

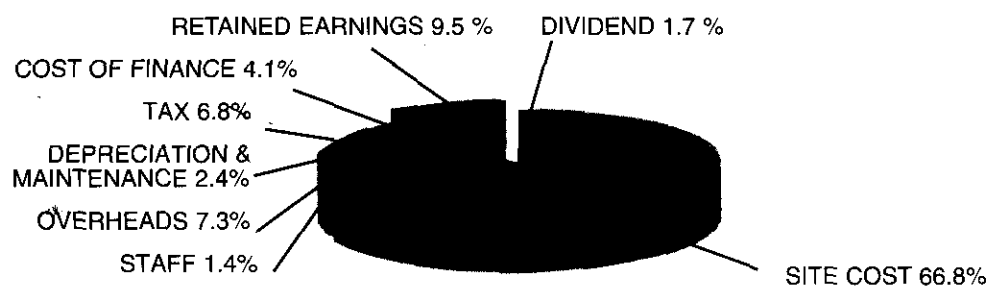


■ **JOG ENGINEERING LIMITED.** ■



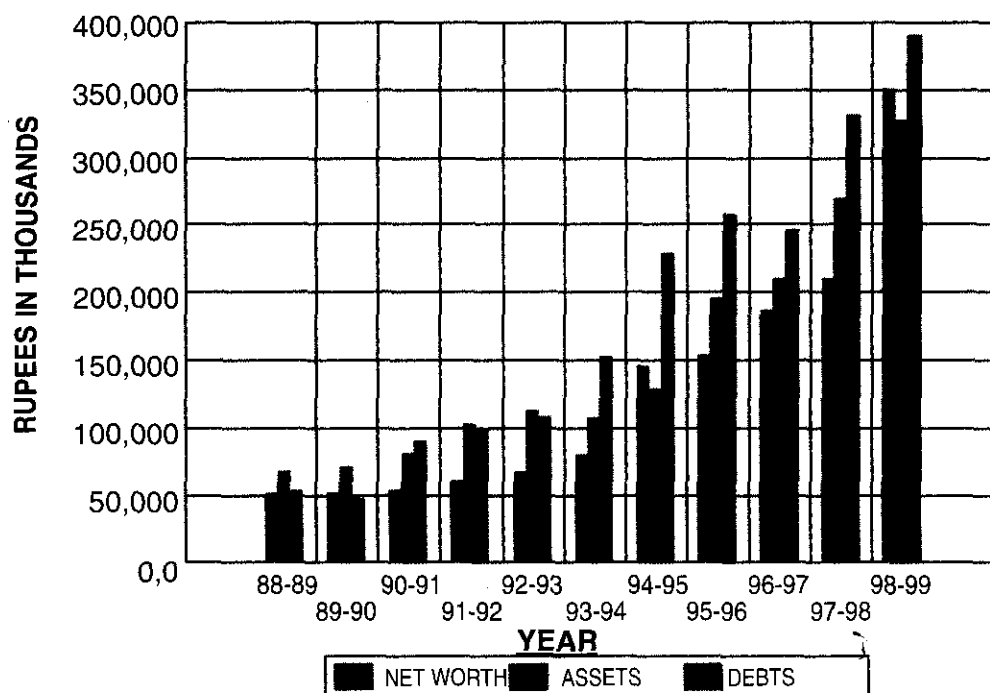
21st ANNUAL REPORT
1998 - 1999

INCOME DISTRIBUTION



Report

CORPORATE RATIOS





JOG ENGINEERING LIMITED

21st ANNUAL REPORT

1998-99

Board of Directors :

Shri. S. N. Talwar, Chairman

Shri. Madhav Jog, Managing Director

Shri. Rajendra Jog, Executive Director

Shri. Dhananjay N. Mungale

Shri. Vidyadhar M. 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 - 411030

Registered Office :

'Jog Center',

28/1, Wakdewadi, Mumbai-Pune Road,

Pune - 411003

ANNUAL GENERAL MEETING :

