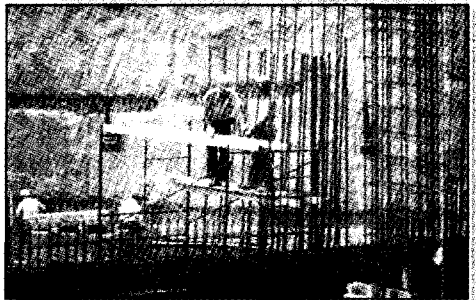
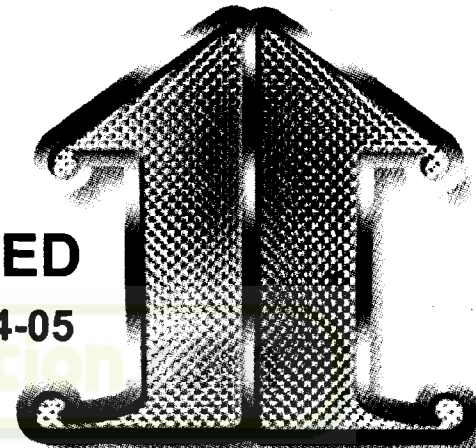


ENGINEERING LIMITED

26TH ANNUAL REPORT 2004-05

Report Junction



26th ANNUAL REPORT 2004 - 2005

■ Board of Directors :

Shri. Madhav V. Jog, Chairman & Managing Director
Shri. Madhukar K. Shirude, Executive Director
Shri. Pramod P. Sheth

■ 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) 25815931
 Fax : (020) 25814690
 E-mail : jelhopen@yahoo.com

■ ANNUAL GENERAL MEETING :

Date : 11th February 2006
 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:

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting of the members of Jog Engineering Limited will be held on Saturday, 11th February 2006, at 12.00 noon at Pudumjee Hall, Maharashtra Chamber of Commerce, Industries & Agriculture, Tilak Road, Pune- 411002, to transact the following business.

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 2005 and the audited Profit and Loss Account for the year ended on 30th June 2005 together with the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in place of Shri. M. K. Shirude who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES :

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

Proxies, if given, 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 8th February 2006 to 11th February 2006 (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. The Company has entered into Agreement 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.
5. Those members who have not so far encashed **Dividend Warrants** for the financial year 1998-99 and thereafter, may immediately approach the Company for

revalidation of unclaimed Dividend Warrants. 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.

6. 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 Shri. M. K. Shirude as proposed in the Notice of meeting.

Shri. Madhukar K. Shirude (49) has been working in the Company since 1st June 1979 in various capacities. At present he is a whole time Director of the Company and he is designated as Executive Director. He has a wide and varied experience in different functional areas such as legal, personnel and administration and even project execution. He is highly qualified and holds the degrees of Master of Business Administration, Bachelor of Laws, Master of Personnel Management and Post Graduate Diploma in Materials Management. Shri. M. K. Shirude holds directorships in Mahakali Flyover Company Limited, Jog Multimedia Pvt. Ltd., Jog Fabricators Pvt. Ltd. and Jog Agro-Farms Pvt. Ltd. He is not a member of any Board Committee of any other company.

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

Date : 26th December 2005

Regd. Office : 'Jog Center',

Mumbai - Pune Road, Wakdewadi,

Pune - 411 003.

DIRECTORS' REPORT 2004-2005

To:

The Members of

Jog Engineering Limited

The Directors submit the 26th Annual Report along with audited Accounts of the Company for the financial year ended on 30th June 2005.

1. Summarised Financial Results:

The summarised financial results of the financial year are stated below. With the permission of the Registrar of Companies, Pune, the financial year of the Company is changed so as to end on 30th June 2005. Hence, the financial year under report consists of a period of 18 months from 1st January 2004 to 30th June 2005.

