs.(P.Y.Rs.17160/-)				
<b>Schedule "7"</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
<b>INVENTORIES</b>				
(As per inventory taken, valued and certified by the Director)				
Finished Goods/Stock (Including Stock of Completed Flats)		1,055,282		1,302,224
Stock of Stores, Spares, Shuttering and Scaffoldings		1,492,764		800,057
Construction Materials		2,092,731		3,372,146
Work-In-Progress		8,968,179 <u>13,608,956</u>		10,292,991 <u>15,767,418</u>
<b>SUNDRY DEBTORS</b>				
(Unsecured, considered good)				
Debts exceeding six months		27,327,654		13,147,953
Others		48,149,140 <u>75,476,794</u>		43,664,556 <u>56,812,509</u>
<b>CASH AND BANK BALANCES</b>				
Cash on Hand		338,747		278,474
Balance with Scheduled Banks				
In Current Accounts		11,396,935		12,168,423
In Margin Money Account		2,278,508		3,857,431
In Fixed Deposit		4,019,390 <u>18,033,580</u>		4,017,280 <u>20,321,608</u>
<b>LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Loans		369,779		416,142
Advances recoverable in cash or in kind or for value to be received		2,171,441		5,014,094
Advance Tax and Tds and Net of Provision		466,289		852,540
Prepaid Expenses		598,562		1,735,342
Deposits and Earnest Money		4,385,911 <u>7,991,982</u> <u>115,111,312</u>		3,526,612 <u>11,544,730</u> <u>104,446,265</u>



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

	AS AT 31ST MARCH 2009 Rupees	AS AT 31 MARCH 2008 Rupees
<b>Schedule "8"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	26,689,578	26,956,043
Due to Directors	357,067	296,736
Bank Account Overdrawn	25,540	
Other Liabilities	13,653,122	11,043,444
Advance From Customer	3,794,051	-
	<u>44,519,358</u>	<u>38,296,223</u>
<b>PROVISIONS</b>		
Outstanding Liabilities	5,988,155	5,369,493
	<u>5,988,155</u>	<u>5,369,493</u>
	<u>50,507,513</u>	<u>43,665,716</u>
<b>Schedule "9"</b>		
<b>OTHER INCOME</b>		
Interest Received Gross (Tds Rs.11904/-)	1,357,238	1,054,118
Provision for Diminution in value of investment w/back	-	90
Profit on sale of Assets	2,767	96,409
Other Income	3,171,843	2,678,589
	<u>4,531,848</u>	<u>3,829,206</u>
<b>Schedule "10"</b>		
<b>INCREASE/(DECREASE) IN WORK-IN-PROGRESS AND FINISHED GOODS</b>		
Closing Stock of Work-in-Progress	8,968,179	10,292,991
Closing Stock of Finished Goods	1,055,282	1,302,224
Less : Opening Stock of Work-in-Progress	(10,292,991)	(10,943,066)
Less : Opening Stock of Finished Goods	(1,302,224)	(1,302,224)
	<u>(1,571,754)</u>	<u>(650,075)</u>
<b>Schedule "11"</b>		
<b>CONSTRUCTION EXPENSES</b>		
Stores, Spares, Shuttering Consumed	9,024,327	7,647,879
Contract Labour Payments	60,256,626	55,924,919
Coolie, Cartage, Transportation	1,700,349	1,010,860
Machinery Hire Charges	3,571,583	3,415,515
Equipment Contract Payment	26,725,874	28,927,884
Repairs & Maintenance to Machinery	2,225,636	1,630,047
Site Expenses	4,418,212	4,028,451
Gas and Fuel	1,320,944	1,413,951
Octroi	1,180	50,970
	<u>109,244,731</u>	<u>104,050,476</u>



