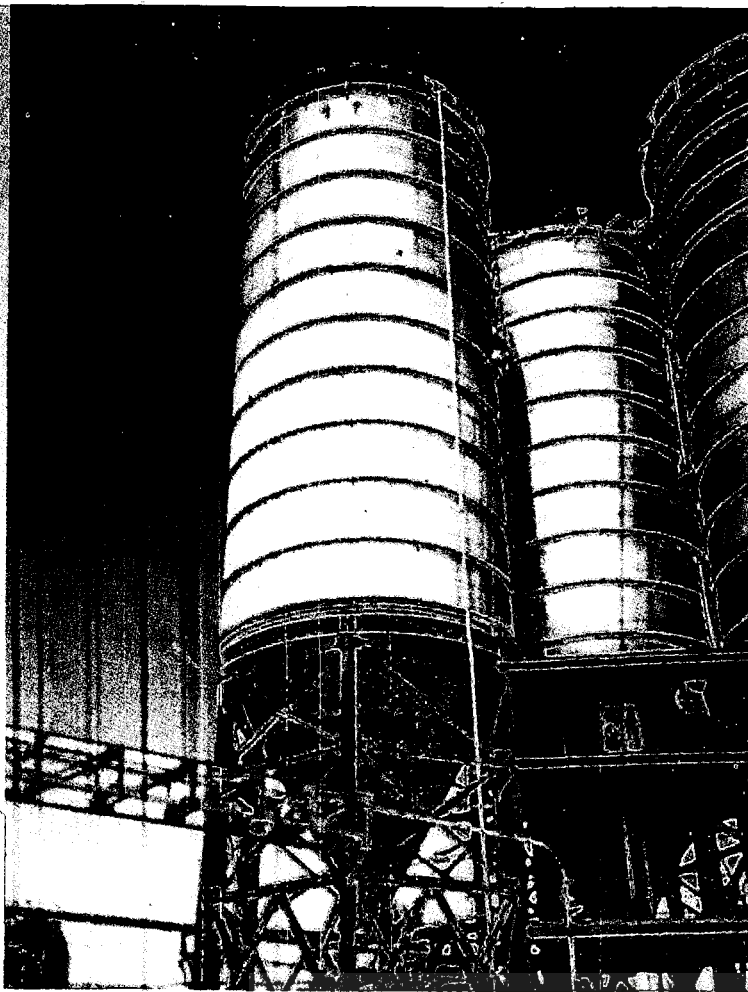


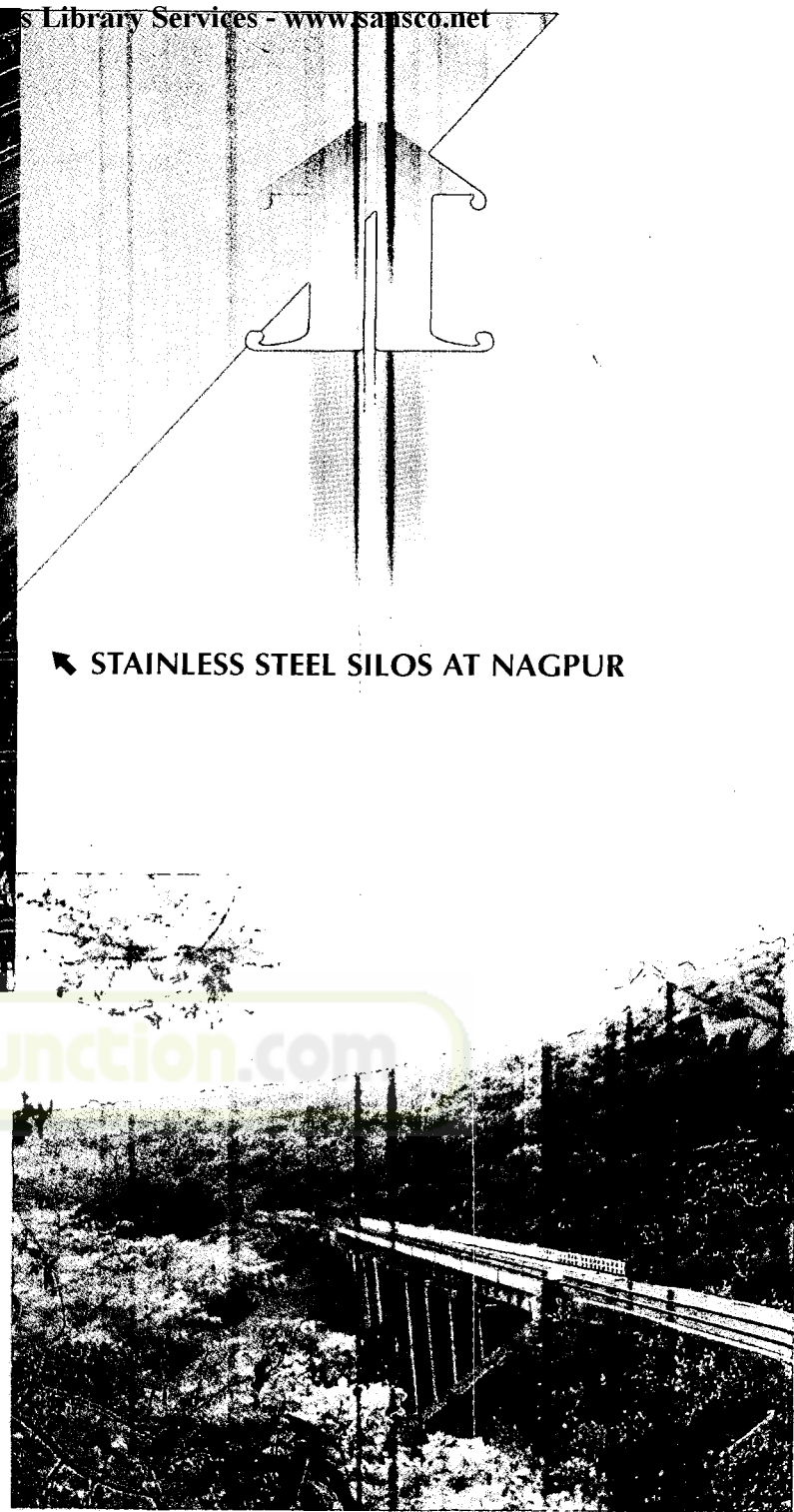
V. M. Jog Engineering Limited

Report on the 20th Annual Report 1997 - 98

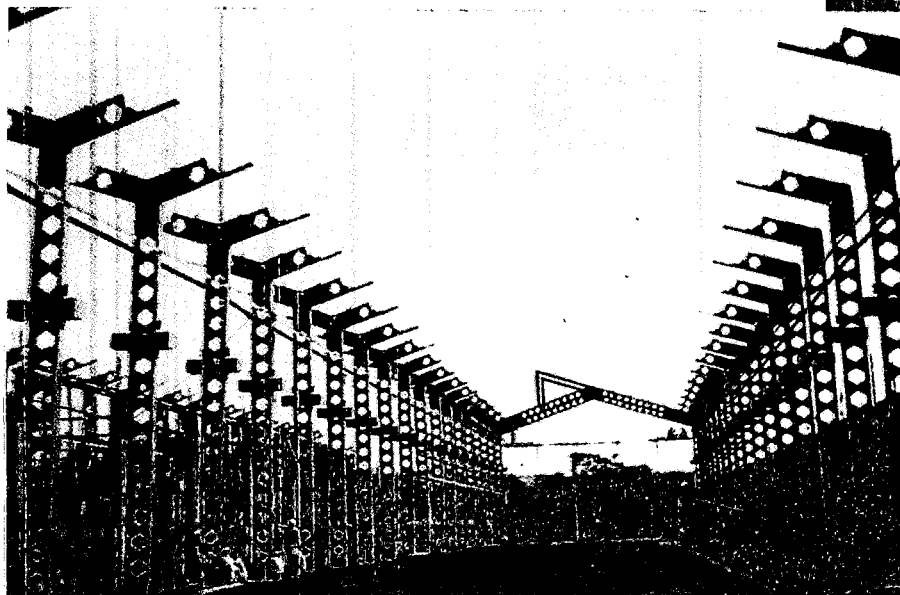
20TH ANNUAL REPORT 1997 - 98



↖ STAINLESS STEEL SILOS AT NAGPUR



VIADUCT ON KONKAN RAILWAY ↗



↖ LARGE STORAGE SHED WITH
CASTILLATED GIRDERS

V. M. JOG ENGINEERING LIMITED**ATTENDANCE SLIP****V.M. JOG ENGINEERING LIMITED**

Registered Office : 'Jog Center', 28/1, Wakdewadi, Pune-Mumbai Road, Pune - 411 003.