(Rs. in Lac)

Particulars	Year ended on 30.06.2005 (18 months)	Year ended on 31.12.2003 (18 months)
Total Income	1843.23	1734.65
Gross Profit / (Loss)	293.75	(350.46)
Add / (Less) Depreciation	(234.65)	(307.38)
Add / (Less) Cost of Finance	(1725.78)	(1230.26)
Profit / (Loss) before Tax	(1666.68)	(1,888.10)
Add / (Less) Provision for Tax (Current : Nil + Deferred 39.97)	(39.97)	(15.84)
Profit / (Loss) after Tax : Net Profit / (Loss)	(1626.71)	(1872.26)
Add / (Less) Balance brought forward from previous year	--	205.23
Add / (Less) Prior period adjustments (net)	(36.42)	(4.65)
	(1663.13)	(1671.68)
Add : Transferred from General Reserve	199.05	1671.68
Balance carried over	(1464.08)	--

Absence of liquidity was suffered throughout the year. This made it difficult to meet various financial commitments in time. This includes dues to the depositors of the Company on account of their deposits and interest thereon. Requisite intimation was given to the Company Law Board (CLB) every month. CLB has issued six different Orders directing us about the manner of repayment of deposits. Depending upon the cashflow position, we are making best efforts to repay the deposits pursuant to the Orders of CLB.

2. Performance:

In order to start up its operations in the Middle East countries, especially in the UAE, the Company pursued new construction contracts in that part of the World. The Company is still continuing with its goal and soon will re-start its activities in UAE.

The Company did secure three works of major nature in UAE viz.

1. Operation of a mega stone aggregate Rs. 25,000 Lac crushing and processing plant including quarrying rubble from quarries in Fujairah :
2. Construction of multi storeyed vehicle Rs. 5,000 Lac parking facility for a housing complex at Jumeirah in Dubai :
3. Underground Drainage System for city of Rs. 13,200 Lac Ras Al Khaimah :

Thus, within one year of a virtual capital-less entry in that part of the world, the Company managed to secure very profitable contracts worth Rs. 43,200 Lac. However, due to unfortunate lack of support from the Company's Indian bankers, despite a good support from the EXIM Bank of India, the Company had to withdraw its interests in all these projects.

In India, the Company is concentrating on its ongoing project at Mankhurd. The Company aims to complete the work entirely by May 2006. All necessary resources are already in place and in use.

Andheri flyover project has still not come out of litigation. However, the Company believes that it has very strong case in the matter and is pursuing the matters of its claims against the Financial Institutions and the Government of Maharashtra in various legal fora. The total claims add up to over Rs. 2,50,000 Lac.

Over one year ago, MSRDC took over Mumbai-Pune Expressway (Section D) after successful completion of our defects liability period. Now the Company is pursuing arbitration in the matters of refund of Works Contract Tax and Compensation for Delayed Completion of the project. Both arbitration proceedings are in the last stages and soon an award is expected. The Company's total claim in these two matters adds up to over Rs. 10,000 Lac.

However, delay in these Arbitration matters and prolongation of litigations in the case of Andheri flyover have badly affected our cash flow.

This, coupled with the Bankers' non-cooperation in the Middle-east contracts, has no doubt created a liquidity crisis rendering us to be unable to meet some of our financial commitments to the annoyance of the Company's creditors. However, the Company is working towards the end that the situation will be fully under control by June 2006.

3. Management Discussion and Analysis:

The financial performance during the year is stated above. The operational performance was as under:

Operational Performance (Division wise) :

(Rs. in Lac)

Particulars	Building Works	Transportation Engineering
1. Contract Amount	9,047	35,234
2. Completed upto 31.12.2003	4,934	33,049
3. Completed during 1.1.2004 to 30.6.2005	597	85
4. Completed upto 30.06.2005	5,531	33,134
5. Balance on 1.7.2005	3,516	2,100

The aggregate revenue - collection at Raigad Ropeway project amounted to Rs. 32 Lac during the financial year. Information of the ongoing projects and completed projects is provided here-in-above.

Infrastructure projects in India, with their heavy dependence on various Governments and Government Bodies have a working atmosphere that the Company finds to be unsuitable for itself. The Company shall therefore continue with its policy to concentrate only on Property Developments projects in India and on Infrastructure as well as property developments projects outside India.

The Company will be in a good position to pursue these objectives with full vigour after June 2006, when it expects to be out of the quagmire it has landed into with the infrastructure projects in India over the last few years.

Internal Control Systems :

The Company has adequate internal control procedures relating to purchase of raw material, stores, components etc., commensurate with the size of the Company and nature of its business.

Human Resources :

Total number of employees at all levels is 125. In order to maintain the quality of the human resources, requisite training is imparted wherever necessary. The Company has recently installed the latest Tally 7.2 Software and training of the employees is in progress.

