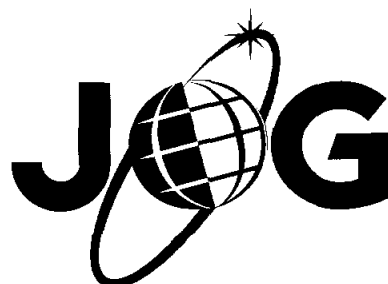


2001-2002

24th Annual Report

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# **JOG ENGINEERING LIMITED**

24th ANNUAL REPORT  
2001-2002

## **Board of Directors :**

**Shri. Suresh N. Talwar**, Chairman

**Shri. Madhav Jog**, Managing Director

**Shri. Rajendra Jog**, Managing 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](http://www.jogengineering.com)

E-mail : [ho@jogengineering.com](mailto:ho@jogengineering.com)

## **ANNUAL GENERAL MEETING :**

Date : 6th December 2002

Day : Friday

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.



## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 24th Annual General Meeting of the members of Jog Engineering Limited will be held on Friday, 6th December 2002, at 12.00 noon at Pudumjee Hall, Mahratta Chamber of Commerce, Industries & Agriculture, Tilak Road, Pune - 411 002, to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 30 June 2002 and the Profit and Loss Account for the year ended on 30 June 2002 together with the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri. Vidyadhar M. Jog, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification 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 by substituting the following Article 114 (a) in place of existing Article 114(a), effective from the financial year commencing on 1st July 2002.

114 (a). Each Director shall be paid out of the funds of the Company a fee of such sum not exceeding Rs. 5,000/- for each meeting or adjourned meeting of the Board of Directors or Committee of the Board attended by him as may be determined by the Board from time to time.

5. To consider and, if thought fit, to pass with or without modification 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. Rajendra Jog** as a Managing Director of the Company, not liable to retire by rotation, for a period of five years with effect from 3rd November 2001 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 his appointment and 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.

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

RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and it is hereby accorded to the appointment of and remuneration paid to **Shri. Parshuram Shankar Kulkarni** as a Technical Director (a wholetime Director) of the Company during the period 3rd November 2001 to 5th April 2002, the day on which he ceased to be a Director of the Company.

### 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 3rd December 2002 to 6th December 2002 (both days inclusive).

3. 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.
4. **An Explanatory Statement** is annexed in respect of item no: 4 to 6 of the Notice.
5. 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 Equity Shares**. Members can avail the depository facility by approaching any of the Depository Participants of NSDL or CDSL.
6. Those members who have not so far encashed **Dividend Warrants** for the financial year 1995-96 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.
7. Pursuant to the requirement of Clause 49 of the Listing Agreement (Code of Corporate Governance), the following information is provided in respect of the appointment of Directors as proposed in the Notice of meeting.

**Shri. Vidyadhar M. Jog** (74), B.Sc., is one of the promoters of the Company. He is a Director of the Company since incorporation. He is well versed with the complex mechanical works / operations and plant and machinery and equipments. He is a Director of Pasaydan Constructions Pvt. Ltd. and Raymond-Jog (India) Ltd. He is not a member of any Board Committee of these companies.

**Shri. Rajendra Jog** (35), B.E. (Prod.), is a Managing 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 is Director of Jog Software Solutions Ltd., Millennium Properties Pvt. Ltd., Yashodhan Hotels Pvt. Ltd. and Jog Consultants Pvt. Ltd. He is not a member of any Board Committee of these companies.

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

Date : 28th September 2002

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. 4 :

Article 114 (a) of the Articles of Association of the Company provides for maximum amount of Rs. 500/- as meeting fee to be paid to the Directors for attending meetings of Board of Directors or a Committee of the Board. This limit of Rs. 500/- was provided some 15 years before. Accordingly, the Directors have been paid a fee of Rs. 500/- only for attending a meeting of the Board or a Committee thereof. The Directors now propose to stipulate a maximum amount of Rs. 5,000/- to be paid as meeting fee to the Directors for attending meetings of the Board or Committees of the Board. The actual fees to be paid shall be determined by the Board from time to time.