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

	AS AT 31ST MARCH 2009 Rupees	AS AT 31ST MARCH 2008 Rupees
<b>Schedule "12"</b>		
<b>ADMINISTRATION &amp; OTHER EXPENSES</b>		
Payments & Benefits to Employees :		
Salaries, Wages, Bonus & Commission	17,721,983	13,821,605
Contribution to Provident & Other Funds	2,018,878	1,524,839
Staff Welfare Expenses	1,233,585	983,581
	<u>20,974,446</u>	<u>16,330,025</u>
Rent, Rates and Taxes	2,752,350	2,493,642
Travelling and Conveyance	1,425,862	1,307,674
Compensation for use of Premises	2,004,706	2,057,853
Insurance Premium	895,611	735,411
Payment to Auditors	100,450	96,183
Repairs to Other Assets	509,953	527,418
Miscellaneous Expenses	6,567,301	6,506,253
Loss on Assets Sold & Discarded	448,817	219,222
Bad Debts	252,993	2,959,153
Liquidated Damages	1,932,408	-
	<u>37,864,897</u>	<u>33,232,834</u>
<b>Schedule "13"</b>		
<b>INTEREST</b>		
On Fixed Loans	498,601	568,228
On Other Loans	588,414	1,031,658
	<u>1,087,015</u>	<u>1,599,886</u>



## Schedule "14"

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF ACCOUNTING

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

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

##### 2. USE OF ESTIMATES

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

##### 3. FIXED ASSETS

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

##### 4. DEPRECIATION

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

##### 5. INVENTORIES

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

##### 6. INVESTMENT

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

##### 7. CONTRACT RECEIPTS / REVENUE RECOGNITION

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

##### 8. RETIREMENT BENEFITS

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

##### 9. FOREIGN CURRENCY TRANSACTIONS

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

##### 10. TAXES ON INCOME

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

##### 11. BORROWING COST

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



## 12. IMPAIRMENT OF ASSETS

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

## 13. PROVISIONS & CONTINGENT LIABILITIES

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

## B) NOTES TO ACCOUNTS

### 1. CONTINGENT LIABILITIES

- Guarantee given to the Bank Rs.93,08,870/- (Previous year Rs 1,71,51,664/-)
  - Income tax demand of Rs.8,84,945/- against which appeal is pending. (Previous year Rs. 13,72,338/-)
2. Estimated amount of contract remaining to be executed on capital account and not provided for is Nil (Previous year Nil).

### 3. AUDITORS REMUNERATION

	As on 31/03/09 (Rupees)	As on 31/03/08 (Rupees)
Audit fees	45,000.00	45,000.00
Tax audit fees	27,000.00	27,000.00
Income tax fees	15,000.00	15,000.00
Out of Pocket Expenses	9,450.00	9,183.00
Service Tax	9,373.00	11,247.00
Total	<b>1,09,823.00</b>	<b>1,07,430.00</b>

### 4. MANAGERIAL REMUNERATION

	As on 31/03/09 (Rupees)	As on 31/03/08 (Rupees)
Salary and Commission	29,30,000.00	20,56,000.00
Contribution to superannuation fund	2,44,166.00	2,46,240.00
Perquisites and benefit	2,99,672.00	2,20,151.00
Total	<b>34,73,838.00</b>	<b>25,22,391.00</b>

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

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

	As on 31/03/09 (Rupees)	As on 31/03/08 (Rupees)
Profit / (Loss) before tax as per profit and loss account	2,43,93,190.00	2,11,74,886.00
Add : Directors' Remuneration	32,29,672.00	25,22,391.00
Depreciation	29,76,703.00	26,74,319.00
Loss on sale of Assets (Net)	4,46,050.00	1,22,813.00
	3,10,45,615.00	2,64,94,409.00
Less : Depreciation Under Section 350	30,73,968.00	27,71,584.00
Add/ (Less) : Profit/(Loss) on sale of assets U/s.350	(4,46,050.00)	(1,22,813.00)
Net Profit / (Loss) u/s. 198 and 309	<b>2,84,17,697.00</b>	<b>2,38,45,641.00</b>

## 5. QUANTITATIVE DETAILS

	As on 31/03/09		As on 31/03/08	
Closing Stock	Quantity	Rupees	Quantity	Rupees
Residential Flats and Shops	3700 sq. ft.	10,55,282	4480 sq. ft.	13,02,224

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

## 6. EXPENDITURE IN FOREIGN CURRENCY

	As on 31/03/09 (Rupees)	As on 31/03/08 (Rupees)
Traveling expense	NIL	NIL
7. Earning in foreign Currency :	NIL	NIL