(Shareholders, attending the Meeting in person or by proxy, are requested to complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.)

I hereby record my presence at the 20th Annual General Meeting of the Company at the Regd. Office at 'Jog Center', 28/1, Wakdewadi, Pune-Mumbai Road, Pune - 411 003, at 11.30 a.m. on Saturday, 28th November 1998.

Full name of the Shareholder (in Block Capitals) _____	Signature _____
Folio No. _____	
Full Name of the Proxy (in Block Capitals) _____	Signature _____

Note : The copy of the Annual Report may please be brought to the meeting.

PROXY FORM**V. M. JOG ENGINEERING LIMITED**

Registered Office : 'Jog Center', 28/1, Wakdewadi, Pune-Mumbai Road, Pune - 411 003.

I / We, _____

being a Member / Members of V. M. Jog Engineering Limited, hereby appoint

Mr. / Mrs. _____ of _____ (Address)

or failing him _____ of _____

or failing him _____ of _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the 20th Annual General Meeting of the Company to be held on Saturday, 28th November 1998, and at any adjournment thereof.

Date :

30 Paise
Revenue
Stamps

Signature / s

Note : The Proxy, if any, must be deposited at the Registered Office of the Company at 'Jog Center', 28/1, Wakdewadi, Pune-Mumbai Road, Pune - 411 003, not less than 48 hours before the time for holding the meeting.



V. M. Jog Engineering Limited



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1997-98**

Board of Directors

Shri V. M. Jog
Chairman & Managing Director
Shri. Madhav Jog
President & Managing Director
Shri. B. K. Khare
Shri. S. N. Talwar
Shri. D. N. Mungale
Shri. Vidyadhar M. Jog
Shri. Ravindra V. Jog
Shri. Rajendra Jog

Company Secretary

Shri. A. V. Vasantgadkar

Bankers

Bank of Maharashtra
ICICI Banking Corporation Limited
State Bank of India

Auditors

Joshi & Sahney
Chartered Accountants
1913, Sadashiv Peth, Pune - 411 030

Registered Office :

'Jog Center'
28/1, Wakdewadi, Pune - Mumbai Road,
Pune - 411 003

ANNUAL GENERAL MEETING

Date : 28th November 1998
Day : Saturday
Time : 11.30 a.m.
Place : Regd. Office of the Company at :
'Jog Center', 28/1, Wakdewadi,
Pune-Mumbai Road,
Pune - 411 003

Members are requested to bring their copy of the
Annual Report to the Annual General Meeting.

V. M. JOG ENGINEERING LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the members of V.M.Jog Engineering Limited will be held on Saturday, 28th November 1998 at 11.30 a.m. at the Regd. Office of the Company at 'Jog Center', 28/1, Wakdevadi, Pune-Mumbai Road, Pune - 411 003 to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 1998 and the Profit and Loss Account for the year ended on 30th June 1998 together with the Auditors' Report thereon and the Directors' Report.
2. To declare Dividend.
3. To appoint a Director in place of Shri. S. N. Talwar who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Ravindra V. Jog who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modifications as a Special Resolution the following :

RESOLVED THAT pursuant to Section 370 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, the Board of Directors of the Company be and it is hereby authorised to give any guarantee or provide any security in connection with a loan or loans made by any other person to, or to any other person by, any body corporate, provided that the aggregate value of such guarantees given or securities provided and outstanding shall not exceed Rs. 50 crores at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and it is hereby authorised to determine the amount and conditions of such guarantees or securities and to decide all or any other matters arising out of or incidental thereto and to do all such acts, deeds, matters and things as may be necessary and / or expedient in that behalf.