In view of the above, it is proposed to alter Article 114(a) to revise the maximum limit of meeting fee from Rs. 500/- to Rs. 5,000/-. A fee of not more than Rs. 2,000/- is proposed to be paid from the financial year 2002-2003.



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The non-executive directors of the Company, Shri. S.N. Talwar, Shri. D.K. Afzulpurkar, Shri. D.N. Mungale and Shri. Vidyadhar M. Jog are concerned with and interested in the resolution to the extent of the meeting fees to which they shall be entitled.

### Item No. 5 :

Shri. Rajendra Jog (35), B.E. (Prod.), was appointed as a whole time Director of the Company for a period of 5 years with effect from 1st August 1997. Subsequently, he was designated as Executive Director.

The Board of Directors in its meeting held on 3rd November 2001 appointed Shri. Rajendra Jog as a Managing Director of the Company for a period of 5 years w.e.f. 3rd November 2001 and concluded his earlier appointment as an Executive Director. The principal terms of his appointment are as under:-

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 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/-.

#### vi) 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 terms and conditions of the appointment and / or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Shri. Rajendra Jog.

The above terms of appointment and remuneration are in accordance with the provisions of Schedule XIII of the Companies Act. Therefore, an approval of the Central Government will not be required for the appointment of and the remuneration payable to Shri. Rajendra Jog. The approval of the members is however required. Relevant information of Shri. Rajendra Jog is provided in note no. 7 of this Notice.

Shri Rajendra Jog himself and Shri. Madhav Jog, Managing Director, being relative, may be deemed to be interested in the Resolution. It may please be noted that Shri. Madhav Jog is also a Managing Director of the Company.

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

### Item No. 6 :

The Board of Directors had appointed Shri. Parshuram Shankar Kulkarni, B.E. Civil, as a Technical Director ( a whole time Director) for a period of 5 years from 3rd November 2001. Shri. P.S. Kulkarni has been working with the Company in various capacities for over 20 years. Considering his wide knowledge and experience he was appointed by the Board as a Technical Director on a remuneration of Rs. 20,000/- per month. However, on 5th April 2002, Shri. P.S. kulkarni stepped down for his personal and family reasons. It was with regret that the Board accepted his resignation.

The terms of appointment and remuneration of Shri. P.S. Kulkarni are in accordance with the conditions of Schedule XIII of the Companies Act, and hence an approval of the Central Government was not required. However, an approval of the shareholders is required for the appointment of and remuneration paid to Shri. P.S. Kulkarni during the period of his tenure from 3rd November 2001 to 5th April 2002. Hence, a resolution is proposed at Item No. 6 of the Notice. No director is interested in the resolution.

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

Date : 28th September 2002



## DIRECTORS' REPORT : 2001-2002

To:  
The Members of  
**Jog Engineering Limited**

The Directors submit the 24th Annual Report along with audited Accounts of the Company for the year ended on 30th June 2002.

### 1. Summarized Financial Results :

The summarized financial results of the year are stated below :

(Rupees in Lac)

	30th June 2002	30th June 2001
Total Income	7,921.70	11,792.30
<b>Gross Profit</b>	<b>1,407.33</b>	<b>1,447.42</b>
Less: Depreciation	244.39	282.83
Less: Cost of Finance	714.23	664.06
<b>Profit before Tax</b>	<b>448.71</b>	<b>500.53</b>
Less: Provision for Tax	159.15	126.00
[Current : 147.00 + Deferred : 12.15]		
<b>Profit after Tax (Net Profit)</b>	<b>289.56</b>	<b>374.53</b>
Add: Balance brought forward from previous year	191.73	228.68
Less : Prior period adjustments (net)	26.06	(70.55)
Available for appropriation	455.23	673.76
<b>Appropriation :</b>		
Capital Redemption Reserve	25.00	25.00
General Reserve	225.00	300.00
Proposed Equity Dividend	-----	127.50
Proposed Preference Dividend	-----	15.00
Tax on Dividend	-----	14.53
Balance carried over	205.23	191.73
	455.23	673.76