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

**9. Name and Nature of Transaction with related parties: 2008-2009**

Name of Related Parties & Nature of Transaction Value of Transaction

Name of Person	Relationship Transaction	Nature of Volume of Transaction in Rs.	
Tejas V. Sura	Key Managerial Person	Unsecured Loan	12,60,000.00
		Interest Paid	83,559.00
Pradip R. Sura	Key Person Relative	Unsecured Loan	11,00,000.00
		Interest Paid	67,296.00
Pradip R. Sura	Key Person Relative	Compensation for use Premises Paid	36,000.00
Jitendra S. Sura (Managing Director)	Key Managerial Person	- Do -	36,000.00
Tejas V. Sura (Jt. Managing Director)	Key Managerial Person	- Do -	3,38,640.00
Ramesh S. Sura HUF	-	- Do -	96,996.00
Vinod S. Sura HUF	-	- Do -	1,22,196.00
Jitendra S. Sura HUF	-	- Do -	66,996.00
Pradip R. Sura (Director)	Key Person Relative	- Do -	1,96,476.00
Jimish J. Sura	Key Person Relative	- Do -	1,92,888.00
Prachi J. Sura	Key Person Relative	- Do -	1,17,036.00
Nayana J. Sura	Key Person Relative	- Do -	39,600.00
Sushila R. Sura	Key Person Relative	- Do -	16,800.00
Alpa P. Sura	Key Person Relative	- Do -	6,720.00
Keyuri T. Sura	Key Person Relative	- Do -	2,796.00
Teena H. Gandhi	Key Person Relative	- Do -	24,888.00
Shweta D. Shah	Key Person Relative	- Do -	24,876.00
Pradip R. Sura HUF	-	- Do -	36,000.00
Shankarlal Sura Finance Corporation	Directors are Partners	- Do -	30,000.00

**10. EARNING PER SHARE**

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

	As on 31/03/09 (Rupees)	As on 31/03/08 (Rupees)
Profit after taxation after extra ordinary items	1,61,70,622.00	1,41,70,386.00
Profit after taxation before extra ordinary items	1,61,70,622.00	1,37,70,649.00
Weighted average no. of shares	30,00,000.00	30,00,000.00
Earning per share Basic and Diluted (After extra in Rs. Ordinary items)	5.39	4.72
Earning per share before extra ordinary items Basic and Diluted	5.39	4.72

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

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

13. Turnover includes Rs. 3,50,000/- on sale of Flat which was shown under Stock.

14. 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.

15. Defined Benefit Plan  
Reconciliation of fair value of assets and obligations.

**Gratuity Report Under As-15 (Revised 2005) for year ended 31/03/2009 In respect of : THE TRUSTEES  
CONART ENGINEERS LTD EMPLOY GRP GRTY CUM L.A.S FOR POLICY No. : 10926**

	31/03/2008	31/03/2009
1. ASSUMPTION AS ON		
Discount Rate	8%	8%
Salary Escalation	4%	4%



2	Table Showing changes in present value of obligation As on 31/03/2009	
	Present value of obligations as at beginning of year	2844675
	Interest cost	227574
	Current Service Cost	306102
	Benefits Paid	(347,942)
	Actural (gain)/ loss on obligations	101666
	Present value of obligations as at end of year	3132075
3.	Table Showing changes in the fair value of plan assets As on 31/03/2009	
	Fair value of plan assets at beginning of year	2276094
	Expected return on plan assets	250,133
	Contributions	546,029
	Benefits Paid	(347,942)
	Accuarial gain/loss) on Plan assets	NIL
	Fair value of plan assets at the end of year	2,724,314
4.	Table showing fair value of plan assets	
	Fair value of plan assets at beginning of year	2276094
	Actural return of plan assets	250,133
	Contributions	546,029
	Benefits Paid	(347,942)
	Fair value of plan assets at the end of year	2,724,314
	Funded status	(407,761)
	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)	
5.	Actuarial Gain/Loss recognized As on 31/03/2009	
	Actuarial Gain/Loss on obligations	(101,666)
	Actuarial Gain/Loss for the year – plan assets	NIL
	Actuarial Gain/Loss on obligations	101,666
	Actuarial Gain/Loss recognized in the year	101,666
6	The amounts to be recongnized in the balance sheet and statements of profit and loss	
	Present value of obligations as at the end of year	3,132,075
	Fair value of plan assets as at the end of the year	2,724,314
	Funded status	(407,761)
	Net asset/liability recognized in the year	407,761
7.	Expenses Recognised in statement of Profit and loss	
	Current Service Cost	306,102
	Interest cost	227,574
	Expected return on plan assets	(250,133)
	Net Actuarial (gain)/ loss recognized in the year	101,666
	Expenses Recognised in statement of Profit and loss	385,209

Note : The above report is not certification under AS-15 revised 2005 read with Actuaries Act, 2006.  
It is simply a report generated to help companies for proper accounting of employees liabilities.

