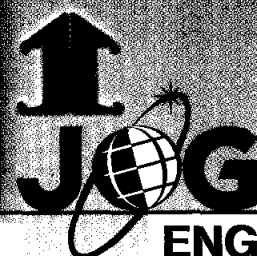


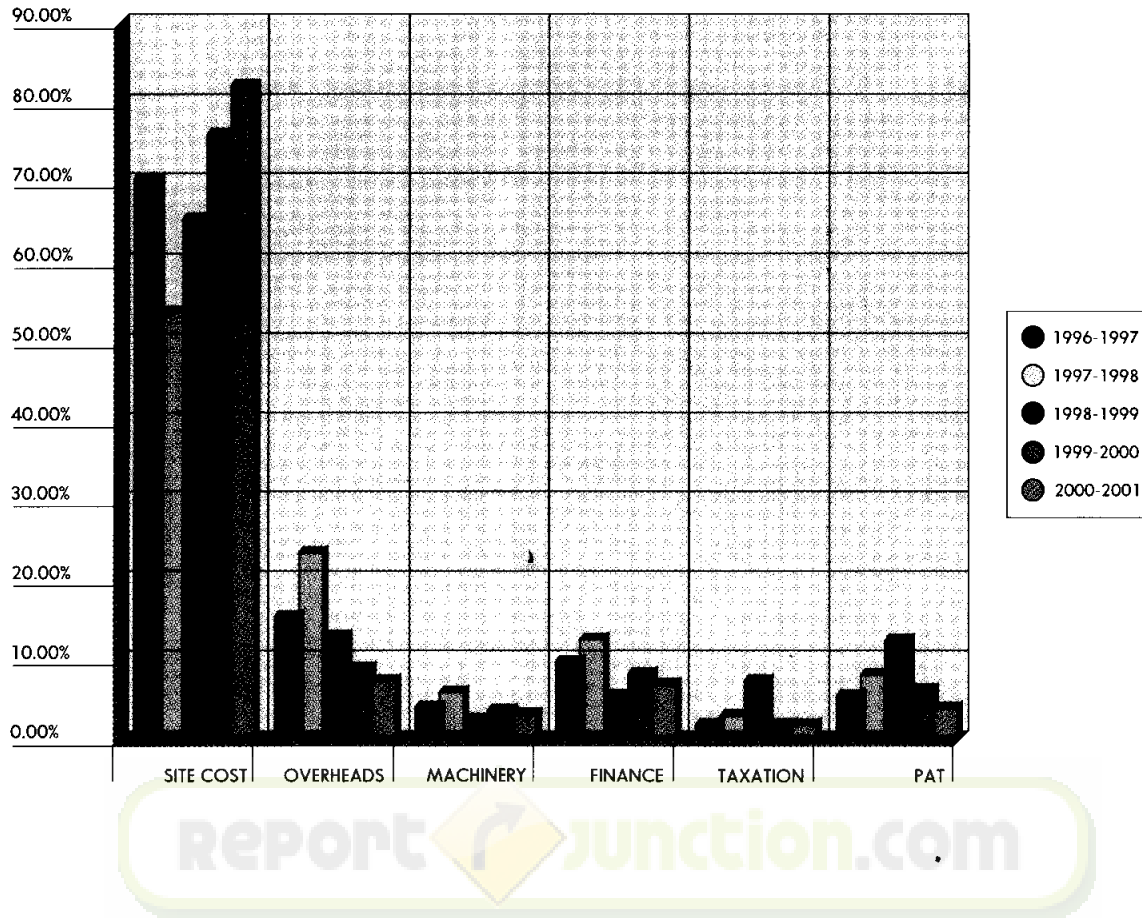
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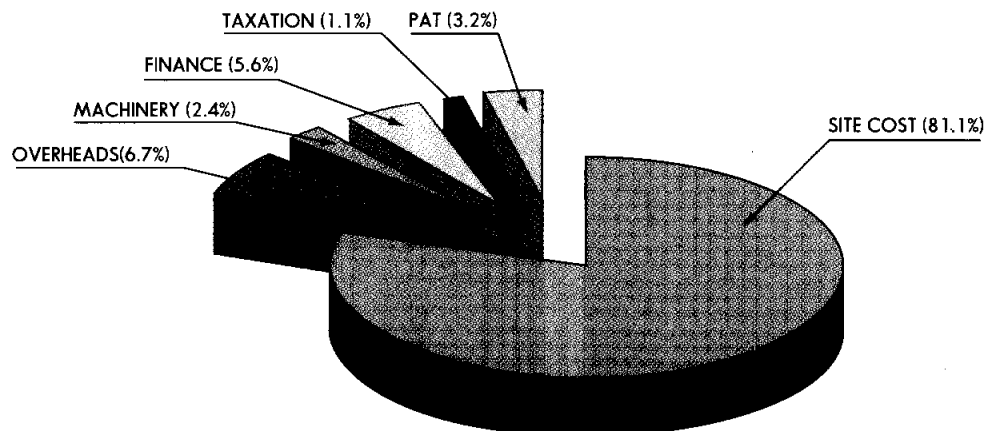