7. To consider and, if thought fit, to pass with or without modifications as a Special Resolution the following :

RESOLVED THAT subject to the approval of the Central Government under Section 21 of the Companies Act, 1956, including any statutory modification or re-enactment thereof, the name of the Company be changed from 'V. M. Jog Engineering Limited' to 'Jog Engineering Limited', and accordingly the existing name wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name.

8. To consider and, if thought fit, to pass with or without modifications as an Ordinary Resolution the following :

RESOLVED THAT pursuant to Section 372 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to the approval of the Central Government and such other approvals as may be necessary, the members of the Company do ratify, approve and sanction an investment of Rs. 69,97,000 made by the Company at par in 6,99,700 Equity Shares of Rs. 10/- each of Mahakali Flyover Company Limited, a subsidiary company promoted by V.M.Jog Engineering Ltd. and two other parties; notwithstanding that such investment together with the Company's existing investments in all other bodies corporate shall be in excess of the limits specified in Section 372 of the Companies Act, 1956, and the Rules framed thereunder.

9. To consider and, if thought fit, to pass with or without modifications as an Ordinary Resolution the following :

RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory

modification or re-enactment thereof, consent of the Company be and it is hereby accorded to the appointment of **Shri. Madhav Jog** as the Managing Director of the Company for a period of five years with effect from 26th September 1998 upon the principal terms and conditions set out in the Explanatory Statement with liberty to the Board of Directors to revise the terms and conditions of remuneration within the maximum limits prescribed in Schedule XIII of the Companies Act, 1956, from time to time as and when the Board deems fit.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF ON A POLL ONLY. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, if any, must be deposited with the Company not less than 48 hours before the meeting.

2. **The Register of Members and the Share Transfer Book** of the Company will remain closed from 9th November 1998 to 14th November 1998 (both days inclusive).
3. **The Dividend** as approved by the members will be payable to those members whose names appear on the Company's Register of Members on 14th November 1998.
4. The members seeking further information about the Accounts etc. are requested to inform the Company at least one week before the date of the meeting so that it would be convenient to keep the information ready at the meeting.
5. **An Explanatory Statement** is annexed herewith in respect of item nos. 6 to 9 of the Notice.
6. The members are requested to notify immediately any **change in their address** to the Company specifying full address in block capitals with pin code number of the post office.
7. The members writing to the Company are requested to sign their letters in accordance with their specimen signature lodged with the Company and to quote their folio number.

By Order of the Board,
A. V. Vasantgadkar
Company Secretary

Date : 26th September 1998
Regd. Office : 'Jog Center', 28/1, Wakdevadi,
Pune-Mumbai Road, Pune - 411 003.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 :

Item No. 6 :

Pursuant to Section 370 of the Companies Act, 1956, no company is permitted to give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by, any body corporate unless the giving of such guarantee or the provision of such security has been previously authorised by a special resolution of the members of the Company.

The members had passed a resolution at the Annual General Meeting of the Company held on 22nd October 1988 authorising the Board of Directors to give such guarantees or provide such securities upto a limit of Rs. 5 crores at any one time. Considering the future requirements of the Company with the increase in the business activity of the Company, it has become necessary to revise the existing limit.

The Board of Directors recommends the Resolution for your approval. None of the Directors of the Company is interested in the Resolution.

Item No. 7 :

The Board of Directors is proposing to change the name of the Company subject to the approval of the members and the Central Government. The new proposed name is 'Jog Engineering Limited'.

V. M. JOG ENGINEERING LIMITED

20th ANNUAL REPORT

The Company undertakes engineering contracts, both-civil and mechanical, and has earned a good name for infrastructure projects. The Company is a public limited company with over 6,000 shareholders and the Equity Shares of the Company are listed on Stock Exchanges at Pune and Mumbai. However, in spite of this, foreign parties look upon the Company as a family institution since the name begins with the initials 'V.M.' of our promoter Shri. V. M. Jog. We noticed this when we made international bids for the execution of various engineering contracts. It is sometimes difficult to convince foreign parties that the Company is not a family company but a public corporate body. Hence, the change of name is proposed by deleting the letters 'V.M.' from the present name of the Company.