16.	Current taxation (Net of Provision) represents as under :		
	Less: Provision for taxation	2,54,79,789/-	1,76,97,540/-
	Current tax including Tds	2,50,13,500/-	1,68,45,000/-
		<u>4,66,289/-</u>	<u>8,52,,540/-</u>

## 17. DETAILS OF DEFERRED TAX LIABILITY

The company has during the year in accordance with Account Standard AS-22 "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, recognized in the profit & loss accounts a difference of Rs.(54,068/-) between net, deferred tax liabilities of Rs.39,62,568/- as on 31st March 2009 and on the deferred tax liabilities of Rs. 39,08,500/- as on 31st March 2008..

Deferred Tax Liability	
Depreciation	40,84,159/-
	40,84,159/-
Deferred Tax assets	
Less : Employer Benefits	1,21,591/-
	1,21,591/-
Net Deferred Tax Liabilities	<u>39,62,568/-</u>

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

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



## CASH FLOW STATEMENT

		2009		2008
	Rupees	Rupees	Rupees	Rupees
<b>A Cash Flow From Operating Activities</b>				
Net Profit/(Loss) Before Tax		24,393,190		21,174,886
<b>Adjustment:</b>				
Depreciation	2,976,703		2,674,582	
Interest Charged	1,087,015.00		1,599,886	
Profit on Sale of Assets	(2,767.00)		(96,409)	
Loss on Assets Sold & Discarded	448,817.00		219,222	
Provision for Decrease in Investment	2,500.00		1,160	
Assets written off	140.00		-	
Dividend Received	(4,000.00)		(15,800)	
Interest Received	(1,353,238.00)	3,155,170	(1,038,318)	3,344,323
<b>Operating Profit Before Working Capital Charges</b>		27,548,360		24,519,209
<b>Adjustment:</b>				
Inventories	2,158,462.00		2,801,375	
Sundry Debtors	(18,664,285.00)		(3,815,025)	
Loan & Advances	3,166,497.00		(1,111,118)	
Trade Payable	6,841,797	(6,497,529)	(2,186,521)	(4,311,289)
Cash Generated From Operation	(7,477,425.00)	21,050,831		20,207,920
Interest Received	1,353,238.00		1,038,317	
Direct Tax Paid	(7,782,249.00)		(852,540)	
Interest Charged	(1,087,015.00)	(7,516,026)	(1,599,886)	(1,414,109)
		13,534,805		18,793,811
<b>B Net Cash From Operating Activities</b>				
<b>Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	(9,251,672.00)		(9,997,512)	
Sale of Fixed Assets	574,850.00		504,913	
Sale of Investment	(1,208,322.00)		(2,115,816)	
Dividend Received	4,000.00	(9,881,144)	15,800	(11,592,615)
Net Cash Used in Investment Activities		(9,881,144)		(11,592,615)
<b>C Cash Flow From Financing Activities</b>				
Increase in secured Loan	(5,561,986.00)		1,197,889	
Increase in unsecured Loan	(379,702.00)	(5,941,688)	68,772	1,266,661
<b>TOTAL A+B+C</b>		(2,288,027)		8,467,857
Cash and Cash Equivalents Opening	(20,321,608.00)		(11,853,751)	
Cash and Cash Equivalents Closing	18,033,580.00	(2,288,028)	20,321,608	8,467,857

### Auditor's Certificate :

We have verified the above Cash Flow Statement of Conart Engineers Ltd. derived from the audited financial statements of the company for the period 1st April 2008 to 31st March 2009 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the Listing agreement with the Stock Exchange.