### 2. Performance:

The performance of the Company during the year was adversely affected due to severe liquidity crunch experienced by the Company arising out of the legal issues involved in the Andheri flyover project. Delay in realisation of our receivables also caused an unfavourable cash flow position. Further, the market conditions are more competitive these days, resulting in new projects getting bids at unreasonably low rates by some bidders and thereby causing a cut-throat competition. The Company is determined to keep away from such unduly competitive environment, although this may mean lack of new works for the time being.

However, this state of the market is temporary and cannot last for long. The effect of the above is reduction in total income from Rs. 11,792 lac in previous year to Rs. 7,921 lac in the present year. The net profit amounted to Rs. 289 lac as against Rs. 374 lac in the previous year.

### 3. Ongoing Projects :

#### a) Mumbai-Pune Expressway :

The contracted work is completed and taken over by MSRDC with effect from 10.01.2002. The final bill is submitted and is under process. Some additional work on the same terms is allotted to us, which will be completed by end of November 2002.

#### b) Andheri Flyover :

Construction of the 1,453-meter long, six-lane flyover bridging three junctions at Sahar, Gold Spot and Andheri

Kurla Road was completed. The flyover was opened to traffic on 1st January 2002.

The delay in the project occurred due to the Public Interest Litigation (PIL) filed by the Bombay Environmental Action Group (BEAG) against our client, Government of Maharashtra and subsequent delays in releasing our outstanding bills and decisions by the client. The Bombay High Court has passed an Order dismissing the PIL on 5th July 2001. By virtue of the Order 9,000 square meters equivalent area in Section 'B' out of 33,000 square meters equivalent area consisting of Section 'A', 'B', 'C' and 'D' under the entire flyover is now allowed to be put to use in the first phase.

The construction of the state-of-the-art commercial premises below the flyover is in progress and will be completed in 2003.

#### c) Prefab Housing at Mankhurd :

The construction of 33 buildings is about 50% completed and it is scheduled to be over in 2003.

#### d) Hinjawadi Software Technology Park :

The main building work is completed. There are some additional works ordered in August 2002, which will be over in 2002.

### 4. Current Year:

At the beginning of the current year, unfinished work of the order of Rs. 73 crore was on hand out of the ongoing projects with the





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Company. Turnover in the first two months of July – August 2002 amounted to Rs. 1.21 crore.

### 5. Dividend:

In view of the necessity to conserve liquidity for current operations and considering the prevailing unfavourable liquidity position, the Board has not recommended any Dividend on both Equity and Preference Shares for the financial year 2001-2002.

### 6. Directors:

Shri. Rajendra Jog was appointed as Managing Director by the Board on 3rd November 2001, subject to approval of the members.

Shri. P.S. Kulkarni was appointed as a Technical Director on 3rd November 2001. However, he stepped down on 5th April 2002 for personal reasons. He continues to be an employee of the Company.

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

### 7. 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 30th June 2002 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.

### 8. Subsidiary Company:

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

The members are aware about the Andheri Flyover Project of MFCL and the Public Interest Leave Petition (PIL) with reference to the project.

Pursuant to the final Order of the Bombay High Court dated 5th July 2001, with respect to (PIL) against construction of the Flyover, the High Court had allowed stage-wise occupation and exploitation of commercial area under and around the flyover. MFCL has already completed and handed over the flyover to the Government of Maharashtra for public use from 1st January 2002.

MFCL is fairly confident that it will recover the entire amount of the cost incurred by it as well as the cost it will be incurring in future for commercial exploitation of the flyover by way of sale of real estate concession / right available to it.

