

**JOG  
ENGINEERING  
LIMITED**

**35<sup>th</sup> ANNUAL REPORT**  
**2014-2015**

- **Board of Directors:**  
Mrs. Sonia M. Jog, Director  
Mr. Madhukar K. Shirude, Executive Director  
Mr. Pramod P. Sheth, Non-Executive Independent Director
- **Registered Office:**  
'Jog Center', 28/1,  
Wakdevadi, Mumbai - Pune Road,  
Pune 411003  
Phone: (020) 25815931;  
E-mail: [jelepune@yahoo.com](mailto:jelepune@yahoo.com)
- **Auditors:**  
S. H. Amdekar & Co., Chartered Accountants
- **Registrar & Share Transfer Agent:**  
SharePro Services (India) Private Limited,  
2<sup>nd</sup> Floor, Samhita Warehousing Complex,  
13AB, Gala Number 52, Near Saki Naka Telephone Exchange,  
Off Andheri-Kurla Road, Saki Naka, Andheri (E), Mumbai-400 072
- **Annual General Meeting:**  
Date 30<sup>th</sup> September 2015  
Day Wednesday  
Time 11.00 a.m.  
Place 'Jog Center', 28/1, Wakdevadi, Mumbai Pune Road, Pune 411003  
Website [www.jogengineering.org](http://www.jogengineering.org)

**MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE ANNUAL GENERAL MEETING**

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 35th Annual General Meeting of the members of Jog Engineering Limited will be held on Wednesday, 30<sup>th</sup> September 2015 at 11.00 a.m. at the Registered Office of the Company at Jog Center, 28/1, Mumbai-Pune Road, Wakdevadi, Pune 411 003, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2015 and the audited Statement of Profit & Loss for the year ended on 31<sup>st</sup> March 2015 together with the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in place of Mrs. Sonia M. jog, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To Appoint M/s. S. H. Amdekar & Co., Chartered Accountants, as Auditors and to authorize the Board of Directors to fix their Remuneration.

**SPECIAL BUSINESS :**

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the company be and is hereby authorised to be consenting party / parties in disposal of the land situated at Kharadi, Taluka-Haveli, bearing S. No. 24/1A, admeasuring 2 Hectors 74 Ares and S. No. 24 /2A+24/1C, admeasuring 00 Hectors, 61 Are i.e. admeasuring total 3 hectors 35 Ares and for that purpose to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other instrument that may be considered necessary, usual or proper for the sale of the said land which according to the Directors of the company may be considered beneficial and convenient for the company."

"RESOLVED FURTHER THAT the Executive Director M. K. Shirude of the company be and is hereby authorised to sign on the necessary papers or documents and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

**Notes:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM 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 Thursday, 24<sup>th</sup> September 2015 to Wednesday, 30<sup>th</sup> September 2015 (both days inclusive).
- 3 The Members are requested to advise any change in their address to "Sharepro Services (India) Private Limited", the Company's Registrar and Share Transfer Agents at Samhita Warehousing Complex, 13AB, Gala No. 52, Near Saki Naka Telephone Exchange, Off Kurla Andheri Road, Saki Naka, Mumbai 400 072. Tel: 022- 28215991.
- 4 Members are requested to bring their copies of Annual report at the time of attending the meeting.
- 5 The Company has entered into Agreement with 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 either of the Depository Participants of NSDL or CDSL.
- 6 The Equity Shares of the Company are listed at Bombay Stock Exchange Limited.
- 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 re-appointment of Directors as proposed in the Notice of Meeting:  
Mrs. Sonia M. Jog, B. Com., is an employee of the Company for a continuous period of 35 years, i.e. since 1979. At present, she is designated as Director. Considering her experience and knowledge, the Board thought it fit to entrust more responsibilities on her as a director of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

In the year 1974 and 1975, M/s V M Jog & Co. through it's Partner Mr. V. M. Jog entered into Agreement to Sale with Manjunath Shanbhag and others and Mr. Surendrakumar Jhariram Bhadani, (Vendors) for purchase of land bearing Survey nos. 23/2, 24/1, 24/2A located at Village Kharadi, Taluka Haveli, Dist Pune. The Agreement to Sale for purchase of the Said Land was duly registered with Sub registrar having Registration No. and date 2467/1974 dated 05/11/74 (HVL I) and 645/1975 dated 27/03/75 (HVL II) respectively. As per the said Agreement to sale the Vendors therein had agreed to sale, convey all their right, title and interest in the Said Land in favour of M/s V M Jog & Co.