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

#### Balance Sheet Abstract and company's General Business Profile

<b>a) Registration Details</b>	17072
State code	11
Balance Sheet Date	March 31, 2009
<b>b) Capital raised during the year</b>	NIL
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL



<b>c) Position of Mobilisation and Development of Funds</b>	Rs.in 000
Total Liabilities	116,242
Total Assets	116,242
<b>d) Source of Funds</b>	
Paid- up Capital	30,000
Reserves and Surplus	76,975
Secured Loans	2,945
Unsecured Loans	2,360
Deferred Tax Liabilities	3,962
Application of Funds	
Net Fixed Assets	38,334
Investment	13,304
Net Current Assets	64,604
Miscellaneous Expenditure	0
<b>e) Performance of the Company</b>	
Turnover (Gross receipts)	289,313
Total Expenditure	263,445
Profit/(Loss) Before Tax	24,393
Profit/(Loss) After Tax	16,170
Earning per Share (In Rs.)	5.39
Dividend Rate On Equity Shares	NIL
<b>f) Genetic names of principal products services of the company</b>	
Item code no. (ITC Code)	Not applicable
Product Description	Construction activity

## A. MANAGEMENT DISCUSSION AND ANALYSIS

### A) INDUSTRY STRUCTURE & ANALYSIS:

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

### B) OPPORTUNITIES & THREATS:

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

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

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

### C) SEGMENTS OR PRODUCT-WISE PERFORMANCE

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

### D) PERFORMANCE REVIEW

Your company has registered a robust growth in turnover of about 12%. The increase in price Materials and Labour continues to affect the profits of your company. Your company is compromising margins to increase turnover. The cost of utilities continues to increase, Your directors are pursuing various strategies to increase in turnover and retain labour.

### E) BUSINESS PROSPECTS

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

#### NEW STANDARD ADOPTED:

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

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

### F) HRD/INDUSTRIAL RELATIONS

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

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

## CAUTIONARY STATEMENT

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

## A. REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### 2. COMPOSITION OF BOARD OF DIRECTORS

Name	Designation Category Of Director(s)	Attendance held Board Meeting	AGM 26-9-08	On Member / Chairman On BoD/Committee	Remarks
Mr. Jitendra S. Sura	Managing Director Promoter, Non Independent Director	5	Yes	NONE	
Mr. Tejas V. Sura	Jt. Managing Director Promoter, Non Independent Director	5	Yes	NONE	
Mr. Haresh V. Patel	Non Executive, Independent Director	3	No	NONE	
Mr. Harshad B. Jhaveri	Non Executive, Independent Director	5	Yes	1- Chairman on BoD	
Mr. Sevantilal P. Shah	Non Executive, Independent Director	5	Yes	1-Chairman on BoD	
Mr. Pradip R. Sura	Non Executive, Independent Director	5	Yes	NONE	

In the financial year 2008-09 total 5 Board Meetings were held on 6<sup>th</sup> May 2008, 28<sup>th</sup> June 2008, 25<sup>th</sup> July 2008, 22<sup>nd</sup> October 2008, 29<sup>th</sup> January 2009.

Mr. Haresh V. Patel and Mr. Sevantilal P. Shah are liable to retire by rotation and being eligible offer themselves for reappointment.

### 3. AUDIT COMMITTEE

All the members of the Committee are non-executive, independent Directors. The Statutory Auditor is being invited to the Committee meeting. The powers and terms of reference are wide enough covering the matters specified for the Audit Committee under the clause 49 Listing Agreement. Their attendances in the financial year 2008-09 are as follows:

COMPOSITION	CHAIRMAN/MEMBERS	ATTENDANCE
Mr. Sevantilal P. Shah	Chairman	5
Mr. Haresh V. Patel	Member	3
Mr. Harshad B. Jhaveri	Member	5
Mr. Pradip R. Sura	Member	4

### 4. REMUNERATION COMMITTEE

The Committee is formed to decide the remuneration and/or alternation in remuneration of Executive Directors. It is comprised of all the non-executive Director. Their attendances in the financial year 2008-09 are as follows:

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

#### • Remuneration Policy

The Company does not pay remuneration to Non-Executive Directors except sitting fees and reimbursement of expenses for attending for Board Meeting and Committee Meeting thereof. Presently the Company's profit is inadequate to pay remuneration to Executive Directors and hence Schedule XIII part II –A is observed to pay remuneration with consent of the Remuneration Committee. The details of remuneration paid for the financial year 2008-09 is as follows: -

Executive Director	Salary	Perquisites & Allowances	Total	Service contracts notice Period w.e.f. 19-11-2004
Mr. Jitendra S. Sura	14,65,000.00	1,51,327.00	16,16,327.00	5 Years
Mr. Tejas V. Sura	14,65,000.00	1,48,345.00	16,13,345.00	5 Years



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

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

## 5. SHARE HOLDERS COMMITTEE:

Mr. Harshad B. Jhaveri, Non- Executive Director is the Chairman of the Committee. Mr. Tejas V. Sura, Jt. Managing Director is the Compliance Officer of the Company. No.complaints were received up to 31<sup>st</sup> March 09.