ICICI Bank Ltd. from whom MFCL has borrowed secured loan had approached the Debt Recovery Tribunal (DRT) for settlement of their dues. DRT, in its Order dated 11th May 2001, directed MFCL to re-pay the debt in a phased manner. MFCL preferred an appeal against DRT's Order with Debt Recovery Appellate Tribunal

(DRAT) which stayed the Order of DRT. ICICI preferred an appeal before the Bombay High Court against DRAT's Order and obtained an interim relief on 17th April 2002. ICICI did not press the demands as directed by the High Court as MFCL had appointed a Merchant Banker for financial restructuring. With the discussions in this matter, a mutually satisfactory restructuring plan has been arrived at and with this, consent terms will be filed with the DRT in near future.

### 9. 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. An expenditure of Rs. 4.28 Lac was incurred in foreign exchange.

Pursuant to the provisions of the Listing Agreement, a Management Discussion and Analysis Report and a Compliance Report on Corporate Governance are annexed.

### 10. 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 dematerialized 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 Sharepro Services, Mumbai. As on the date of this report, 49.27 lac Equity Shares being 58% of the Company's total Equity Shares were held in dematerialized form.

### 11. Auditors:

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

### 12. Auditors' Report:

Notes at serial number 2, 3(a), 3(b) and 18 to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not require any further explanation.

### 13. 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, Suppliers, IDBI and the Fixed Depositors for their continued support.

By Order of the Board,

S.N. TALWAR  
Chairman

Date : 28th September 2002

Place : Pune

## Management Discussion and Analysis Report

### Financial and Operational Performance:

The financial performance and the operational performance of the Company during the financial year ended on 30th June 2002 were as under.

#### Financial Performance:

(Rs.in Lac)

	30th June 2002	30th June 2001
Total Income	7,921.70	11,792.30
Gross Profit	1,407.33	1,447.42
Depreciation	244.39	282.83
Cost of Finance	714.23	664.06
Profit before Tax	448.71	500.53
Provision for Tax	159.15	126.00
Profit after Tax	289.56	374.53

#### Operational Performance (Division wise) :

(Rs. in Lac)

	Building Works	Transportation Engineering
Contract Amount	9,874	35,274
Completed upto 30.06.2002	5,016	32,824
Balance on 01.07.2002	4,858	2,450

The aggregate revenue – collection at Raigad Ropeway project amounted to Rs. 104 lac during the financial year 2001-2002 as against Rs. 79 lac in the year before. Status of ongoing projects is stated in the Directors' Report.

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 :-

- Transportation Engineering:** Covers Roads, Highways, Expressways, Bridges and Flyovers.
- Building Construction:** Covers Pre-fabricated Housing, Real Estate Development and Industrial Constructions.
- 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.
- Mechanical Engineering:** Covers Fabrication, Erection and Commissioning of specialised Mechanical systems such as Radio Telescopes, Aerial Ropeway system and Ash Handling Plants.

#### Opportunities, Risks, Outlook :

The infrastructure sector remains a major potential opportunity for the country. 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 Highways Development Programme (NHDP). Highways have been identified as one of the priority sectors for infrastructure investment in the country. The road development is one of the key items on the agenda of the Central Government. National Highways Authority of India (NHAI) is implementing the NHDP in two phases. Phase II of NHDP envisages the development of 7300 km long North-South-East-West corridor. Next few years should see a distinct upturn in infrastructural spending. It is advisable to remain with NHAI as their pre-qualification norms are very reasonable.

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. Some business opportunity for us should be possible in this sector.

It is observed that some undesirable elements have entered this field in recent past making the competition unhealthy. Hence the Company may shift its focus towards development, building and commercial exploitation of real estates. Of course, the Company will undertake projects in the areas of infrastructure building where clients are not fussy about lowest quotation.

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.