In the year 1983, before the final conveyance of the Said Land in favour of M/s V M Jog & Co. could get completed, M/s V M Jog & Co. the partnership firm was taken over by M/s. V.M. Jog Constructions Private Limited along with all the assets, liabilities, properties, rights and obligations. However in the assets of the Company the property in question was not shown as taken over by the Company since there was third party claim.

Upon take over of M/s. V.M. Jog & Co by M/s. V.M. Jog Constructions Private Limited, the said firm was duly dissolved.

In the year 1985 V.M. Jog Constructions Private Limited got converted into a Public Limited Company under the provisions of the Companies Act, 1956 and was named as M/s. V.M. Jog Constructions Limited, by deletion of word "Private" from it's name. As per provisions of the Companies

Act, except the change in name, there was no change in assets, liabilities, properties, rights, obligations of the V.M. Jog Constructions Private Limited which were automatically succeeded by the public limited company.

In the year 1987 the original Owners (Edna Samuel) raised the dispute against the Vendors (Shanbhag & Others) and V. M. Jog & Company in respect of the Agreements to Sale between original Owners and Vendor and also in respect of Agreement to sale between Vendors and the said Company. The suit was filed by the Vendors and the M/s V M Jog & Co in Pune District Court bearing Spl. Civil Suit No. 349 of 1987. The said Suit was later on renumbered as Regular Civil Suit No. 3519 of 2000.

The Litigation went on till 2005 and ultimately parties entered into a deed of compromise in the said Regular Civil Suit No. 3519 of 2000 on 16/04/2005. As per the Compromise, the area of 4 Hectors 88 Ares was given to Edna Samuel and area of 3 Hectors 35 Ares came to be allotted to Mrs. Sonia Madhav Jog and by the said compromise, litigation was brought to an end in order to avoid further litigations and expenses and the property was allotted to satisfy the claim of Sonia Madhav Jog in order to avoid further expenses of litigation by the then Company.

In pursuance of the right, title and interest acquired through deed of Compromise, Mrs. Sonia Madhav Jog is proposing to sell and dispose off the Said Land to any prospective buyer. The prospective buyer has demanded the consent of Jog Engineering Limited and the Company feels that the Company is going to be benefited by giving such consent though the Company had not claimed any right, title and interest in the property.

The Board of Directors of the Company are negotiating the consideration to be paid by the prospective buyer to the Company for joining the sale deed/ deed of conveyance or other documents as Consenting Party and releasing the right, title and interest in the Said Land, if any. The Board proposes that the amount so received shall be used to wipe off all the existing debts both secured and unsecured.

Considering the provisions of the Companies Act 2013, it is necessary to pass a special resolution for the purpose mentioned above. Hence the share holders are requested to consider the matter and pass the special resolution.

None of the directors, except Mrs. Sonia Jog is concerned or interested in the resolution.

Date : 31<sup>st</sup> August 2015

Place : Pune

By Order of the Board of Directors

M. K. Shirude  
Executive Director

### **Declaration by the Director** **(Under Clause 49 of the Listing Agreement)**

To,

The Members of Jog Engineering Limited,

I, Madhukar K. Shirude, Director of Jog Engineering Limited, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them for the year ended 31<sup>st</sup> March 2015.