ENGINEERING
LIMITED

COMPARISON OF 1996-97 TO 2000-2001



INCOME DISTRIBUTION 2001





JOG ENGINEERING LIMITED

23rd ANNUAL REPORT 2000 - 2001

Board of Directors :

Shri. Suresh N. Talwar, Chairman

Shri. Madhav Jog, Managing Director

Shri. Rajendra Jog, Executive Director

Shri. Dinesh K. Afzulpurkar

Shri. Dhananjay N. Mungale } Members of Audit Committee

Shri. Vidyadhar M. Jog

Company Secretary :

Shri. A.V. Vasantgadkar

Bankers :

Bank of Maharashtra

Andhra Bank

Development Credit Bank Limited

Auditors :

Joshi & Sahney

Chartered Accountants

1913, Sadashiv Peth, Pune - 411030

Registered Office :

'Jog Center',

28/1, Wakdewadi, Mumbai - Pune Road,

Pune - 411003

Phone : (020) 5815931

Fax : (020) 5814690

Visit us at : www.jogengineering.com

E-mail : jelinfo@jogengineering.com

ANNUAL GENERAL MEETING :

Date : 3rd November 2001

Day : Saturday

Time : 12.00 noon

Place : Pudumjee Hall, Mahratta Chamber of Commerce,
Industries and Agriculture, Tilak Road, Pune - 411002

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



JOG ENGINEERING LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Jog Engineering Limited will be held on Saturday, 3rd November 2001, at 12.00 noon at Pudumjee Hall, Mahratta Chamber of Commerce, Industries & Agriculture, Tilak Road, Pune - 411 002, to transact the following business :

- To receive, consider and adopt the audited Balance Sheet as at 30 June 2001 and the Profit and Loss Account for the year ended on 30 June 2001 together with the Auditors' Report and the Directors' Report thereon.
- To declare a Dividend on Equity Shares and Preference Shares.
- To appoint a Director in place of Shri. S. N. Talwar, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri. Rajendra Jog, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

- To consider and, if thought fit, to pass with or without modification as an Ordinary Resolution the following :
RESOLVED THAT Shri. Dinesh K. Afzulpurkar be and he is hereby appointed as Director of the Company, liable to retire by rotation.
- To consider and, if thought fit, to pass with or without modification as a Special Resolution the following :
RESOLVED THAT pursuant to Section 309 (4) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be necessary, consent be and it is hereby accorded to continue payment of remuneration by way of commission to the Directors of the Company (other than Managing/ Whole-time Directors) not exceeding in the aggregate 1% per financial year of the net profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956, for each of the 5 financial years of the Company commencing from 1st July 2001. The quantum proportion and manner of such payment and distribution to be as the Board may from time to time decide.
- To consider and, if thought fit, to pass with or without modification as an Ordinary Resolution the following :
RESOLVED THAT the members do hereby accord their approval to the payment of 0.1% Guarantee Commission from time to time to Shri. Madhav Jog, Managing Director and Shri. Rajendra Jog, Executive Director, for giving personal guarantees to the banks, financial institutions and other lenders as and when required to secure repayment of loans advanced by them to the Company and other non-fund based facilities provided for the Company's business purpose.

NOTES :

- 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.
- The Register of Members and the Share Transfer Book of the Company will remain closed from 10th October 2001 to 20th October 2001 (both days inclusive).
- The Dividend, upon its declaration at the Annual General Meeting, will be paid to those members whose names appear in the Register of Members of the Company on 20th October 2001. In respect of shares held in electronic form, the dividend will be paid to the Beneficial Owners as per the details furnished by the Depositories for this purpose.

- The members who hold shares in physical form are requested to notify immediately change, if any, in their address, mandate instructions, bank account details etc. to the Company, specifying the Register Folio number.
- The members who hold shares in electronic form are requested to notify change, if any, in their address, mandate instructions, bank account details etc. to the Depository Participant with whom they are maintaining their beneficial owner account.
- 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.
- An Explanatory Statement is annexed in respect of item no: 6, 7 and 8 of the Notice.
- The Company has entered into Agreements with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and Dematerialization of securities. Members can avail the depository facilities by approaching any of the Depository Participants of NSDL or CDSL.
- Those members who have not so far encashed Dividend Warrants for the financial year 1994-95 and thereafter, may immediately approach the Company for revalidation of unclaimed Dividend Warrants as the amount of Dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund as per the provisions of Section 205 C of the Companies Act, 1956.
- The members writing to the Company are requested to sign their letters in the same manner as their specimen signatures lodged with the Company and to quote their folio numbers.
- Pursuant to the requirement of the Code of Corporate Governance, the following information is provided in respect of the appointment / re-appointment of Directors as proposed in the Notice of meeting.
Shri. S.N. Talwar (63) is a graduate in Commerce and Law and a Solicitor and a senior partner of Crawford Bayley & Company. He has vast legal experience and expertise in corporate matters. He is Chairman of the Company. He joined the Board in the year 1986. He holds Directorships in following companies.