The members should note the following situations or environment, which often prevail, with reference to our business.

- Margins coming under pressure due to under-bidding by competitors.
- Idle and under-utilised assets due to project delays.
- Delays in receivables.
- Shortage of upcoming biddable projects.
- Baseless objections from the so called Environmentalists to infrastructure-projects.

The above should give some idea to the members about opportunities and risks in our business and outlook in general.

#### 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 226. Employee-relations have been cordial and their morale has been high.



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### COMPLIANCE REPORT ON CORPORATE GOVERNANCE

#### 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. Shri. S.N. Talwar, a non-executive Director, is a Solicitor. He is a partner of Crawford Bayley and Co., a Firm of Solicitors. The Company pays for the professional services rendered to the Company by the said firm from time to time. No other non-executive Director has any pecuniary relationship with the Company. 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 2001-2002, 4 Board Meetings were held on 6.8.2001, 3.11.2001, 25.3.2002 and 7.6.2002. 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/Committee memberships held and number of Board meetings attended is as follows:

Name and age (years)	Category	Board Meetings attended during the year	Other Directorships	Memberships in Board Committees of other companies
(1)	(2)	(3)	(4)	(5)
Shri. S.N Talwar, Chairman (64)	Non-executive, Independent	4	14	10 (4 as Chairman)
Shri. Madhav Jog, Managing Director (47)	Executive	4	2	NIL
Shri. Rajendra Jog, Managing Director (35)	Executive	3	1	NIL
Shri. D. K. Afzulpurkar (64)	Non-executive, Independent	4	1	NIL
Shri. D. N. Mungale (49)	Non-executive, Independent	1	9	5 (2 as Chairman)
Shri. Vidyadhar M. Jog (74)	Non-executive, Independent	4	1	NIL
Shri. P.S. Kulkarni (68) (3.11.2001 to 5.4.2002)	Executive	2	NIL	NIL

#### Notes :

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

Except Shri. Dhananjay N. Mungale, all other Directors attended the last Annual General Meeting held on 3.11.2001. Shri. P. S. Kulkarni was co-opted as a Director after the Annual General Meeting.

The Company has two Managing Directors, Shri. Madhav Jog and Shri. Rajendra Jog, with proper demarcation of responsibilities and authority.

The Board has constituted Committees consisting of 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 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. Four meetings of the Committee were held during the year. Shri. D.K. Afzulpurkar and Shri. Vidyadhar M. Jog attended all the 4 meetings and Shri. D. N. Mungale attended 1 meeting.

Further, the Corporate Advisor, statutory Auditor, Company Secretary, Vice President (Finance) also attended the Committee meetings.

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

#### 4. 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 profit of the Company. Besides, they are paid sitting fees at Rs. 500/- and out of pocket expenses for each Board meeting attended. The sitting fees are being raised upto Rs. 2,000/-.

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

Name	Salary and Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri. S.N. Talwar	----	----	9,500	9,500
Shri. Madhav Jog	4,64,000	----	----	4,64,000
Shri. Rajendra Jog	5,30,000	----	----	5,30,000
Shri. D.K. Afzulpurkar	----	----	2,000	2,000
Shri. D.N. Mungale	----	----	9,000	9,000
Shri. Vidyadhar M. Jog	----	----	2,000	2,000
Shri. P.S. Kulkarni	1,00,000	----	500	1,00,500

The service contracts of the Managing Directors are for 5 years each, terminable with 6 months' notice by either party, and with no severance fee.

The Company does not have an Employees' Stock Option Scheme.

#### 5. Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee is constituted by the Board in August 2001. The Committee comprises of 2 Directors, viz. Shri. D.N. Mungale, as Chairman, and Shri. Vidyadhar M. Jog. The role of the Committee is to 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. Certain complaints were received for duplicate share certificates / dividend not received. Those have been resolved. No share transfers are pending for more than 30 days.