An application has been submitted to the Registrar of Companies for availability of the new name. None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 8 :

The Company has promoted a subsidiary company Mahakali Flyover Company Limited for construction of Flyovers. The said company is executing an infrastructure project of construction of a Flyover crossing three junctions and construction of three subways on the Western Express Highway at Andheri, Mumbai. The Company has invested an amount of Rs. 69,97,000/- in the Equity Share Capital of the said subsidiary company. This investment needs approval of the members and the Central Government pursuant to Section 372 of the Companies Act. However, due to inadvertent circumstances when such investment was made, the Company did not seek the approval of the members and the Central Government. The Company is thus, now taking steps to regularise this investment by taking the approval of the members and of the Central Government.

The Board of Directors recommends the Resolution for your approval. Shri. Madhav Jog, Shri. Ravindra Jog and Shri. Rajendra Jog, Directors of the Company, are also Directors of the said subsidiary company and hence may be deemed to be concerned or interested in the Resolution.

Item No. 9 :

Sri. Madhav Jog is the President of the Company. Considering the diverse nature of the responsibilities entrusted upon him, the Board of Directors deem it fit to appoint him as Managing Director of the Company in addition to the present Managing Director Shri. V. M. Jog. Therefore the Board is proposing to appoint Shri. Madhav Jog as Managing Director of the Company for a period of 5 years subject to the approval of the members of the Company. There is no change in any other terms of his appointment. The principal existing terms of his appointment are as under and the same would continue.

Monthly Salary : Rs. 25,000/- p.m.

Commission : 1% of the net profit of the Company for a financial year.

Perquisites :

i) Housing :

1. The expenditure by the Company on hiring furnished accommodation will be subject to a ceiling of sixty percent of the salary over and above ten percent payable by him.
2. In case the accommodation is owned by the Company, ten percent of his salary shall be deducted by the Company.
3. In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance Subject to the ceiling laid down in Housing 1 above.

The expenditure incurred by the Company on gas, electricity, water and furnishings to be valued as per the Income-tax Rules, 1962.

ii) Medical Reimbursement :

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

iii) Leave Travel Concession :

Leave Travel Concession for self and family, once in a year, incurred in accordance with the Rules of the Company.

iv) Club Fees :

Fees of clubs subject to a maximum of two clubs.

v) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 4,000/-.

- a) Company's contribution towards Provident Fund as per the Rules of the Company.
- b) Company's contribution towards Superannuation Fund as per the Rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income - Tax Act.

vii) Gratuity :

As per the Rules of the Company.

viii) Earned Leave & Leave Encashment :

As per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- ix) Car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purpose shall be billed by the Company to him.

The perquisites shall be evaluated as per the Income-Tax Rules wherever applicable and at actual cost to the Company in other cases.

In the event of loss or inadequacy of profits in any financial year, he shall be paid a minimum remuneration by way of salary and perquisites as specified above subject to the ceiling laid down in Schedule XIII of the Companies Act.

The above terms of appointment and remuneration are in accordance with the provisions of Schedule XIII of the Companies Act. Therefore, the approval of the Central Government will not be required for the proposed appointment of and the remuneration payable to Sri. Madhav Jog. The approval of the members is however required.

Shri. Madhav Jog himself and Shri. Vishnu M. Jog, Shri. Ravindra Jog and Shri. Rajendra Jog, Directors, being relatives, may be deemed to be interested in the Resolution.

The above, together with the relevant Resolution, may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board,
A. V. Vasantgadkar
Company Secretary

Date : 26th September 1998

Regd. Office : 'Jog Center', 28/1, Wakdewadi,
Pune-Mumbai Road, Pune - 411 003.