By Order of the Board,  
Madhukar K. Shirude  
Executive Director  
Pune, 31<sup>st</sup> August 2015

### **Chief Executive Officer (CEO) Certification**

To,

The Board of Directors,  
Jog Engineering Limited, Pune,

I, Madhukar K. Shirude, Director of Jog Engineering Limited, certify to the Board of Directors that to the best of my knowledge and belief, pursuant to Clause 49V of the Listing Agreement with the Bombay Stock Exchange Limited:

1. I have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March 2015 and I certify that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year, that are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company and there are no deficiencies therein.
4. During the financial year, there were no significant changes in internal control, no significant changes in accounting policies and no instances of significant fraud.

Madhukar K. Shirude  
Executive Director  
Pune, 31<sup>st</sup> August 2015

### **DIRECTORS' REPORT**

To:

The Members of Jog Engineering Limited,

The Directors submit the 35<sup>th</sup> Annual Report along with Audited Accounts of the Company for the financial year from 01/04/2014 to 31/03/2015.

1. **Financial Results:**

Particulars	Year Ended on 31/03/2015	Year Ended on 31/03/2014
Total Income	6.27	33.46
Gross Profit / (Loss)	(70.32)	(38.36)
Add / (Less) Depreciation	(00.11)	(36.18)
Add / (Less) Cost of Finance	(639.34)	(556.50)
Total Profit / (Loss) Before Tax	(709.76)	(631.04)
Add / (Less) Exceptional Item	-	(62.50)
Add / (Less) Extra-Ordinary Item	-	-
Add / (Less) Provision for Tax: Current/differed / Fringe Benefit (Prior period adjustment)	-	-
Net Profit / (Loss)	(709.76)	(693.54)
Add Balance B/F from Previous Year	(5535.25)	(4841.71)
Add Prior Period Adjustments	-	-
Balance Carried Over to Balance Sheet	(6245.01)	(5535.25)

2. **Performance:** The Company incurred losses during the year and continued to experience financial crunch due to non-receipt of large dues for last several years from its Government, semi-Government clients for various projects. The Company has initiated recovery proceedings

for such recoveries in Courts of Law as also in Arbitral fora. The Company is hopeful to recover its dues. At Present Company has no projects in hand.