## 6. GENERAL BODY MEETINGS.

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

YEAR	TIME	LOCATION	SPECIAL RESOLUTION
29 <sup>th</sup> September 2006	4.30 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
29 <sup>th</sup> September 2007	11.00 a.m.	Aots Alumni Association of Western India, 3 <sup>rd</sup> Floor, India Printing House, G. D. Ambekar Marg , Wadala, Mumbai 400 031	i) Revision in Remuneration and terms of appointment of Mr. Jitendra S. Sura ii) Revision in Remuneration and terms of appointment of Mr. Tejas V. Sura
26 <sup>th</sup> September 2008	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 resolution 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 elsewhere in the Annual Report there were no other related party transactions by the Company with the promoters, and management that had a potential conflict with the interest of the Company at large.

## 8. Name and Nature of Transaction with related parties: 2008-2009

Name of Related Parties & Nature of Transaction Value of Transaction

Name of Person	Relationship	Nature of Transaction Rs.	Volume of Transaction in
Tejas V. Sura	Key Managerial Person	Unsecured Loan	12,60,000.00
		Interest Paid	83,559.00
Pradip R. Sura	Key Person Relative	Unsecured Loan	11,00,000.00
		Interest Paid	67,296.00
Pradip R. Sura	Key Person Relative	Compensation for use Premises Paid	36,000.00
Jitendra S. Sura (Managing Director)	Key Managerial Person	- Do -	36,000.00
Tejas V. Sura (Jt. Managing Director)	Key Managerial Person	- Do -	3,38,640.00
Ramesh S. Sura HUF	-	- Do -	96,996.00
Vinod S. Sura HUF	-	- Do -	1,22,196.00
Jitendra S. Sura HUF	-	- Do -	66,996.00
Pradip R. Sura (Director)	Key Person Relative	- Do -	1,96,476.00
Jimish J. Sura	Key Person Relative	- Do -	1,92,888.00
Prachi J. Sura	Key Person Relative	- Do -	1,17,036.00
Nayana J. Sura	Key Person Relative	- Do -	39,600.00
Sushila R. Sura	Key Person Relative	- Do -	16,800.00
Alpa P. Sura	Key Person Relative	- Do -	6,720.00
Keyuri T. Sura	Key Person Relative	- Do -	2,796.00
Teena H. Gandhi	Key Person Relative	- Do -	24,888.00
Shweta D. Shah	Key Person Relative	- Do -	24,876.00
P.R. Sura HUF	-	- Do -	36,000.00
Shankarlal Sura Finance Corporation	Directors are Partner	- Do -	30,000.00