UNCLAIMED DIVIDEND

1. In accordance with the provisions of Section 205-A of the Companies Act, 1956 and the Rules made thereunder, the Company has transferred to the General Revenue Account of the Central Government the amount of Unclaimed Dividend for the financial year ended on 31st March 1994. Such transfer was made on 8th October 1997 and the total amount was Rs. 12,127/-. The concerned Share Holders may claim their Dividend amount from the Registrar of Companies, PMT Commercial Building, 3rd Floor, Deccan Gymkhana, Pune - 411 004 in the prescribed manner and quoting the Company's Registration No. 11-20245.
2. Those Share Holders who have not so far encashed their Dividend Warrants for the years ended on 31.3.1996 and 31.3.1997 are requested to send to the Company their Dividend Warrants for revalidation of date.

V. M. JOG ENGINEERING LIMITED

DIRECTORS' REPORT

To :

The Members of

V. M. Jog Engineering Limited

The Directors take pleasure in submitting their report on the business and operations of your Company along with audited Statements of Accounts for the financial year ended on 30th June 1998.

1. Financial Results :

15 months' period ended on
30th June 1998
Rs. in Lac

The financial results for the year are summarized below :

Gross Profit :		1,161.10
Less : Depreciation	187.10	
Cost of Finance	547.92	735.02
Profit before Tax :		426.08
Less : Provision for Taxation		103.00
Net Profit :		323.08
Add : Balance b/f from previous year		74.63
Less : Prior period adjustments (net)		(2.93)
Available for appropriation		394.78
Appropriation :		
General Reserve		175.00
Proposed Dividend		123.85
Tax on Dividend		12.39
Balance carried over		83.54
		394.78

2. Operating Results :

The business operations of the Company have produced a satisfactory performance during the year in spite of a general slow down prevalent in various segments of the economy and to some extent in the Company's areas of operations too. This is evident from the marked levels in terms of the turnover, gross profit and net profit. The net post tax profit has taken a jump of 114% over previous year. This was possible due to constant focus on cost-control measures as a result of which our manufacturing and operating expenses rose only marginally. The selectivity with which we accepted various projects was also a contributing factor.

During the year, the Company has taken up two major contracts. The first one is for construction of Andheri Flyover and three subways on BOT basis worth Rs. 110 Crore. The second is for construction of Section D of Mumbai-Pune Express-way worth Rs. 135 Crore. These projects provide us a solid footing in the area of infrastructure projects.

The members would be pleased to know that the Company has received "Best Bridge of the year" Award for our Kalwa Creek Bridge from the Indian Institute of Bridge Engineering.

The total orders in hand are worth Rs. 360.29 Crore. Turnover upto 24th September 1998 is Rs. 12.55 Crore.

3. Dividend :

The Directors recommend payment of Dividend at the rate of 15%. The Dividend will absorb a sum of Rs. 123.85 Lac.

4. Financial Year and Registered Office :

The Directors deemed it fit to change the financial year of the Company and to adopt a new financial year commencing on 1st July and ending on 30th June every year. This decision has emerged out of the business convenience considering effects of natural seasons on our business activity. The financial year 1997-98 therefore consists of a period of 15 months.

The Registered Office of the Company is shifted to a self constructed highly decent and spacious building named "Jog Center" situated at Wakdevadi on Pune-Mumbai Road. The "Jog Center" is a five storeyed corporate office building with modern outer and inner looks and therein will be located all the technical and administrative departments of the Company and the affiliates.

5. Share Capital:

The Company offered Equity Shares to the warrant holders against their warrants in the month of September 1997.

Pursuant to the applications received, 4,33,850 fully paid

Equity Shares were allotted in the month of December 1997. Consequently, the paid up Equity Share Capital of the Company stands at Rs. 8.5 Crore.

6. Directors :

Sri. Ravindra Jog and Sri. S. N. Talwar, Directors, will retire by rotation at the ensuing Annual General Meeting and being eligible, have agreed to seek re-election. The Board has appointed Sri. Madhav Jog, President, as Managing Director of the Company for a period of 5 years.

7. Auditors :

M/s. Joshi and Sahney, Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

8. Auditors' Report :

The notes no. 2 and 3 to the Accounts referred to in the Auditors' Report are self-explanatory and therefore don't call for any further explanation.

9. Subsidiary Company :

Mahakali Flyover Company Ltd. was incorporated during the year as a Subsidiary Company. Pursuant to Section 212 of the Companies Act, the reports and accounts of the subsidiary company and the necessary statement are annexed.