Date : 4th December 1999

Day : Saturday

Time : 12.00 Noon

Place : Regd. Office of the Company at :

'Jog Center', 28/1, Wakdewadi,

Mumbai-Pune Road,

Pune - 411 003

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



21ST ANNUAL REPORT 1998-99

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the members of Jog Engineering Limited will be held on Saturday, 4th December 1999, at 12.00 noon at "JOG CENTER", 28/1, Wakdevadi, Mumbai-Pune Road, Pune - 411 003 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 1999 and the Profit and Loss Account for the year ended on 30th June 1999 together with the Auditors' Report and the Directors' Report thereon.
2. To declare a Dividend on Equity Shares and Preference Shares.
3. To appoint a Director in place of Mr. Vidyadhar M. Jog, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

Insert the following new Article 66-A after the present Article 66.

66-A. DEMATERIALISATION OF SECURITIES :

(1) Definitions:

For the purpose of this Article: -

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository.

"Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof for the time being in force.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the Beneficial Owner.

"SEBI" means the Securities and Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

(2) Dematerialization of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act.

(3) Securities in Depositories to be in fungible form:

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(4) Options for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the

manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(5) Rights of Depositories and Beneficial Owners :

(a) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

(d) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the person whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

(6) Service of Documents :

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(7) Transfer of Securities :

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(8) Allotment of Securities dealt with by a Depository:

Notwithstanding anything in the Act or these Articles, where a depository deals with securities, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(9) Distinctive numbers of Securities held in a Depository:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.



JOG ENGINEERING LIMITED

(10) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

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

RESOLVED THAT pursuant to the provisions of Section 314 and any other applicable provisions of the Companies Act, 1956, the Company hereby accords its consent to Mrs. Vaishali Rajendra Jog to hold and continue to hold the office of profit under the Company as Law Officer carrying a total monthly remuneration of Rs. 11,000/- together with other usual benefits provided by the Company to the employees of similar category and within the time scale provided by the Company to the employees of similar category.

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

RESOLVED THAT pursuant to the provisions of Section 314 and any other applicable provisions of the Companies Act, 1956, the Company hereby accords its consent to Mrs. Sonia Madhav Jog to hold and continue to hold the office of profit under the Company as Senior Accounts Officer carrying a total monthly remuneration of Rs. 15,000/- together with other usual benefits provided by the Company to the employees of similar category and within the time scale provided by the Company to the employees of similar category.

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 issued, 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 4th November 1999 to 20th November 1999 (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 20th November 1999.
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 in respect of item nos. 5 to 7 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 the same manner as their specimen signature lodged with the Company and to quote their folio number.

By Order of the Board,
A. V. VASANTGADKAR
COMPANY SECRETARY

ANNEXURE TO THE NOTICE

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

Item No. 5:

Consequent to the passing of the Depositories Act, 1996, and the introduction of the Depository System, the Company is proposing to enter into an agreement with a Depository to facilitate holding and trading of the Company's Equity Shares in the electronic form. Accordingly, some of the provisions of the Companies Act pertaining to issue, holding, transfer / transmission and dealing in shares thereof have been amended to facilitate the Depository System. A few Articles in the Articles of Association of the Company, which were in line with the erstwhile provisions of the Companies Act, are being amended to conform to the requirements of the Depositories Act, 1996.

The Board recommends passing of the resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 6 & 7:

Pursuant to Section 314 of the Companies Act, 1956, consent of the members of the Company is required for holding of an office of profit by a relative of a director of the Company where the total monthly remuneration is Rs. 10,000/- or more.

Mrs. Sonia Madhav Jog, Senior Accounts Officer, is wife of Mr. Madhav Jog, Managing Director. She has been working with the Company since 1983. Her total monthly remuneration is Rs. 15,000/-. She is also entitled to the usual benefits allowed to the employees of similar rank. Mrs. Vaishali Rajendra Jog, Law Officer, is wife of Mr. Rajendra Jog, Director. She has been working with the Company since 1998. Her total monthly remuneration is Rs. 11,000/-. She is also entitled to the usual benefits allowed to the employees of similar rank.