4. Dividend:

The Board has not recommended any Dividend on both Equity Shares and Preference Shares for the financial year 2004-2005 in view of the loss.

5. Directors:

Shri. D. K. Afzulpurkar and Shri. Rajendra Jog stepped down the Board in July 2005 and December 2005 respectively. The Board places on record its appreciation of valuable services rendered by them to the Company.

6. 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 2005 and of the loss 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.

7. 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.

In the previous reports the members were informed about the Andheri Flyover Project of MFCL and the Public Interest Leave petition (PIL) with reference to the project.

ICICI Bank (ICICI) had filed a case in Debt Recovery Tribunal (DRT) against MFCL for recovery of bridge loan extended by

them. Jog Engineering Limited was made co-defendant in this suit. Thereafter MFCL entered into consent terms with ICICI. The consent terms were filed with DRT and based on that, DRT passed an Order on 11th October 2002. However, MFCL was not able to honour the consent terms since additional financial resources required could not be arranged for. Thereafter ICICI proceeded to execute recovery certificate. Vide their letter dated 6th April 2004, ICICI notified to MFCL that it has assigned and transferred all the facilities and the securities to Asset Reconstruction Company (India) Limited (ARCIL) and that MFCL may deal directly with ARCIL hereafter. ARCIL also informed to MFCL about the decision of transfer of interests as taken by the other financial institutions. All this was informed to the members in the previous report.

Subsequently, ARCIL assigned the project work to another company in a manner which MFCL considers to be surreptitious and dubious. MFCL has challenged this action in Mumbai High Court and DRT.

8. 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 an earning of Rs. 710 Lac in foreign exchange. An expenditure of Rs. 625 Lac was incurred in foreign exchange.

Pursuant to the provisions of the Listing Agreement, Management Discussion and Analysis is provided as a part of this report. A Compliance Report on Corporate Governance is annexed.

9. Auditors:

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

10. Auditors' Report:

The notes to the Accounts bearing nos. 2, 3, 4(a) to 4(f), 5(a), 5(b), 6, 9, 11(a), 11(b), 13 and 25 in Schedule 'M' referred to in the Auditors' Report and the paras in italic font in the Auditors' Report are self explanatory and do not call for any specific response under Section 217(3) of the Companies Act, 1956. In view of the present cash flow position of the Company, certain dues are payable and outstanding as stated in the Annexure to the Auditors' Report. This includes dues payable to fixed depositors, statutory dues and repayment to banks. These dues will be paid as and when the cash flow position permits.

11. Acknowledgement:

The Board places on record its appreciation of the devoted services rendered by employees at all levels. Grateful thanks are also due to our shareholders, customers, bankers, suppliers and fixed depositors for their continued support.

By Order of the Board,

MADHAV V. JOG
CHAIRMAN &
MANAGING DIRECTOR

Date : 26th December 2005
Place : Pune

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 :

At the beginning of the financial year 2004-05, the Company had 3 Directors. This included 1 non-executive Director as against the requirement of at least 2 such Directors. Out of the 3 Directors, 1 was independent Director as per requirement.

Shri. M.K. Shirude, executive Director, and Shri. P.P. Sheth, non-executive independent Director, were co-opted as Directors on 27th March 2004. Thus, the number of Directors was raised to 5.

In August 2004, Shri. Rajendra Jog resigned as Managing Director, but continued as non-executive independent Director. Further, Shri. Madhav Jog, Managing Director, was elected to be the Chairman of the Board on 30th December 2004. Since then, out of the 5 Directors 3 were non-executive as well as independent Directors complying with the requirement of listing agreement.

At the end of the financial year 2004-05, the Company had 5 Directors. Shri. D. K. Afzulpurkar resigned from the Board after the end of the financial year, in July 2005. Shri. Rajendra Jog resigned from the Board and relieved as Director on 26.12.2005. Consequently, at present the Board comprises of 3 Directors. The composition of the Board does not meet the requirement of number of independent directors and number of non-executive directors.

On the date of the Directors' Report, the Board of Directors of the Company comprises of 3 Directors including 1 non-executive independent Director and 2 executive Directors.