Name of the Company	Directorship	Committee Membership
Cussons India Pvt. Ltd.	Chairman & Alt. Director	
Framatome Connectors OEN Ltd.	Chairman & Alt. Director	Audit Committee
Trans Warranty Finance Ltd.	Chairman & Alt. Director	
E Merck (India) Ltd.	Chairman	Audit Committee
Greaves Morganite Crucible Ltd.	Chairman	
Moly Colloids Pvt.Ltd.	Chairman	
Romil Finance & Investments Pvt. Ltd.	Chairman	
S & M Agencies Pvt.Ltd.	Chairman	
Sea-Land Holdings India Pvt.Ltd.	Chairman	
S & M Logistics Pvt. Ltd.	Chairman	
Sidham Finance & Investments Pvt. Ltd.	Chairman	
20th Century Fox Corpn (I) Pvt. Ltd.	Chairman	
Blue Star Infotech Ltd.	Director	Audit Committee
Birla Sun Life Asset Management Co. Ltd.	Director	
Burroughs Wellcome (India) Ltd.	Director	Audit Committee
BPL Communications Ltd.	Director	Audit Committee
Cadbury India Ltd.	Director	Audit Committee



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Carborundum Universal Ltd.	Director	
Chowgule & Company Ltd.	Director	
Decagon Investments Pvt. Ltd.	Director	
Glaxo India Ltd.	Director	Shareholders' Grievance Committee
HGC Foundation Pvt. Ltd.	Director	
India Value Fund Trustee Co Pvt. Ltd.	Director	
Karnik Hurwits Intersocks Pvt. Ltd.	Director	
Meridian Vat Reclaim (India) Pvt. Ltd.	Director	
Rishabh Instruments Pvt. Ltd.	Director	
Refco (India) Pvt. Ltd.	Director	
Reva Electric Car Company Pvt. Ltd.	Director	
Sandvik Asia Ltd.	Director	Audit Committee
Shrenuj & Co. Ltd.	Director	
Swiss Re Shared Services (India) Pvt. Ltd.	Director	
Blue Star Ltd.	Director	Audit Committee
Fisher - Rosemount (India) Pvt. Ltd.	Director	
RCI Travels Pvt. Ltd.	Director	
ORG - MARG Research Pvt. Ltd.	Director	
JM Morgan Stanley Securities Pvt. Ltd.	Director	
JM Morgan Stanley Retail Services Pvt. Ltd.	Director	
Advani Hotels & Resorts (India) Ltd.	Alt. Director	
Birla Kennametal Ltd.	Alt. Director	
Chennai Power Generation Ltd.	Alt. Director	
Duphar-Interfran Ltd.	Alt. Director	
Esab India Ltd.	Alt. Director	
Garware-Wall Ropes Ltd.	Alt. Director	
Gillette India Ltd.	Alt. Director	
Johnson & Johnson Ltd.	Alt. Director	
John Fowler (India) Ltd.	Alt. Director	
Madura Coats Ltd.	Alt. Director	Audit Committee
MTL Instruments Pvt. Ltd.	Alt. Director	
PSI Data Systems Ltd.	Alt. Director	
Schenectady India Ltd.	Alt. Director	
Schenectady (India) Holdings Ltd.	Alt. Director	
Schenectady - Beck India Ltd.	Alt. Director	
Schenectady Specialities Asia Ltd.	Alt. Director	
Snowcem India Ltd.	Alt. Director	
Timbron India Pvt. Ltd.	Alt. Director	
Uhde India Ltd.	Alt. Director	
Wyeth Lederle Ltd.	Alt. Director	

Shri. Rajendra Jog (34), B.E. (Prod) is Executive Director of the Company and since 1988 he is working in the Company in various capacities. He has a wide and diverse experience in off shore construction, precast housing construction, heavy fabrication, computer application etc. He holds Directorships in Jog Software Solutions Ltd., Jog Multimedia Pvt. Ltd., Jog Agro-Farms Pvt. Ltd., Mahakali Flyover Company Ltd., Yashodhan Hotels Pvt. Ltd., Jog Fabricators Pvt. Ltd., Millennium Properties Pvt. Ltd.