Since both of them are related to directors Mr. Madhav Jog and Mr. Rajendra Jog, consent of the members is required for holding and continuing to hold the respective offices of profit in the Company by them.

Hence the two resolutions are proposed and the Board recommends passing of the resolutions.

Mr. Madhav Jog and Mr. Rajendra Jog, Directors, being related to the said individuals, be treated as interested in the two resolutions. Mr. Vidyadhar M. Jog, Director, who is the uncle of Mr. Madhav Jog and Mr. Rajendra Jog, may also be considered to be interested.

By Order of the Board,
A. V. VASANTGADKAR
COMPANY SECRETARY

Date : 9th October 1999

Date : 9th October 1999
Registered Office : "Jog Center", 28/1, Wakdevadi,
Mumbai-Pune Road, Pune - 411 003.



21ST ANNUAL REPORT 1998-99

DIRECTORS' REPORT

To :
The Members of
Jog Engineering Limited

The Directors take pleasure in submitting the 21st Annual Report along with audited Accounts of the Company for the year ended on 30th June 1999.

1. Financial Results :

The summarized operating results of the year are as below :

Details	Rupees in Lac	
	1998-99	1997-98 15 months
Total Income	11,322.22	4,931.07
Gross Profit	2,720.52	1,161.10
Less : Depreciation	215.06	187.10
Less : Cost of Finance	465.06	547.92
Profit before Tax	2,040.40	426.08
Less : Provision for Tax	766.50	103.00
Profit after Tax (Net Profit)	1,273.90	323.08
Add : Balance brought forward from previous year	83.54	74.63
Less : Prior period adjustments (net)	31.58	2.93
Available for appropriation	1,325.86	394.78
Appropriation :		
Capital Redemption Reserve	25.00	NIL
General Reserve	850.00	175.00
Proposed Equity Dividend	170.00	123.85
Proposed Preference Dividend	5.34	NIL
Tax on Dividend	19.28	12.39
Balance carried over	256.24	83.54
	1,325.86	394.78

2. The Year's Operations :

The performance of the financial year 1998-99 was satisfactory. The total turnover amounted to Rs. 11,322 Lac as against Rs. 4,931 Lac in the previous year, representing a growth of 129%. The profit after tax increased to Rs. 1,274 Lac from Rs. 323 Lac of last year, representing a growth of 294%. The highlights of the projects currently being implemented by the Company are briefly set out below.

i) Mumbai-Pune Expressway :

MSRDC awarded this prestigious project of 16.20 k.m. stretch from Dehu Road to Ozarde in February 1998. The project is worth Rs. 15,000 Lac. The Company expects to complete the project by the scheduled date of 7th May 2000.

ii) Andheri Flyover :

This 1,453 meters long, six lane wide Flyover is being built by us for Mahakali Flyover Company Limited to cross over three busy junctions on Andheri-Kurla Road along with a state of the art shopping mall in the space available below the flyover.

This work is worth Rs. 11,000 Lac and barring unforeseen circumstances is expected to be completed by June 2000.

iii) Mass Housing at Mankhurd :

Shivshahi Punarvasan Prakalp Limited awarded this mass housing project to the Company in May 1999. The total project cost is of the order of Rs. 8,000 Lac. The project is required to be completed in 15 months i.e. by August 2000.

3. Current Year Prospects :

The balance of orders in hand as on 1st July 1999 is Rs. 27,600 Lac. The turnover during the year's first quarter from July to September 1999 is Rs. 2,284 Lac achieved in spite of monsoon conditions that prevailed during this quarter.

With the Government at the Center as well as at various States initiating a number of infrastructure projects, the Company sees opportunities of being able to bid for new projects worth Rs. 3,00,000 Lac in near future.

4. Share Capital :

The formalities of issuing 10% redeemable preference shares were completed.