3. Dividend: The Board has not recommended any Dividend on shares for the financial year 2014-2015.
4. Management Discussion & Analysis Report:
  - a. Performance, Opportunities, Risk & Outlook: As a policy decision, the Management has decided not to deal in Infrastructure Projects in India as these depend on the Government/s. The Company has found it to be unsustainable to deal with Governments / Government bodies. The Company is exploring possibilities of Property Development Projects. The Company continues to face liquidity crunch due to long pendency of various subjudice matters, which renders such exploration somewhat difficult. The Management is confident about the outcome of various litigations.
  - b. Internal Control Systems: The Company has appropriate internal control procedures relating to its operations, commensurate with the size of the Company and nature of its business. With growth in business, these will be strengthened to meet the enhanced demands of work.
  - c. Human Resources: Employee relations have been cordial and their morale has been high.
  - d. Conservation of Energy: The present operations of the Company do not provide any scope for Conservation of Energy. During the year, there were no earnings or outgo of Foreign Exchange.
5. Particulars of Employees: There were no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the relevant rules.
6. Directors: There are 3 Directors and this composition does not meet with the Corporate Governance requirement of Listing Agreement. New Directors will be inducted, once better times arrive.
7. Directors' Responsibility Statement: Pursuant to Section 217 (2AA) of the Companies Act, the Board of Directors confirms that:
  - (a) In preparation of the annual accounts, the applicable accounting standards have been followed except Accounting Standards 2 & 7, in respect of which, the Company has certain reasons as explained hereinafter. There has been no material departure;
  - (b) The selected accounting policies were applied consistently and the directors made judgments 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 31/03/2015 and of the loss of the Company for the year ended on that date;
  - (c) 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;
  - (d) 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 statements are annexed. The Members are aware that the Andheri Flyover Project of MFCL has been illegally handed over by Arcil to one Hiranandani. Arcil's mala fide action is under challenge in Hon'ble Mumbai High Court, Mumbai at present.
9. Fixed Deposits: The Company had applied to the Hon'ble Company Law Board (CLB) for extension to the date for repayment of overdue deposits. Vide its order dated 14/06/2010, CLB has allowed the Company time upto 31/03/2011 to repay all Fixed Deposits. However, the Company could not meet with this date and therefore, the promoters of the company viz. Mrs. Sonia M. Jog has decided to sell off certain assets owned by her and their private companies to meet with this and other liabilities of the Company. These efforts have not yet borne any fruit but the Management is hopeful that the efforts will fructify in the current year, enabling the Company to repay of Fixed Deposits, during the current year. The Company shall, in due course, apply to the CLB for an extension to the present date. As on date, the outstanding fixed deposits amount to Rs. 106 Lac (previous year Rs. 106 Lac).
10. Corporate Governance: Pursuant to the provisions of the Listing Agreement, a brief Management Discussion and Analysis, Compliance Report on Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.
11. Auditors: The Auditors M/s. S. H. Amdekar & Co., Chartered Accountants, hold office until conclusion of the ensuing Annual General Meeting. Being eligible, they offer themselves for reappointment.
12. Auditors' Report: The Board of Directors responds to the Auditors' Report and Annexure to Auditor's Report as follows:
  - (a) Note No. d) 1. of report on other Legal and regulatory Requirements of Annexure to Auditor's Report: Note 22 of Financial Statement: Recognition of certain claims as revenue: Rs. 595.18 Lac: These are receivables from Government related entities Clients for various projects. The Company, based on its past experience, has booked certain amounts as receivables from these Clients for these projects. Accounting Standards 7 does not recognize such amounts as receivable but the Company needs to book these as receivables as withdrawal i.e. writing off of such receivables can afford an opportunity to the counter-parties to plead, to the detriment of the Company's interests, to the Courts to draw an adverse inference about the claims, which may have an adverse impact on the cases. Hence, the Company maintains that such receivables booked by it in a fair and transparent manner ought to be retained in the interests of the Company. The Company is fully confident about recovery the related dues by following due process of law.
  - (b) Note No. d) 2. of report on other Legal and regulatory Requirements of Auditor's Report and Note 2 (a) Annexure to Auditor's Report: Valuation of Inventory: The Auditor has remarked that accounting for certain inventory is against the prescription of Accounting Standard 2.  
 At a site of the Company, the present illegal occupant of the site disallowed an access to the Company's inventory. The Company has initiated criminal proceedings against the party in this regard. The Company has full confidence about being able to get back its inventory by following due process of law. Pursuant to termination of another contract, stocks at the Mankhurd (Rs. 251.20 Lac) have been taken over by the SPPL, a Company fully owned by the GoM and valuation thereof was as at the time of such taking over. In terms of the Contract Conditions, SPPL has to give credit to the Company in the final accounts. The matter in respect of termination & its after-effects, including settlement of accounts is subjudice in the Hon'ble Bombay High Court and the Company is confident of recovering this value in full and hence has allowed this value in the accounts. However, not considering these inventories in the books of accounts can afford an opportunity to the counter-parties to plead, to the detriment of the Company's interests, to the Court to draw an adverse inference about the Company's cases. Hence, it is prudent, necessary and legal to maintain this inventory in the books of accounts, as done.
  - (c) Note No. a) i) of Opinion in Auditor's Report: Note 2.01 of Financial Statement: Non-provision for interest on post-maturity period of Fixed Deposits: The orders received by the Company from the CLB about repayment of fixed deposits do not specify any interest to be paid on the deposits repaid / being repaid in delay for periods from the date of maturity upto the date of actual repayment. The Company has, therefore, not provided for such interest in its books of accounts.
  - (d) Note No. a) ii) of Opinion and d)3 of Report on other Legal & Regulatory requirements of Auditor's Report: Note 13 of Financial Statement: Diminution in value of investment: The Company considers that the Andheri Flyover Project has been illegally handed over by ARCIL to HCPL and by following due process of Law, the Company's subsidiary, MFCL, is bound to get it back. Once this project is back with MFCL, on the basis of the present commercial property prices in Mumbai, MFCL shall not only wipe off its minor losses but shall also earn decent profits. The Company, therefore, doesn't consider that the value of its investment in its subsidiary to have diminished at all and hence, no provision on this account is considered necessary.