The pecuniary transactions of the non-executive Directors with the Company during the year included sale of a used car to Shri. Rajendra Jog for Rs. 4.52 lac. Further, various material not required was sold to Shri. P.P. Sheth and certain machinery was hired to him, all for about Rs. 31.70 lac. The Board is of the opinion that these transactions would not affect the independence of judgement of the Directors.

During the year, 6 Board Meetings were held on 27.03.2004, 14.07.2004, 31.08.2004, 30.12.2004, 25.02.2005 and 29.06.2005. The composition of the Board, number of Directorships / Committee memberships held and number of Board meetings attended are as follows :

Name and age (years)	Category	Board Meetings attended during the year	Other Directorships	Memberships in Board Committees of other companies	Attendance at last AGM
(1)	(2)	(3)	(4)	(5)	(6)
Shri. Madhav V. Jog, Chairman & Managing Director (50)	Executive	5	1	NIL	Yes
Shri. M. K. Shirude Executive Director (49)	Executive	6	1	NIL	Yes
Shri. P. P. Sheth (50)	Non -Executive, Independent	5	1	NIL	Yes
*Shri. Rajendra Jog (38)	Non -Executive, Independent	2	1	NIL	No
**Shri. D.K Afzulpurkar (66)	Non -Executive, Independent	6	-	NIL	Yes

Notes :

- 1) Alternate Directorships, Directorships in private companies and in associations not carrying business for profit are not included.
- 2) * Shri. Rajendra Jog resigned on 26.12.2005.

3) ** Shri. D. K. Afzulpurkar resigned on 8.7.2005.

3. Audit Committee :

The Audit Committee of the Board had 3 members. Shri. D. K. Afzulpurkar, Chairman of the Committee, resigned from the Board and from the Audit Committee after the end of the financial year in July 2005. Hence, at present there are 2 members in the Committee.

During the year, 2 meetings of the Committee were held as against at least 3 meetings required. Shri. D. K. Afzulpurkar, Shri. Madhav V. Jog and Shri. P.P. Sheth attended both the meetings. Further, the statutory Auditor, Company Secretary, Vice President (Finance) also attended the meetings. More meetings could not be held for want of quorum and adequate agenda for the 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.

The members of the Committee on the date of the Directors' Report are: Shri. P. P. Sheth, Chairman, and Shri. Madhav V. Jog. The constitution of the Committee could not be maintained as required by the Listing Agreement due to reduction in the number of Directors and not getting appropriate number of persons on the Board. The listing agreement requires at least 3 members on the Committee and that all shall be non-executive Directors. This requirement is not satisfied. The Committee had 3 members including 2 non-executive Directors and one managing director as on 30th June 2005. The composition of the Committee, however, satisfied the provision of the Companies Act as on 30th June 2005.

4. Remuneration Policy :

The Board of Directors formed a Remuneration Committee w.e.f. 15th July 2004 considering the recent trend and the non mandatory requirement in the Code of Corporate Governance. The Committee is formed to determine on behalf of the Board the Company's policy on specific remuneration packages for executive Directors. Accordingly, in its meeting, the remuneration committee considered and recommended the remuneration packages payable to Shri. Madhav V. Jog, Managing Director, on his re-appointment and to Shri. M. K. Shirude, Executive Director, on his appointment by the Board. Shri. P. P. Sheth is the Chairman of the Committee and Shri. Madhav V. Jog and Shri. M. K. Shirude are the other members. One meeting of the remuneration committee was held and all the members attended the meeting.

The remuneration of the Whole time/Managing Director and the non-executive Directors was approved by the Board of Directors and the shareholders. The Whole time/Managing Director are entitled to salary, perquisites and commission pursuant to the approval accorded by remuneration committee, shareholders and the Central Government where necessary. The non-executive Directors are entitled to commission based on the net profit of the Company. Besides, they are entitled to sitting fee of Rs. 2000/- and out of pocket expenses for each Board / Committee meeting attended.

Details of remuneration paid / provided towards Directors' remuneration for the 18 months period are as follows:-

Name	Salary	Perquisites	Commission	Sitting Fees	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Shri. Madhav V. Jog	2,00,000	5,25,000	-	-	7,25,000
Shri M. K. Shirude	14,65,660	1,34,540	-	-	16,00,200
Shri P.P. Sheth	-	-	-	-	-
Shri. Rajendra V. Jog	2,00,000	1,69,000	-	-	3,69,000
Shri. D.K.Afzulpurkar	-	-	-	16,000	16,000

Notes :

- 1) The terms of re-appointment and remuneration of Shri. Madhav V. Jog, Managing Director, were approved by the Remuneration Committee, the Board and the shareholders.