Shri. Dinesh K. Afzulpurkar (63), M.Sc., is a retired member of the Indian Administrative Service. He was Chief Secretary to the Government of Maharashtra during 1996-97. At

present, he is an advisor to Government of Maharashtra for self employment and employment programme. He holds Directorships in Perspective Advisory Services Pvt. Ltd. Kolhapur Steel Pvt. Ltd., Fair Value Leasing & Finance Co. Ltd.

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

Date : 6th August 2001
Regd. Office : 'Jog Center',
Mumbai - Pune Road, Wakdevadi,
Pune - 411 003.

ANNEXURE TO THE NOTICE

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

Item No. 6 :

The Board of Directors of the Company, at its meeting held on 9th December 2000, co-opted Mr. Dinesh K. Afzulpurkar as an additional Director on the Board. As per the provisions of Sec. 260 of the Companies Act, Mr. Dinesh K. Afzulpurkar holds the office of Director upto the date of forthcoming Annual General Meeting. The Company has received a notice under Sec. 257 of the Companies Act from a member to propose the appointment of Mr. Dinesh K. Afzulpurkar as a Director of the Company. The Board feels that wide experience, knowledge and contacts of Mr. Afzulpurkar will be of immense benefit to the Company. Hence a resolution is proposed at item no. 6 of the Notice. Mr. Dinesh K. Afzulpurkar is interested in the resolution, since it concerns his own appointment.

Item No. 7 :

Pursuant to Section 309(4) of the Companies Act, the Non-executive Directors of the Company are being paid commission not exceeding in the aggregate 1% of the net profit per financial year, since 1993. The resolution earlier passed for the purpose was valid for a period of 5 years from 1st April 1996. Hence shareholders' approval is required to continue to pay the commission to the Non-executive Directors from 1st July 2001. The resolution proposed will be effective for 5 years.

Shri. S.N. Talwar, Shri. Dinesh K. Afzulpurkar, Shri. Dhananjay N. Mungale and Shri. Vidyadhar M. Jog, being the Non-executive Directors, are concerned with and interested in the resolution to the extent of the commission amount they may receive.

Item No. 8 :

Pursuant to the terms and conditions of Banks and Financial Institutions, Shri. Madhav Jog, Managing Director and Shri. Rajendra Jog, Executive Director, are often required to issue their personal guarantees in favour of the lenders. Such guarantees are required to additionally secure repayment of loans advanced to the Company by them to meet financial requirement of the Company and to secure other non-fund based facilities provided. It is a usual practice in business circle to pay guarantee commission to the Directors giving personal guarantees as stated above. Approval of the members is sought, only as a matter of abundant caution, to the payment of 0.1% guarantee commission to the Directors.

Shri. Madhav Jog and Shri. Rajendra Jog, Directors, are interested in the resolution to the extent of the guarantee commission they receive from the Company.

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

Date : 6th August 2001
Regd. Office : 'Jog Center', Mumbai-Pune Road, Wakdevadi,
Pune - 411 003.



JOG ENGINEERING LIMITED

DIRECTORS' REPORT

To:
The Members of
Jog Engineering Limited

The Directors submit the 23rd Annual Report along with audited Accounts of the Company for the year ended on 30th June 2001.

1. Summarized Financial Results :

The summarized financial results of the year are stated below :

	Rupees in Lac	
	2000-2001	1999-2000
Total Income	11,792.30	10,197.58
Gross Profit	1,447.42	1,640.05
Less: Depreciation	282.83	282.10
Less: Cost of Finance	664.06	677.92
Profit before Tax	500.53	680.03
Less: Provision for Tax	126.00	105.00
Profit after Tax (Net Profit)	374.53	575.03
Add: Balance brought forward from previous year	228.68	256.24
Less : Prior period adjustments (net)	(70.55)	101.89
Available for appropriation	673.76	729.38
Appropriation :		
Capital Redemption Reserve	25.00	25.00
General Reserve	300.00	250.00
Proposed Equity Dividend	127.50	170.00
Proposed Preference Dividend	15.00	15.00
Tax on Dividend	14.53	40.70
Balance carried over	191.73	228.68
	673.76	729.38

2. Performance:

Aggregate turnover during the financial year increased to Rs. 11,792 Lac, about 15% higher than the previous year. Although with better management of funds, the cost of finance could be controlled, costs of many other inputs rose considerably and the Company had to bear those because of market conditions and terms of contracts. The Public Interest Litigation (PIL) in the case of the Andheri Flyover Project created an unfavourable cash flow situation for the Company. Consequently, the expected profit position could not emerge. Despite these difficulties, the Company was able to achieve after-tax profit of Rs. 374 Lac, against Rs. 575 Lac in the previous year.