- (e) Note No. b) i) of Opinion in Auditor's Report: Note 15 of Financial Statement: Debtors: The Management has full confidence of being able to recover the entire amounts of:
- i) Rs. 1,336.81 Lac from clients from various cases that are subjudice against these Clients in the Hon'ble Bombay High Court. The Company is fully confident of its success and recovery of these amounts from these subjudice matters.
  - ii) Rs. 3,991.30 Lac from subsidiary, MFCL, on whose behalf, in fact, the Company is running the legal matter in the Hon'ble Bombay High Court. The Company is in fact confident of winning back the Andheri Project and earning back from MFCL this book debt and also dividends.
- The scepticism about the recoverability of these amounts, possibly out of time delays in recoveries, however, cannot be helped due to the long legal pendencies in our country. The Management, although fully confident of end results, can not assure the time frame of these sub-judice matters.
- (f) Note No. b) ii) of Opinion in Auditor's Report: Notes No. 3 (a), i), ii), iii) of Annexure to Auditor's Report & Note 14 of Financial Statement: Loans & Advances:
- i) Mr. P. P. Sheth (Rs. 121.45 Lac) has assured that he shall repay entire dues before 31/03/2016. During the year under consideration, Mr. P. P. Sheth has repaid Rs. 1.0 Lac. The rate of interest, when charged was higher than the Company's borrowing rates. Later, when the recovery became difficult, charge of interest was stopped. When the Principal is recovered, the issue of interest may again be taken up.
  - ii) MFCL (Rs. 550.00 Lac): As at (12) (e) (ii) above. The issue of charging interest to a subsidiary, which itself is facing problems due to illegal actions of Arcil is beyond consideration, as the property owned by MFCL, though at present subjudice, has a market value equaling several times the investment and the Company, as a Holding Company is bound to be the majority beneficiary out of this property.
  - iii) M&P Associates: (Rs. 40 Lac): The firm has assured that a flat admeasuring 900 square feet will be given possession on or before 30/06/2014 or else, by that date Rs. 125 Lac shall be refunded. As a matter of trade practice, no developer company pays any interest on any amounts it receives towards deposits for booking of properties. In any case, even if the property does not come its way, the Company will recoup Rs. 125 Lac against an investment of Rs. 40 Lac, whereby interest consideration is taken care of. On the other hand, if the company receives the property of 900 square feet in Prabhadevi, its present market value will be well over Rs. 200 Lac.
- To the extent as above, the Management feels confident of these recoveries.
- (g) Note No. b) iii) of Opinion in Auditor's Report: Deposits:  
Rs. 366.13 Lac: Deposits with clients: Rs. 366.13 Lac from clients from various cases that are subjudice against these Clients in the Hon'ble Bombay High Court. The Company is fully confident of its success and recovery of these amounts from these subjudice matters.
- (h) Note No. c) of Opinion in Auditor's Report: Note 3 of Financial Statement: Going Concern Assumption: The Management has expressed its views fully in the said note, which is quite self-explanatory and hence, to avoid duplication, the same are not being reiterated here.
- (i) Note 5 of Annexure to Auditor's Report: Please see note (9) above.
- With the above and various notes in the Financial Statements, which include the Directors' response to various issues pointed out by the Auditors, all such issues stand satisfactorily responded to.
13. Acknowledgement: The Board places on record its appreciation of the devoted services rendered by its employees. The Company is also grateful to its Shareholders, Banker, Suppliers and Fixed Depositors for their support.