Pursuant to our application, the Ministry of Company Affairs, Central Government, has approved the re-appointment of Shri. Madhav V. Jog as Managing Director of the Company for a period of 5 years with effect from 26th September 2003, as detailed in their letter dtd. 20th July 2005.

- 2) The terms of appointment and remuneration of Shri. M. K. Shirude, Executive Director, were approved by the Remuneration Committee, the Board and the shareholders.

Pursuant to our application, the Ministry of Company Affairs, Central Government, has approved the appointment of Shri. M. K. Shirude as a Whole time Director of the Company for a period of 5 years with effect from 27th March 2004, as detailed in their letter dtd. 20th July 2005.

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

- 4) The terms of appointment of Shri. Madhav V. Jog and Shri. M. K. Shirude do not provide for any severance fee.

5. Investors' Grievance Committee :

The Shareholders' / Investors' Grievance Committee is reconstituted in March 2004. Shri. P. P. Sheth is the Chairman and Shri. M. K. Shirude is the other member. 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. Twelve complaints were received for duplicate share certificates and annual report / dividend not received. Those have been resolved. As a result of increasing dematerialisation of shares, shareholders' complaints with reference to share transfers, loss of shares, duplicate share certificates have been obviously reduced. No share transfers are pending for more than 30 days.

6. General Body Meetings :

Last 3 Annual General Meetings were held as follows :

Financial Year	Date	Time	Venue
2000-2001	3.11.2001	12.00 noon	Mahratta Chamber of Commerce, Pune - 2
2001-2002	6.12.2002	12.00 noon	Mahratta Chamber of Commerce, Pune- 2
2002-2003	31.08.2004	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 company, promoters) that may have potential conflict with the interest of the Company at large. At times, the quarterly financial results were submitted to the stock exchanges after the stipulated period and hence they expressed their displeasure thereat. Apart from that 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 furnished its quarterly financial results in the prescribed form to the Bombay Stock Exchange although not

very regularly. The Company has not made any presentations to any Institutional investors / Analysts during the year. The Company has a web site www.jogengineering.com. Management Discussion and Analysis forms a part of the annual report and that is provided in the Directors' Report.

9. General Shareholder Information :**a) Annual General Meeting :**

The ensuing Annual General Meeting is proposed to be held on 11th February 2006 at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune - 411 002, at 12.00 noon

b) Financial Calendar - 2004 -2005 :

The financial year consisted of 18 months from 1st January 2004 to 30th June 2005.

c) Dates of Book Closure :

8th February 2006 to 11th February 2006 (Both days inclusive).

d) Dividend payment date :

The Directors have not recommended any Dividend on shares for the financial year 2004-2005.

e) Listing on Stock Exchanges :

The equity shares of the Company are listed on Bombay Stock Exchange Limited. Pursuant to our application for voluntary delisting, the equity shares are delisted from Pune Stock Exchange w.e.f. 22nd September 2004.

f) Stock Code :

Bombay Stock Exchange Limited : 507942

g) Market price data :

Monthly high and low prices of the equity shares of the Company at Bombay Stock Exchange during the financial year 2004-2005 were as follows :

Month	High (Rs.)	Low (Rs.)
January 2004	14.00	7.80
February 2004	9.05	6.77
March 2004	7.60	4.62
April 2004	7.45	5.43
May 2004	6.89	5.66
June 2004	7.00	4.61
July 2004	7.20	5.36
August 2004	9.70	5.60
September 2004	10.00	7.00
October 2004	10.60	7.50
November 2004	15.80	7.51
December 2004	20.00	9.81
January 2005	18.25	12.00
February 2005	25.90	12.90
March 2005	35.30	20.85
April 2005	32.90	24.50
May 2005	46.90	23.10
June 2005	42.90	30.15

The relevant graph is provided herein after.