5. Dividend :

The Directors recommended for your approval a Dividend at the rate of 20% on 85,00,000 Equity Shares of Rs. 10/- each. The Directors also recommend a pro-rata Dividend at the rate of 10% on 15,00,000 Redeemable Preference Shares of Rs. 10/- each. The Equity Dividend will absorb a sum of Rs. 170 Lac and the Preference Dividend will absorb a sum of Rs. 5.34 Lac.

6. Corporate Name :

The name of the Company was changed to its present name effective from 7th December 1998 and all the formalities in connection therewith are complete.

7. Status of Y2K preparedness level :

The computer software systems of the Company are developed in house and the Company has taken appropriate risk-mitigation



JOG ENGINEERING LIMITED

measures to meet the risk of Y2K issues. The Company is confident that all its hardware and software is Y2K compliant. The cost incurred for the purpose is insignificant. This issue is not expected to pose any unforeseen problems that may affect the Company's business operations.

8. Subsidiary Company :

Pursuant to Section 212 of the Companies Act, the reports and accounts of the subsidiary company, Mahakali Flyover Company Limited, and the necessary statements are annexed.

9. Directors :

During the year, Shri. V. M. Jog, Shri. Ravindra Jog and Shri. B. K. Khare resigned from the Board. The Board places on record its gratitude and appreciation of the services rendered by them.

The Board elected Shri. S.N.Talwar as its Chairman.

Shri. Vidyadhar M. Jog retires by rotation and being eligible, offers himself for re-election.

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 operations of the Company do not provide any scope for conservation of energy. During the year, there was no earning or expenditure in foreign exchange.

11. Auditors :

The Auditors, M/s Joshi & Sahney, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

12. Auditors' Report :

The note numbers 2 and 3 to the Accounts referred to in the Auditors' Report are self-explanatory and therefore don't call for any further explanation.

The paragraph number 17 of the Annexure to the Auditors' Report points out certain delays in respect of some statutory payments. It

is to clarify that while the Company is careful in making such payments on or before the due dates, some delays of very short duration occurred on account of certain procedural lacunae, which have been since put in order.

The paragraph number 18 of the Annexure to the Auditors' Report refers to outstanding sales tax on works contracts. The statutory provisions on the subject and even the Amnesty scheme announced in respect thereof are very ambiguous and several clarifications have been sought by the Company from the Government of Maharashtra. The Directors are of the view that this should be paid only on obtaining clarity from the law making and administering Government agencies in order to ensure correct payment of tax. This is a time consuming process. The period of the Amnesty scheme for the payment has been extended upto 31st December 1999. In the meanwhile Rs. 30.55 Lac have been paid towards these dues. Balance dues if any shall be paid upon obtaining necessary clarifications as above.

13. Acknowledgement :

The Board places on record its appreciation of the devoted services rendered by the employees at all levels and their contribution to the overall performance of the Company.

Grateful thanks are also due to our Shareholders, Customers, Bankers, Financial Institutions and Depositors for their continued support.

By Order of the Board,
S. N. TALWAR
Chairman

Place : Pune - 411 003

Date : 9th October 1999

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 1999.

Sr. No.	Name and Age (Years)	Designation/ Nature of Duties	Qualifications	Remuneration (Rs.)	Experience (Years)	Date of Commencement of Employment	Last Employment Held
1	2	3	4	5	6	7	8
1.	Shri. Madhav Jog (44)	Managing Director	B.E. (Civil) M.I.E	24,52,534	21	03/08/1978	_____
2.	Shri. Rajendra Jog (32)	Executive Director	B.E. (Prod.)	23,73,534	11	01/07/1988	_____

- Notes :
- 1) Remuneration shown above comprises of Salary, Commission, Medical Reimbursement, LTA, Contribution to P. F. & F.P.F. and value of perquisites.
 - 2) Shri. Madhav Jog and Shri. Rajendra Jog are related to each other.
 - 3) Nature of employment of the above Directors is contractual.