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



## 9. MEANS OF COMMUNICATION:

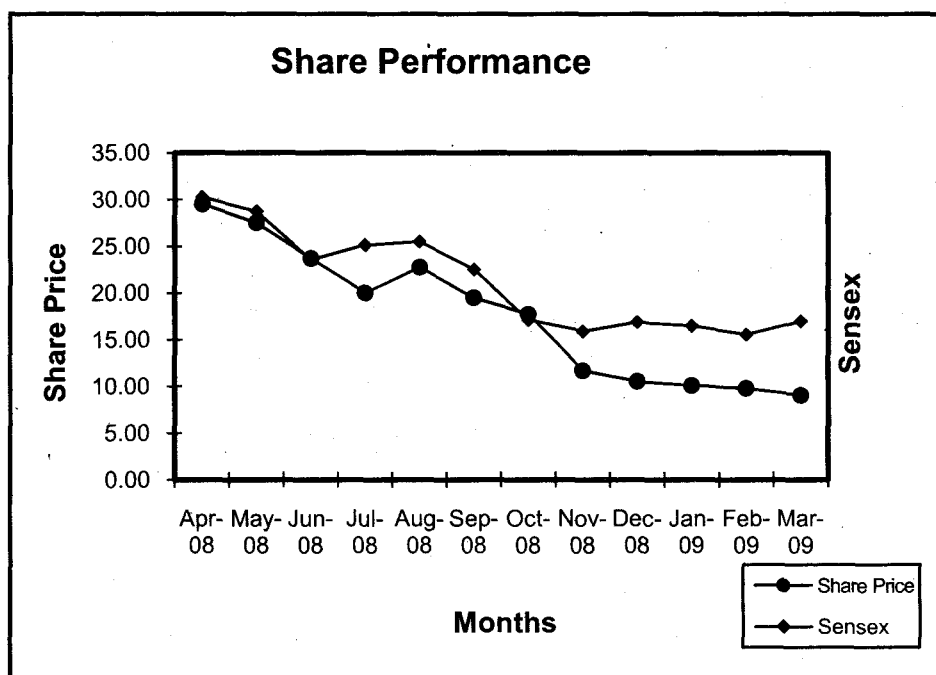
- The quarterly and half yearly results are published in widely circulating national and local dailies such as Financial Express in English and Dainik Sagar in Marathi. They are not sent individual to the shareholders.
- The company results are displayed on website called [www.bseindia.com](http://www.bseindia.com).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

## 10. GENERAL SHAREHOLDERS' INFORMATION

• AGM : Date, time and venue	25 <sup>th</sup> September, 2009
• Financial Calendar (tentative)	1 <sup>st</sup> April 2009 to 31 <sup>st</sup> March 2010 i) First quarterly result: last week of July 2009 ii) Second quarterly result: last week of October 2009 iii) Third quarterly result: last week of January 2010 iv) Audited result in last week of June 2010 for the year ending 31 <sup>st</sup> March, 2010
• Date of Book Closure	18 <sup>th</sup> September 2009 to 25 <sup>th</sup> September 2009
• Dividend Payment Date	N.A.
• Listing of Stock Exchange	The share of the company is listed on stock exchange Mumbai also the listing fees for the exchange is paid for the period ended 31 <sup>st</sup> March
• Stock Code	Physical 522231 on Bombay stock exchange.
• Demat ISIN Number for NSDL And CDSL	IINE714D01012
• Market Price Data High / Low during each month end in the last financial year.	Please see Annexure 'B'
• Performance in comparison to BSE sensex	Please see Annexure 'A'
• Registrar and transfer Agents	M/s. Sharex Dynamic (India) Pvt. Ltd. Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
• Share transfer systems	All the transfers received are proceeded and approved by the share transfer committee which normally meets once in a month
• Distribution of shareholding	Please see Annexure 'C'
• Dematerialization shares and equity	86.02% of the shares issued by the company have been dematerialised upto 31 <sup>st</sup> March, 2009
• Outstanding GDR	Not issued
• Address for correspondence	Conart Engineers Limited 35 Manoj Udyog, 40/A, G.D. Ambekar Marg, Wadala Mumbai-400 031.

### ANNEXURE "A"

Share Performance of the company in comparison to BSE Sensex





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

## ANNEXURE "B"

High / Low Market Price of the Company's shares traded on The Stock Exchange, Mumbai during the year 2008-09 is furnished below:

Period	Highest (Rupees)	Lowest (Rupees)	Period	Highest (Rupees)	Lowest (Rupees)
Apr-08	29.50	23.00	Oct-08	17.75	07.80
May-08	27.50	22.00	Nov-08	11.70	08.58
Jun-08	23.70	17.35	Dec-08	10.55	08.07
Jul-08	20.00	14.95	Jan-09	10.10	07.79
Aug-08	22.75	17.10	Feb-09	09.80	08.20
Sep-08	19.50	12.95	Mar-09	09.04	07.31