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 :

Depending upon the number of share transfers received, the transfer of shares in physical form is processed and approved generally fortnightly or monthly by the Share Committee or the Board. 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 2005 is provided below:

No. of Shares	No. of Shareholders	% Shareholding	%
Upto 500	5,159	85.70	10.63 Lac
501 - 1000	449	7.46	3.65 Lac
1001 - 2000	198	3.29	3.13 Lac
2001 - 3000	79	1.31	2.05 Lac
3001 - 5000	55	0.91	2.27 Lac
5001 - 10000	41	0.68	2.88 Lac
10001- and above	39	0.65	60.39 Lac
Total	6,020	100	85.00 Lac

Categorywise distribution of equity shareholding as on 30th June 2005 is provided below :

Category	No. of Shares	%.
Promoters	46,80,576	55.07
Banks, Financial Institutions, Mutual Funds	1,47,724	1.74
Private Corporate Bodies	2,68,852	3.16
General Public	34,02,848	40.03
Total	85,00,000	100

k) Dematerialisation of Shares :

As on 30th June 2005, 54.18 lac Equity Shares being 63.74% of the Company's total Equity Shares were held in dematerialised form.

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

l) Outstanding GDRs/ADRs/Warrants :

There were no outstanding GDRs / ADRs / Warrants or any convertible instruments as on 30th June 2005.

m) Plant Locations :

The Company has no manufacturing plants as such.

n) Address for correspondence :

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

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

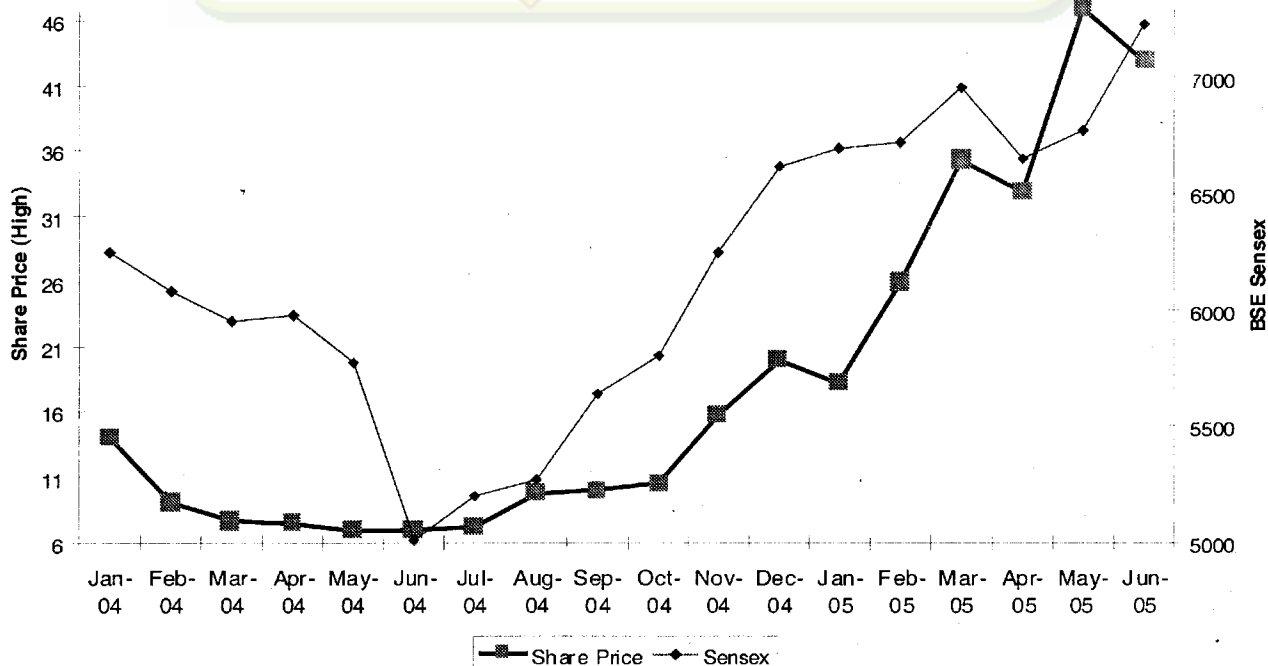
However, shareholders holding shares in dematerialised form shall address relevant correspondence to their Depository Participants (DPs).

o) Non-mandatory requirements:

The Company at present has not adopted the non-mandatory requirements of maintenance of Non-Executive Chairman's office, forwarding of half-yearly performance reports to the house-hold of each shareholder, invoking of the postal ballot system etc.