10. Disclosure of Information :

A statement concerning employees as required under Section 217 (2A) of the Companies Act is provided in the Annexure forming a part of this report.

The activities of the Company do not provide any scope for conservation of energy. The Company has an ongoing R & D program. During the year, there was no earning of foreign exchange. However, Rs. 3.73 Lac were spent in foreign exchange.

11. Acknowledgment :

The Board wishes to express its gratitude to all the Shareholders, Customers, Banks, Financial Institutions, Depositors and the Employees for their cordial association with us and continued support.

By Order of the Board,

Madhav Jog

President & Managing Director

S. N. Talwar
Director

Dhananjay Mungale
Director

Place : Pune 411 003.

Date : 26th September 1998

A. V. Vasantgodkar
Company Secretary

V. M. JOG ENGINEERING LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, and forming part of Directors Report for the year ended 30th June 1998.

Sr. No.	Name and Age (Years)	Designation Nature of Duties	Qualification	Remuneration (Rs.)	Experience (Years)	Date of Commencement of Employment	Last Employment Held
1	2	3	4	5	6	7	8
1.	Shri. Vishnu M. Jog (71)	Chairman & Managing Director	B.E. (Civil)	5,53,210	49	03/08/1978	Self Employed
2.	Shri. Madhav Jog (43)	President & Managing Director	B.E. (Civil) M.I.E	6,54,710	20	03/08/1978	—
3.	Shri. Ravindra V. Jog (36)	Wholtime Director	B.E. (Mech)	6,57,710	15	01/12/1993	Jog Engineers Pvt. Ltd.
4.	Shri. Rajendra Jog (31)	Wholtime Director	B.E. (Prod.)	4,36,756	10	01/07/1988	—
5.	Shri. Manmohan Sawhney (54)	Vice President Construction	B.E. (Civil)	4,34,672	32	02/03/1992	R.B. Construction
6.	Shri. Madhukar K. Shirude (46)	Vice President (Personnel & Administration)	M.B.A., P.G.D.M.M., M.P.M., L.L.B.	4,19,366	19	01/06/1979	—
7.	Shri. Bhaskar N. Choudhary (54)	Vice President Construction	B.E. (Civil)	3,95,260	32	06/04/1992	Hindustan Construction Co.

- Notes :
- 1) Remuneration Shown above Comprises of Salary, Commission, Bonus, Medical Reimbursement, LTA, Contribution to P. F. & F.P.F. and value of perquisites.
 - 2) Shri. Madhav Jog, Shri. Ravindra V. Jog, Shri. Rajendra Jog and Shri. Vishnu M. Jog are related to each other. Shri. Vishnu M. Jog is also related to Shri. Vidyadhar M. Jog, Director.
 - 3) Nature of employment of the above employees is contractual.

AUDITORS' REPORT

To,
The Members of
V. M. Jog Engineering Ltd.

We have audited the attached Balance Sheet of V.M. Jog Engineering Limited as at 30th June 1998 and also the annexed Profit and Loss Account for the period from 1st April 1997 to 30th June 1998 and we report as under :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments referred to in paragraph (1) above :
 - 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 it appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
3. In respect of Notes on Account attention is invited to note no.2 with regard to recoverability of various claims under arbitration/ negotiations included in sundry debtors aggregating to Rs. 350.32 lacs for which no

provision has been considered necessary by the management and note no.3 with regard to realisability of various claims under arbitration/negotiations and reimbursement of amounts in respect of cost incurred and amounts expended for extra works executed included in closing work in progress aggregating to Rs. 655.67 lacs for which no adjustment is considered necessary since considered recoverable in full by the Management. We are unable to form an opinion regarding the quantum, if any, of these amounts which would ultimately become irrecoverable.

Subject to the above, and the consequential cumulative effect thereof on the assets, reserves and liabilities and profit for the period ended 30th June 1998 which is not capable of quantification at present, in our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 30th June 1998 and
- ii) In the case of the Profit and Loss Account of the Profit of the Company for the period ended on that date.

FOR JOSHI & SAHNEY
 Chartered Accountants

Pune, 26/09/1998

H. M. JOSHI
 Partner