**Sonia M. Jog**  
Director

**M. K. Shirude**  
Executive Director  
Pune, 31<sup>st</sup> August 2015

**P. P. Sheth**  
Director

### **AFFIRMATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT**

As requested by clause 49 of the listing agreement, the Board has adopted a Code of Conduct for Board members and senior management personnel. I hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct during the financial year ended on 31/03/2015.

**SONIA M. JOG**  
Director

**For and on behalf of the Board**  
**M. K. SHIRUDE**  
Executive Director  
Pune, 31<sup>st</sup> August 2015

**P. P. SHETH**  
Director

### **COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

1. **Company's Philosophy:** The Company maintains transparency, accountability and professionalism in 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 present, the Board comprises of three directors including one non-executive (independent) and two executive directors. The composition of the Board does not meet with the requirement of prescribed guidelines on Corporate Governance in respect of number of independent directors and number of non-executive directors. Independent director has waived any remuneration or sitting fees during the financial year. There were no pecuniary transactions or relationship between the Independent Director and the Company during the year. During the year, 6 Board Meetings were held on 28/05/2013; 02/08/2013, 14/08/2013; 30/08/2013; 15/11/2013 and 14/02/2014. All the relevant information required under Annexure 1 to clause 49 of the listing agreement and as recommended by SEBI is furnished to the Board from time to time. The details regarding composition of the Board, number of Directorships, Committee memberships held and number of meetings attended by the Directors are as follows:

Name of the Director	Category Of Director	Other Directorships *	Member-ship of Committees of other Companies	No. Of Board Meeting Attended	Attendance at the last AGM
M. K. Shirude	Executive Director	Nil	Nil	5	Yes
Sonia M. Jog	Director	Nil	Nil	5	yes
P. P. Sheth	Independent Non-Executive	1	Nil	5	Yes

\* Directorships in private companies are not included.

3. **Audit Committee:** The members of the Committee on the date of the Directors' Report are Mr. P. P. Sheth, Chairman, Sonia Jog and Mr. M. K. Shirude as member of the committee.

The terms of reference and the role of the Committee are as specified in clause 49 of the Listing Agreement. The composition 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.

During the year meetings of the Audit Committee were held on 30.05.2014; 14.08.2014; 28.08.2014; 14.11.2014 and 13.02.2015 every quarter one meeting was held as per the Listing Agreement.

4. **Remuneration Committee:** Mr. P. P. Sheth is the Chairman, Sonia M. Jog and M. K. Shirude as members of the Remuneration Committee to recommend to the Board remuneration packages of executive directors.
- The Board of Directors, the shareholders and the Central Government approved the remuneration of the Whole time / Managing Director and the non-executive directors. The Whole time / Managing Director are entitled to salary / perquisites and commission.
- The non-executive directors are entitled to commission based on the net profit of the Company and sitting fee and out of pocket expenses for each Board / Committee meeting attended. Details of remuneration paid / provided towards Directors' Remuneration for the financial year ended on 31<sup>st</sup> March 2015 is as under: (For 12 months)

Name of the Director	Salary	Perquisite	Commission & Sitting Fee	Total
M. K. Shirude, Executive	7,80,000	2,50,213	NIL	10,30,213
S.M. Jog	7,80,000	80,256	NIL	8,60,256
P. P. Sheth, Non-Executive Independent	NIL	NIL	NIL	NIL

5. **Shareholders' / Investors' Grievance Committee:** Mr. P. P. Sheth is the Chairman and Mr. M. K. Shirude is the member of the Shareholders' Grievance Committee. The role of the Committee is to approve share transfers, look into shareholders' grievances and redressal mechanism and to recommend measures to improve the level of investor related services.
- No Shareholders' complaints are pending with the Company on the date of this report letters of grievances / complaints received have been resolved and no complaints are pending. No share transfers are pending for more than 30 days.
- All the matters relating to the shares including dematerialization are handled by the Registrars & Transfer Agents.
- Hence, all the correspondence with regards to shares may be made with share transfer agent only.