#### 6. General Body Meetings :

Last 3 Annual General Meetings were held as under :

Financial Year	Date	Time	Venue
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
2000-2001	3.11.2001	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.

#### 7. Disclosures :

During the year, there were no transactions of materially significant nature with related parties (directors and their relatives, subsidiary



# JOG ENGINEERING LIMITED



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 Exchanges 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 Economic Times, Maharashtra Times and Sakal in which those are normally published. The Company has not made any presentations to any Institutional investors/Analysts during the year. The Company has a web site [www.jogengineering.com](http://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 6th December 2002 at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune - 411 002, at 12.00 noon.

### b) Financial Calendar 2002-2003 (Provisional) :

1st Quarterly Results --- Before end of October 2002  
2nd Quarterly Results --- Before end of January 2003  
3rd Quarterly Results --- Before end of April 2003  
Audited Results for the year ended on 30th June 2003 --- Before end of September 2003

### c) Dates of Book Closure :

3rd December 2002 to 6th December 2002 (Both days inclusive).

### d) Dividend payment date :

The Directors have not recommended any Dividend on shares for the financial year 2001-2002.

### e) Listing on Stock Exchanges :

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

### f) Stock Code :

The Stock Exchange, Mumbai : 7942  
Pune Stock Exchange Ltd : 7942

### g) Market price data :

Monthly high and low price of the Equity Shares at Stock Exchange, Mumbai, during the financial year 2001-2002 were as follows :

Month	High (Rs.)	Low (Rs.)
July 2001	12.00	8.00
August 2001	12.70	8.00
September 2001	12.30	7.00
October 2001	11.00	8.00
November 2001	11.00	9.05
December 2001	10.75	8.00
January 2002	11.05	8.10
February 2002	10.00	8.00
March 2002	10.50	6.75
April 2002	11.00	8.25
May 2002	13.45	8.00
June 2002	15.00	10.00

A graph of the monthly share price is provided at the end of the this report.

### 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 carried on at the Registered Office of the Company at 'Jog Center', 28/1, Wakdevadi, Mumbai-Pune Road, Pune - 411 003, in respect of shares held in physical form.

### i) Share Transfer System :

Transfer of shares in physical form is processed and approved generally 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 2002 is provided below :

No. of Shares	No. of Shareholders	%	Shareholding	%
Upto 500	5533	90.14	11,14,350	13.11
501 -- 1000	364	5.93	2,77,949	3.27
1001 -- 2000	131	2.13	2,02,274	2.38
2001 -- 3000	32	0.52	82,977	0.98
3001 -- 5000	23	0.37	86,576	1.02
5001 -- 10000	22	0.36	1,49,844	1.76
10001 -- and above	34	0.55	65,86,030	77.48
<b>Total</b>	<b>6139</b>	<b>100</b>	<b>85,00,000</b>	<b>100</b>

Categorywise distribution of Equity shareholding as on 30th June 2002 is provided below :

Category	No. of Shares	%
Promoters	52,11,531	61.31
Banks, Financial Institutions,		
Mutual Funds	60,114	0.71
Private Corporate Bodies	1,61,821	1.90
General Public	30,66,534	36.08
<b>Total</b>	<b>85,00,000</b>	<b>100</b>

### k) Dematerialisation of Shares :

As on 30th June 2002, 41.45 lac Equity Shares being 48.77% of the Company's total Equity Shares were held in dematerialised form. As on the date of the Directors' Report, 49.27 lac (58%) Equity Shares are held in dematerialised form.

The ISIN of the Equity Shares is : INE 941 A 01017.

### l) Outstanding GDRs / ADRs / Warrants :

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments as on 30th June 2002.

### m) Plant Locations :

The Company has no manufacturing plants as such.