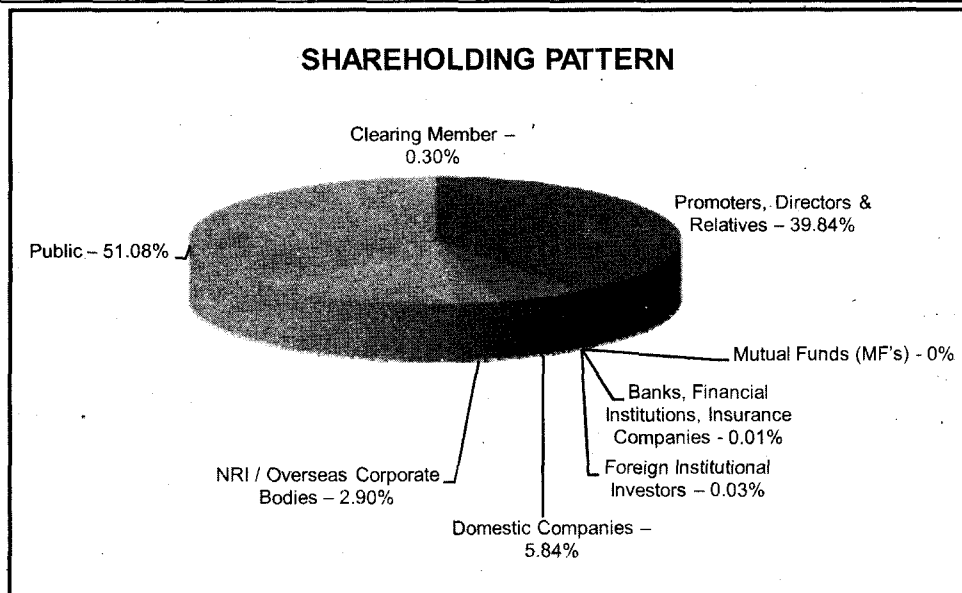
## ANNEXURE "C"

Distribution of Shareholding as on 31/03/2009 :

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
Upto to 5000	4,245	89.69%	64,72,560	21.58%
5001 to 10000	259	5.47%	21,67,440	7.22%
10001 to 20000	103	2.18%	15,97,350	5.32%
20001 to 30000	35	0.74%	8,95,590	2.99%
30001 to 40000	32	0.68%	11,11,610	3.71%
40001 to 50000	11	0.23%	5,19,810	1.73%
50001 to 100000	26	0.55%	19,42,060	6.47%
100001 and above	22	0.46%	1,52,93,580	50.98%
<b>Total</b>	<b>4,733</b>	<b>100.00%</b>	<b>3,00,00,000</b>	<b>100.00%</b>

## SHAREHOLDING PATTERN AS ON 31/03/2009

Category	No. of Shares held	Percentage to total (%)
a. Promoters, Directors & Relatives	1,195,285	39.84
b. Mutual Funds (MF's)	0	0.00
c. Banks, Financial Institutions (FI's), Insurance Companies	200	0.01
d. Foreign Institutional Investors (FI's)	995	0.03
e. Domestic Companies	175,043	5.84
f. Non Resident Indians/ Overseas Corporate Bodies (NRI's /OCB's)	87,351	2.91
g. Indian Public	1,532,461	51.08
h. Clearing Member	8,665	0.29
<b>Total</b>	<b>3000000</b>	<b>100.00</b>





**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 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchange.

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

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

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

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

**Govind Agrawal & co..**  
Chartered Accountants

Place : **Mumbai**  
Date 27th June, 2009

**Govind Agrawal**  
(Proprietor)

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

Registered Office:

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

## ATTENDANCE SLIP

### 35th ANNUAL GENERAL MEETING

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

Name of the Member/s. or Proxy (in BLOCK LETTERS)	Regd. Folio/Client ID No.	No. of Shares held
<p>I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held at AOTS ALUMNI ASSOCIATION OF WESTERN INDIA', 3rd Floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai - 400 031, on Friday 25th September 2009, at 3.00 p.m.</p> <p style="text-align: right;">_____ SIGNATURE OF THE MEMBER/S OR PROXY</p>		

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

Registered Office:

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

## FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ a member/members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ as my/our proxy to vote for me/us on

my/our behalf at the 35th Annual General Meeting of the Company to be held at AOTS ALUMNI ASSOCIATION OF WESTERN INDIA', 3rd Floor, India Printing House, 42, G. D. Ambekar Marg, Wadala, Mumbai - 400 031, on Friday 25th, September 2009, at 3.00 p.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

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

1 Rs.  
Revenue  
Stamp  
(Signature)

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

BOOK-POST

If Undelivered, please return to,



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

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