6. **General Body Meetings:** Last three Annual General Meetings were held as follows:

Financial Year	Date	Time	Venue
2011-12	28.09.2012	11.00 A.M.	Registered Office of the Company
2012-13	24.09.2013	11.00 A.M.	Registered Office of the Company
2013-14	27.09.2014	11.00 A.M.	Registered Office of the Company

*During the last 3 Annual General Meetings, no special resolutions were required to be put through postal ballot last year and there is no such proposal for postal ballot at the next annual general meeting.*

7. **Disclosures:**
- During the year, there were no transactions with related parties that may have potential conflict with the interest of the Company at large. Summary statements of transactions with related parties were placed before the audit committee. This information is provided in Schedule-M in the Annual Report.
  - The Quarterly Financial Results for all the Quarters were duly submitted to the Bombay stock Exchange (BSE). Non-mandatory requirements specified in Clause No. 49 of the Listing Agreement have not been adopted. In view of the present difficult period through which the Company is passing, induction of new directors on the Board is not possible. In view of this, requisite compositions of Board and various other Committees could not be achieved as explained in Schedule M to the Accounts.
  - Accounting Standards that are mandatorily required to be followed have been followed in preparation of financial statements and no deviation has been made in the same, with exceptions explained in Schedule M to the Accounts
  - No funds were raised during the year and hence no disclosure is required about the same.
  - Requisite information on Remuneration of Directors is provided in this report.
  - No senior management person has done any transaction of material nature having any personal interest, which may conflict with the interest of the Company.
8. **Means of Communication:** The Company furnishes its Quarterly Financial Results in the prescribed form to the Bombay Stock Exchange. The Financial Results are displayed on the website of Bombay Stock Exchange.
- No official news releases were displayed. The Company has not made any presentations to any institutional investors / analysts during the year.

9. **General Shareholder Information:**

- a) **Annual General Meeting:** The ensuing Annual General Meeting will be held on Wednesday, 30<sup>th</sup> September, 2015 at Jog Center, 28 Wakdevadi, Mumbai Pune Road, Pune 411003 at 11.00 A.M.
- b) **Financial Year - 2015:** The Financial year 2014 -2015 consisted of 12 months from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.
- c) **Date of Book Closure:** From Thursday, 24<sup>th</sup> September 2015 to Wednesday, 30<sup>th</sup> September 2015 (Both days inclusive).
- d) **Dividend payment date:** The Directors have not recommended any Dividend on shares for the financial year 2014-2015.
- e) **Listing on Stock Exchange:** The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.
- f) **Stock Code:** 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 2014-2015 were not recorded due to suspension in trading of the scrip for penal reasons.
- h) **Registrar and Share Transfer Agents:** The Company has appointed SharePro Services (India) Private Limited as its Share Transfer Agents for the purpose of share transfers in respect of shares held in physical form as well as dematerialised form. Its details are: Samhita Warehousing Complex, 13 AB, Gala No. 52, 2<sup>nd</sup> Floor, Nr. Sakinaka Telephone Exchange, Off. Kurla Andheri Road, Sakinaka, Mumbai 400 072; Telephone: 022- 28215991.
- i) **Share Transfer System:** Depending upon the number of Share Transfers received, the Transfers of Shares in Physical form are processed and approved generally in a month by the Transfer Agents. 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 31<sup>st</sup> March 2015 is as follows:

No. Of shares	No of shareholders	%	Shareholding	%
Less than 500	5,328	82.77	10,85,353	12.77
501 – 1,000	580	9.00	4,79,587	5.64
1,001 – 2,000	266	4.13	4,17,378	4.91
2,001 – 3,000	84	1.30	2,15,212	2.53
3,001 – 4,000	45	0.70	1,57,268	1.85
4,001 – 5,000	36	0.56	1,72,263	2.03
5,001 – 10,000	51	0.79	3,70,712	4.36
10,001 and above	48	0.75	56,02,227	65.91
Total	6,438	100.00	85,00,000	100.00

k) **Category wise distribution of Equity Shareholding as on 31<sup>st</sup> March 2015 is as follows:**