3. Ongoing Projects :

a) Mumbai-Pune Expressway:

Out of the total length of 95 km of the Expressway, a stretch of 16.40 km was assigned to us and the same was completed and handed over to MSRDC in June 2001. Some extra works for the project are still going on and may be over by December 2001. The Expressway is now fully available for Pune-Mumbai travel.

b) Andheri Flyover:

The public interest litigation (PIL) filed by a certain environmental group in the month of February 1999 forced the Company to initially slow down and later close down the site work. The Mumbai High Court issued an interim Order in respect of the PIL on 28 July 2000. Following the Order, the State Government has partly paid the Company the amounts

due for the work done. While passing the interim Order, the question of commercial exploitation of the space below the flyover was not decided by the High Court. Final hearing of the PIL was concluded on 23 January 2001. On 5 July 2001, the High Court passed Orders dismissing the PIL. The High Court has also followed the recommendations of their Expert Committee. By virtue of the Order, the Company is allowed to exploit initially 9,000 equivalent square meters out of the planned 33,000 equivalent square meters of commercial area under the flyover. The balance area may be commercially exploited in stages, only after requisite study of environmental impact of exploitation of the 9,000 square meters now allowed to us. The project is now planned to be completed by June 2002.

c) Mass Housing at Mankhurd:

The project is for Shivshahi Punarvasan Prkalp Ltd. and consists of 33 buildings comprising of 3648 flats. The project work is over to the extent of 23% and balance work is programmed to be completed by June 2002.

d) Hinjawadi Software Technology Park:

The project is to construct an Infotech Park Building at Hinjawadi near Pune. The project value is Rs. 800 Lac. By 30 June 2001, 95% project work was over. The project will be completed by 31 August 2001.

4. ISO 9001 Certification:

The Directors take pleasure to report that on 28 May 2001, the



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Company achieved ISO 9001 Certification valid upto 27 May 2004, for establishing quality system for Design & construction of Infrastructure Projects, Residential & Commercial Complexes. The ISO 9001 Certification was done under the aegis of RWTUV India Pvt. Ltd., a German Certification Agency.

5. Current Year:

At the beginning of the current year, unfinished work of the order of Rs. 125 Crore was on hand out of the ongoing projects with the Company. Turnover in the first month of July 2001 amounted to Rs.6 Crore.

6. Dividend:

The Directors recommend for your approval a Dividend at the rate of 15% on 85,00,000 Equity Shares of Rs. 10/- each. The Directors also recommend a 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. 127.50 Lac and the Preference Dividend will absorb a sum of Rs. 15 Lac.

7. Directors:

Shri. S. N. Talwar and Shri. Rajendra Jog, Directors, retire by rotation and being eligible, offer themselves for re-election. Shri. Dinesh K. Afzulpurkar was co-opted as a Director in the month of December 2000.

8. Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, the Board of Directors confirms:

- (i) That in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) That, the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30 June 2001 and of the profit of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for 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;
- (iv) That the annual accounts have been prepared on a going concern basis.

9. Corporate Governance:

The Code of Corporate Governance, as introduced through Listing Agreement, is applicable to the Company by 31 March 2002. However, the Company has already taken requisite steps and many of the requirements of the Code have been complied with. The Compliance Report on Corporate Governance is annexed

disclosing diverse information, as a matter of good governance, although such disclosure is required from the next year.

10. 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 statement are annexed.

11. Statutory Disclosures:

There were no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the relevant Rules.

The operations of the Company do not provide any scope for conservation of energy. During the year, there was no earning in foreign exchange. Expenditure of Rs. 96.43 Lac was incurred in foreign exchange.

12. Dematerialization of Shares:

The Company has admitted its Equity Shares in the depository system with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL). The Equity Shares of the Company can now be held / bought / sold in electronic form. The Company has entered into agreements with NSDL and CDSL in order to facilitate holding and transfer of Equity Shares of the Company in dematerialized form. The Company has established requisite electronic connectivity through M/s Sharepro Services, Mumbai.

As on 30 June 2001, 39.35 Lac Equity Shares being 46.29% of the Company's total Equity Shares were held in dematerialized form.

13. Auditors:

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

14. Auditors' Report:

Note no. 2 to the Accounts referred to in the Auditors' Report is self-explanatory and therefore does not require any further explanation.

15. Acknowledgement:

The Board places on record its appreciation of the devoted services rendered by employees at all levels and their contribution to the overall performance of the Company. Grateful thanks are also due to our Shareholders, Customers, Bankers and IDBI and the Fixed Depositors for their continued support.

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

Date: 6th August 2001

Place: Pune - 411 003



JOG ENGINEERING LIMITED

Management Discussion and Analysis Report

The financial performance and the operational performance of the Company during the financial year ended on 30 June 2001 have been reported in the Directors' Report and so the same is again not reported herein.