However, the Company has set up a Remuneration Committee.

Equity Share performance of the Company in comparison with BSE Sensex



AUDITORS' CERTIFICATE TO THE MEMBERS OF JOG ENGINEERING LTD.

We have examined the compliance of conditions of Corporate Governance by Jog Engineering Ltd. for the period 1st January 2004 to 30th June 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor 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, subject to :

- (1) The Company not having an optimum combination of executive and non-executive directors for a part of the year due to reasons stated under para 2 of the Corporate Governance Report,
- (2) Non-compliance with the requirement of holding Board Meetings at least once in every three months to the extent of not holding one Board Meeting for June 2004 quarter,
- (3) Non-compliance with requirement regarding time gap between two board meetings not to exceed 4 months due to holding of board meetings on 25.2.2005 and 29.6.2005,
- (4) The composition of the Audit Committee not being in accordance with the requirement of Clause 49 of the listing agreement and holding of two audit committee meetings as against requirement of holding 3 audit committee meetings

as per said Clause 49 due to reasons stated under para 3 of Corporate Governance Report,

- (5) Non-compliance with the provisions of sec.292A of the Companies Act, 1956, with regard to composition and constitution of audit committee for a part of the year,
- (6) Non-compliance with the requirement of publishing of quarterly results in the prescribed form in respect of certain quarters, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement, in the manner as stated in the accompanying Corporate Governance Report, which forms part of the Annual Report.

We state that in respect of investor grievances received during the period ended 30th June 2005, no investor grievances are remaining unattended/ pending against the Company as on the date of signing of the report as confirmed by the Secretary of 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

PUNE

DATE: 26 December 2005

H.M.JOSHI

PARTNER

AUDITORS' REPORT

To,
The Members of
Jog Engineering Ltd.

1. We have audited the attached Balance Sheet of Jog Engineering Limited as at 30th June 2005 and also the Profit and Loss Account and Cash Flow statement of the company for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, subject to Note no. 3 of Schedule M regarding recognition of certain claims as revenue in earlier years without evidence of final acceptability of the claims aggregating to Rs. 595.18 Lacs (forming part of Debtors) which is not in accordance with Accounting Standard 7- "Accounting for construction contracts", the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Sec. 211 of the Companies Act, 1956.

- e) On the basis of the written representation received from the directors as at 30th June, 2005, and taken on record by the Board of Directors, we do hereby certify that none of the directors of the Company are disqualified as on 30th June 2005 under Section 274(1)(g) of the Companies Act, 1956 from being appointed as a director in the aforesaid company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the company's accounting policies, and notes thereon give the information required by the Companies Act, 1956 in the manner so required.
- g) Attention is invited to the following notes in Schedule M:
 - i) Note no. 11 (a) regarding non-provision of interest amounting to Rs. 345.18 Lac (including Rs. 150.10 Lac for this period) on mobilization / machinery advance received by the company recoverable by the contractee through company's running account bill.
 - ii) Note no. 11 (b) regarding non-provision of interest on delayed payments as claimed by subcontractor amounting to Rs. 474.91 Lac (including Rs.223.12 Lac for this period).
 - iii) Note no. 9 regarding delayed payment of fixed deposits accepted from public and interest thereon.
 - iv) Note no. 25 regarding contravention of section 372A of the Companies Act, 1956.
 - v) Note no. 13 regarding no diminution in value of long term equity investment in Mahakali Flyover Company Limited.
- h) We are unable to express an opinion on the treatment required to be given to the following items and on the ultimate recoverability of the undermentioned debts / advances /claims.
 - a) Debtors in respect of:
 - i) Claims aggregating to Rs. 163.31 Lac taken as income in earlier years, referred to in Note nos. 4(a) and 4(b) in Schedule M considered by the Management as good and recoverable in respect of which the ultimate shortfall in recovery, if any, is not presently quantifiable.
 - ii) Final/pre-final/price variation bills, arbitration award and other dues, taken as income in earlier years aggregating to Rs. 1080.26 Lac referred to Note 4(c), 4(d) and 4(e) in Schedule M considered by the Management as good and recoverable in respect of which the ultimate shortfall in recovery, if any, is not presently quantifiable.