### n) Address for correspondence :

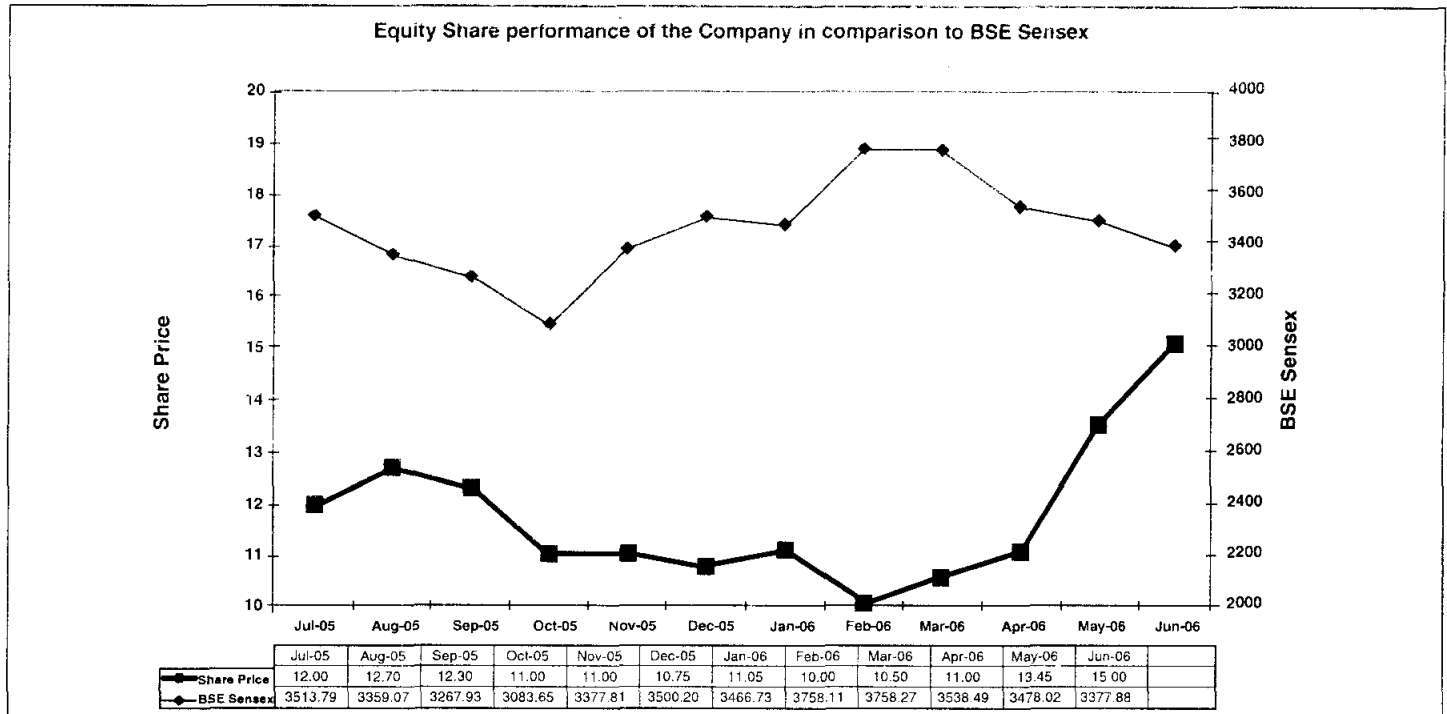
Shareholders' correspondence for non-receipt of Annual Report / Dividend Warrants or revalidation of Dividend Warrants should be addressed to the Registered Office of the Company at :

**'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).



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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**JOG ENGINEERING LTD.**

We have examined the compliance of conditions of corporate governance by Jog Engineering Ltd. (the Company) for the year ended 31st March 2002 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India in respect of Shareholders' / Investors' Grievances, we state that as per the records pertaining to Shareholders' / Investors' Grievances, no investor grievances are pending for a period exceeding one month against the Company.

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

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS

**H.M.JOSHI**  
PARTNER  
PUNE, 28/09/2002