In order to give an overall idea about the operational areas of the Company, it may be stated that the Company is engaged in all types of Civil engineering related construction projects. In recent years, the Company has played a major role as Infrastructure Builders to the nation. Presently, we operate in various fields of Construction Engineering such as :-

- a) **Transportation Engineering:** Covers Roads, Highways, Expressways, Bridges, and Flyovers.
- b) **Building Construction:** Covers Pre-fabricated Housing, Real Estate Development and Industrial Construction.
- c) **Public Health Engineering:** Covers water supply and Waste-Water projects including Water Intake Works, Pumping Plants, Manufacturing and Installation of Water Conveyance Pipelines, Sewerage Collection, Treatment and Disposal Systems etc.
- d) **Mechanical Engineering:** Covers Fabrication, Erection and Commissioning of specialized Mechanical systems such as Radio Telescopes, Aerial Ropeway system and Ash Handling Plants.

Opportunities, Threats and Risks :

The importance of adequate infrastructure in any economy cannot be overemphasised. Economic development primarily depends on the status of the infrastructure available. This aspect was neglected in our country for a long period and the people have suffered a lot for this negligence. However, in recent years, the significance of infrastructure development is being properly considered. Government has been bringing up projects in the sector of roads under National Highway Development Programme. In the Finance Bill of 2000-2001, infrastructure development received an incentive by way of a new provision whereby tax exemption from capital gains would be available only if investment is made in the bonds to be issued by National Bank for Agriculture and Rural Development and National Highways Authority of India. This incentive will accelerate growth in infrastructure sector and should open up new opportunities for the Company. Increasing Government support to private sector projects and enhanced allocations to certain sectors such as transportation and water is a welcome step. Next few years will see a distinct upturn in infrastructural spending.

The present state of road-traffic in metropolitan cities provides for increasing opportunities for the new flyover projects, an area where the Company has earned a good name and expertise.

Large unfulfilled housing requirements in both urban and rural areas has been receiving Government's attention and Government is providing tax incentives for personal housing.

However, public or private investment in infrastructure has not yet come up to encouraging level. The projects are coming up rather slowly. The shareholders and the general public are quite aware, due to media-publicity, about the public interest litigation (PIL) filed in Mumbai High Court with reference to the Andheri Flyover project of the Company. On 5 July 2001, the High Court has passed Orders dismissing the PIL. The construction of commercial complex under the flyover has been cleared by the High Court although in stages. With this Order, the uncertainty of commercial exploitation of the space below the flyover is put to an end and the project work is re-started and it is expected to be over by June 2002.

Baseless objections from the so called Environmentalists to infrastructure projects may prove to be threats in future for such works.

Artificial scarcity of cement which occurred in the market in order to raise cement prices affected the Company by way of enhanced costs and project delays.

Division-wise performance :

Following is the Division-wise performance of the Company. (Rs.in Lac)

Details	Building Works	Transportation Engineering
Contract Amount	9,300	34,100
Completed upto 30.06.2001	2,545	28,371
Balance on 01.07.2001	6,755	5,729

The aggregate revenue – collection at Raigad Ropeway project amounted to Rs. 79 lac during the financial year 2000-2001 as against Rs. 58 lac in the year before.

Outlook :

Government's thrust on upgradation of the country's infrastructure facilities hold promise for our business. The National Highway Development Project comprising a length of over 13,000 km at a total cost of Rs. 54,000 crore is under implementation and some business opportunity for us may be possible in that venture. The market continues to be very competitive. Due to entry of non-professional entities in the field of construction, competition is getting worse day by day. However, such entities are not likely to remain in the field for long and therefore, the policy is to allow them to price out each other and to fade away on account of bad workmanship and losses. Company's policy is to quote at its own prices.

The Company is now pre-qualified to quote for many jobs in neighbouring States like Gujrat, Andhra Pradesh and Karnataka and is adding focus from only Maharashtra to these States also. The policy will be to quote to only such parties who have ability to pay.

Another shift in the focus arises on account of shift to Real Estate Development Projects of its own, where the Company does not depend on ability of the contracting authority to pay. With land of its own at Sangamwadi, Pune, and other projects which Company is trying to acquire, the prospects in this area seem to be good. This does pose a marketing challenge, which can be overcome by right selling price and right location.

Internal Control Systems :

The Company has an adequate system of internal control relating to purchase of raw material, stores, components etc. commensurate with the size of the Company and nature of its business. The internal control system also covers speedy compilation of accounts and management information reports. The Internal Audit section reports its significant observations to the Audit Committee which comprises of three non-executive Directors. The Committee discusses with statutory auditors to ascertain their views on the adequacy of internal control systems in the Company.

Human Resources :

Over the years, the Company has built up a pool of quality human resources with a variety of skills suitable to its business requirements. By way of programmes of seminars, lectures and discussion, training of employees at various levels is conducted. Wherever required, on the job training is ensured. Total number of employees at all levels is 335. Employee-relations have been cordial and their morale has been high.