21ST ANNUAL REPORT 1998-99

AUDITORS' REPORT

To

**The Members of
Jog Engineering Limited.**

We have audited the attached Balance Sheet of JOG ENGINEERING LIMITED as at 30th June 1999 and also the annexed Profit and Loss Account for the year ended on that date and 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 paragraph 4 & 5 of the said Order.
2. Further to our comments 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;
 - d) In our opinion the Profit and Loss Account and the Balance Sheet comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

3. In respect of Notes on accounts attention is invited to note no. 2 with regard to recoverability of various claims under arbitration / negotiations included in sundry debtors aggregating to Rs. 256.15 Lakhs for which no provision has been considered necessary by the management and note no. 3 with regard to realisability of claim under arbitration of Rs. 32 Lakhs 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 & liabilities and profit for the year ended 30th June 1999 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 1999; and
- ii) In the case of the Profit and Loss Account of the profit of the Company for the year ended on that date.

FOR JOSHI & SAHNEY
CHARTERED ACCOUNTANTS

Pune, 09/10/1999

H. M. JOSHI
PARTNER



JOE ENGINEERING LIMITED

ANNEXURE TO THE AUDITORS' REPORT

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management has physically verified the fixed assets at reasonable intervals during the year and as informed to us no material discrepancies with respect to book records were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. As explained to us stocks of construction material at sites which are included in work in progress have been physically verified by the Management during the year. Considering the nature of business of the Company, the frequency of verification is reasonable.
4. The procedures of physical verification of construction material at sites followed by the Company are reasonable and adequate commensurate with the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stock and book records were not significant and the same have been properly dealt within the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of construction material at sites is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956, or from companies under the same management as defined under section 370 (1B) (since omitted) of the Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956, or to companies under the same management as defined under section 370(1B) (since omitted) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the company, we state as under :
 - i) In respect of loan of Rs. 132 Lakhs given to a party, as informed to us the repayment of principal amount has been rescheduled. As explained to us in respect of non payment of interest on aforesaid loan management is taking necessary steps for recovery. In respect of loan given by the company to its subsidiary no stipulations have been made regarding the repayment of principal amount and payment of interest.
 - ii) The employees to whom loans and advances in the nature of loans have been given by Company are repaying the principal amounts and are also regular in payment of interest where stipulated.
10. 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 with regard to purchase of stores, construction material, equipment and other assets.
11. The Company has not entered into any transaction for purchase of materials and sale of goods, materials and service in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. As explained to us, unserviceable or damaged construction material has been determined by the Management and where required adequate provision has been made in the accounts for the loss arising on items so determined.
13. The Company has accepted deposits from public and in our opinion and according to the information and explanation given to us, the provisions of Section 58 A of the Companies Act, 1956, and the Rules framed thereunder have been complied with except for some delay in compliance with Rule 3A of the said Rules regarding maintenance of liquid assets.
14. In our opinion the Company has maintained reasonable records for sale and disposal of realisable scrap. We have been informed that the Company has no realisable by products.
15. In our opinion the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
16. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
17. According to the records of the Company, the Provident Fund dues have been regularly deposited with the appropriate authorities except for negligible delay in two months. In respect of Employees State Insurance Scheme, dues have generally been regularly deposited with the appropriate authorities except for some delay in four months.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs duty and Excise duty which are outstanding as on 30th June 1999, for a period of more than six months from the date they became payable. Works Contract Tax payable outstanding more than six months as on 30/06/1999 amounts to Rs. 1,06,64,994/-.
19. No personal expenses of Directors or Employees have been charged to Revenue Accounts other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of Clause (O) of Subsection (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of service activities :
 - i) In our opinion the Company has a reasonable system of recording receipts, issues and consumption of materials and stores commensurate with its size and nature of its business and this system provides for a reasonable allocation of the materials and manhours consumed to relative jobs.
 - ii) In our opinion the Company has a reasonable system of authorization at proper levels with necessary control on the issue of stores and labour to jobs and there is a system of internal control commensurate with the size of the Company and the nature of its business.

FOR JOSHI & SAHNEY
CHARTERED ACCOUNTANTS

Pune, 09/10/1999

H. M. JOSHI
PARTNER