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COMPLIANCE REPORT ON CORPORATE GOVERNANCE

The Code of Corporate Governance, as introduced through Listing Agreement, is applicable to the Company by 31st March 2002. However, the Company has already taken requisite steps and many of the requirements of the Code have been complied with. The Report on Corporate Governance is provided disclosing diverse information, as a matter of good governance, although such disclosure is not required this time.

1. Company's philosophy :

The Company's philosophy envisages transparency, accountability and professionalism in all facets of its operations. The Company believes that all its operations and actions must serve the goal of enhancing its stakeholders' values, including shareholders, customers, employees and creditors.

2. Board of Directors :

The Board of Directors comprises of 6 Directors of whom 2 are executive and 4 are non-executive Directors. The non-executive Directors are eminent professionals with experience in law, finance and business and bring a wide range of skills and experience to the Board. All the 4 non-executive Directors are independent Directors. The Board has not prescribed any age barrier for Directors. The Board looks at strategic planning and policy formation. The Board meets at least once in a quarter to review the quarterly performance and financial results.

During the financial year 2000-2001, 5 Board Meetings were held on 29.7.2000, 28.10.2000, 9.12.2000, 29.1.2001 and 28.4.2001. All the meetings held during the year were well attended. The non-executive Directors play an important role at the Board Meetings. The composition of the Board, number of Directorships held and number of Board meetings held and attended is as under :

Name and age (years)	Category	Other Directorships held/Committee memberships	Board Meetings held/attended during the year
Shri. S.N Talwar, Chairman (63)	Non-executive, Independent	14 / 10	5 / 4
Shri. Madhav Jog, Managing Director (46)	Executive	2 / NIL	5 / 5
Shri. Rajendra Jog, Executive Director (34)	Executive	2 / NIL	5 / 5
Shri. Dinesh K. Afzulpurkar (63)	Non-Executive, Independent	1 / NIL	5 / 2
Shri. Dhananjay N. Mungale (48)	Non-Executive, Independent	8 / 2	5 / 4
Shri. Vidyadhar M. Jog (72)	Non-Executive, Independent	NIL	5 / 4

Note :

Alternate Directorships, Directorships in private companies and in associations not carrying business for profit are not included.

All the Directors attended the last Annual General Meeting held on 9.12.2000 except Shri. D.K. Afzulpurkar who was co-opted as a Director after the Annual General Meeting.

The Company has a Managing Director and one Executive Director with proper demarcation of responsibilities and authority. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The Executive Director is responsible for day-to-day operations – related issues, profitability, productivity etc.

The Board has constituted Committees consisting executive and non-executive Directors to focus on the critical functions of the Company.

3. Audit Committee :

The Audit Committee was constituted by the Board in its meeting

held on 29th January 2001. The Audit Committee comprises of 3 non-executive independent Directors, viz.- Shri. D. K. Afzulpurkar, Shri. Dhananjay N. Mungale and Shri. Vidyadhar M. Jog. The Committee has elected Shri. D.K. Afzulpurkar as its Chairman. Two meetings of the Committee were held since its formation and all the members of the Committee attended both the meetings.

Further, statutory Auditors, Company Secretary, Vice President (Finance) attended the Committee meetings.

The role of the Committee is as specified in clause no. 49 of the Listing Agreement and the provisions of the Companies Act.

4. Investors' Grievance Committee :

The Shareholders/Investors Grievance Committee is constituted by the Board in its meeting held on 6th August 2001. The Committee comprises of 2 Directors, viz. Shri. D.N. Mungale as Chairman, and Shri. Vidyadhar M. Jog.

The Committee shall review investors' grievances and redressal mechanism and recommend measures to improve the level of investor services. Shri. A.V. Vasantgadkar, Company Secretary, is the compliance officer. Shareholders' complaints are not pending with the Company on the date of this report. No share transfers are pending for more than 30 days.

5. Remuneration Policy :

The remuneration of the whole time Directors and the non-executive Directors is approved by the Board of Directors and the shareholders. The Commission for all the Directors within the limits approved by the shareholders is determined by the Board. Hence no separate remuneration committee is constituted. The Wholetime Directors are paid by way of salary, perquisites and commission pursuant to their agreements with the Company. Non-executive Directors are paid by way of commission based on the net profits of the Company. Besides, they are paid sitting fees at Rs. 500/- and out of pocket expenses for each Board meeting attended.

Details of remuneration paid / provided towards Directors' remuneration are as follows :-

Name	Salary and Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri. Madhav Jog	4,46,000	5,26,000	---	9,72,000
Shri. Rajendra Jog	5,00,000	5,26,000	---	10,26,000
Shri. S.N. Talwar	---	1,50,000	11,500	1,61,500
Shri. D.N. Mungale	---	1,50,000	11,500	1,61,500
Shri. D.K. Afzulpurkar	---	75,000	1,000	76,000
Shri. Vidyadhar M. Jog	---	1,50,000	1,500	1,51,500

6. General Body Meetings :

Last 3 Annual General Meetings were held as under :

Financial Year	Date	Time	Venue
1997-98	28.11.1998	11.30 a.m.	Regd. Office : at 'Jog Center', Pune - 3
1998-99	4.12.1999	12.00 noon	Regd. Office : at 'Jog Center', Pune - 3
1999-2000	9.12.2000	12.00 noon	Mahratta Chamber of Commerce, Pune - 2

No special resolutions were required to be put through postal ballot last year and there is no such proposal at the next Annual General Meeting.



JOG ENGINEERING LIMITED

7. Disclosures :

During the year, there were no transactions of materially significant nature with related parties (Directors, their relatives, subsidiary company, promoters) that may have potential conflict with the interest of the Company at large.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed on the Company during last 3 years by Securities and Exchange Board of India, Stock Exchange or any statutory authority on any matter related to capital markets.

8. Means of communication :

The Company published its quarterly and half-yearly results in the prescribed form. The results were furnished to the Stock Exchanges at Pune and Mumbai and were published in Daily Economic Times, Mumbai, and Daily Sakal, Pune, in which those are normally published. The Company has a web site www.jogengineering.com.

Management Discussion and Analysis report forms a part of the annual report.

9. General Shareholder Information :

a) Annual General Meeting :

The ensuing Annual General Meeting is proposed to be held on 3rd November 2001 at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune - 411 002, at 12.00 noon.

b) Financial Calendar 2001-2002 (Provisional) :

1st Quarterly Results --- Before end of October 2001

2nd Quarterly Results --- Before end of January 2002

3rd Quarterly Results --- Before end of April 2002

Audited Results for the year

ended on 30th June 2002 --- Before end of September 2002

c) Dates of Book Closure :

10th October 2001 to 20th October 2001 (Both days inclusive)

d) Dividend payment date :

1st December 2001 onwards.

e) Listing on Stock Exchanges :

Equity Shares of the Company are listed on Stock Exchanges at Pune and Mumbai.

f) Stock Code :

Pune Stock Exchange Ltd. : 7942

The Stock Exchange, Mumbai : 7942

g) Market price data :

Monthly high and low price of the Equity Shares at Stock Exchange, Mumbai, during the financial year 2000-2001 were as under :

Month	High (Rs.)	Low (Rs.)
July 2000	14.55	12.95
August 2000	16.85	13.00
September 2000	18.10	13.00
October 2000	14.20	12.40
November 2000	17.25	12.40
December 2000	17.25	12.40
January 2001	23.75	16.65
February 2001	17.00	15.65
March 2001	16.60	14.70
April 2001	16.60	14.70
May 2001	15.85	11.05
June 2001	12.95	11.15

h) Registrar and Share Transfer Agents :

The Company has not appointed any Registrar or Share Transfer Agents for the purpose of share transfers. The share transfer work is done at the Registered Office of the Company at 'Jog Center', 28/1, Wakdevadi, Mumbai-Pune Road, Pune - 411 003, in respect of shares in physical form.

i) Share Transfer System :

Transfer of shares in physical form is processed and approved fortnightly by the Share Committee and the share certificates are returned to the transferees within 30 days from the date of receipt, subject to transfer-documents being in order.

j) Distribution of Shareholding :

Distribution of Equity Shareholding as on 30th June 2001 is provided below :

No. of Shares	No. of Shareholders	%	Shareholding	%
Upto 500	5,561	90.30	11,24,618	13.23
501 -- 1000	354	5.75	2,69,959	3.18
1001 -- 2000	139	2.26	2,13,298	2.51
2001 -- 3000	29	0.47	74,330	0.87
3001 -- 5000	20	0.32	75,970	0.89
5001 -- 10000	22	0.36	1,46,363	1.72
10001 -- and above	33	0.54	65,95,462	77.60
Total	6,158	100	85,00,000	100

Categorywise distribution of Equity shareholding as on 30th June 2001 is provided below :

Category	No. of Shares	%
Promoters	52,11,431	61.31
General Public	32,88,569	38.69
Total	85,00,000	100

k) Dematerialisation of Shares :

As on 30th June 2001, 39.35 Lac Equity Shares being 46.29% of the Company's total Equity Shares were held in dematerialised form. The ISIN of the Equity Shares is : INE 941 A 01017.

l) Address for correspondence :

Shareholders' correspondence should be addressed at the Registered Office of the Company at :

'JOG CENTER',
28/1, Wakdevadi,
Mumbai-Pune Road,
Pune - 411 003

However, shareholders holding shares in dematerialised form shall address relevant correspondence to their Depository Participants (DPs).