Category	No. Of Shares	%
Promoters	44,81,056	52.72
Banks & Financial Institutions	8,200	0.09
Mutual Funds	500	0.01
Private Corporate Bodies	3,03,337	3.69
General Public	37,06,907	43.49
Total	85,00,000	100.00

- l) **Dematerialization of Shares:** As on 31<sup>st</sup> March 2015, 57,17,957 Equity Shares representing 67.27% of the Company's Total Equity Shares Capital were held in dematerialised form. The ISIN of the Equity Shares is: INE 941A01017
- m) **Outstanding GDRs / ADRs / Warrants:** No GDRs / ADRs / Warrants or any convertible instruments were outstanding as on 31<sup>st</sup> March 2015.
- n) **Plant Locations:** The Company has no manufacturing plants.
- o) **Address for correspondence:** Shareholders' correspondence for any share related issues should be addressed either to the Share Transfer Agents, namely SharePro Services Private Limited, Samhita Warehousing Complex, 13 AB, Gala No. 52, 2<sup>nd</sup> Floor, Nr. Sakinaka Telephone Exchange, Off. Kurla Andheri Road, Sakinaka, Mumbai 400 072 or to the Company at its Registered Office.
- p) **CEO Certification:** As required by clause 49 of the listing agreement, the certificate signed by the Executive Director was placed before the Board at its meeting held on 28<sup>th</sup> August 2014.
- q) **Compliance Certificate:** A certificate regarding compliance of the conditions of corporate governance, obtained from Practicing Company Secretary of the Company, is provided hereinafter.

**By Order of the Board,**  
**Madhukar K. Shirude**  
**Executive Director**  
**Pune, 31<sup>st</sup> August 2015**

### **CORPORATE GOVERNANCE CERTIFICATE**

To,  
The Members,  
Jog Engineering Limited Pune

We have examined the compliance of conditions of Corporate Governance by Jog Engineering Limited for period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

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 an opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement, except :

1. The number of directors of the company as on 31<sup>st</sup> March 2015 has reduced below the statutory minimum as required by the provisions of Companies Act, 2013 ;
2. The Company does not have an optimum combination of executive and non-executive directors and does not have requisite number of independent directors during the period;
3. No formal letter of appointment is given to Independent Director. The Nomination Committee has not evaluated the performance of Independent Directors. The company has not held separate meeting of Independent Directors. No training is imparted to Independent Directors. ;
4. The CEO / CFO Certification is not in accordance with the requirement of Clause 49 as it is signed by a Director who is not a CEO ;
5. The Audit Committee is not constituted in accordance with the provisions of Clause 49 of the Listing Agreement with regard to composition; no member of the Audit Committee has accounting or related financial management expertise; there is no Company Secretary appointed to act as the secretary to the Committee;
6. In accordance with the Minutes of the Audit Committee, it has failed to review the information which is required to be reviewed mandatorily as per Clause 49 of the Listing Agreement;
7. The composition of Nomination & Remuneration Committee is not in accordance with the provisions of Clause 49 of the Listing Agreement
8. The company has not disclosed the Remuneration Policy and Evaluation Criteria in the Annual Report;
9. The company does not have Risk Management Committee
10. There is no vigil mechanism as contemplated under the "Whistle Blower Policy";
11. According to the documents received from the Registrar and Share Transfer Agent of the Company, we state that in respect of shareholders' grievance received during the period 31<sup>st</sup> March 2015 no such grievances are remaining unattended/pending against the company as on the date of signing of the report and which is also confirmed by the Compliance officer of the Company;
12. We also state that certain shares of the promoters have been pledged and the records regarding the same, as available with the NSDL/CDSL or the Registrar and Share Transfer Agent, do not reflect any Lock-in on the said shares;
13. The Board has failed to review compliance reports of all laws applicable to the Company as well as steps taken, if any, by the company to rectify instances of non-compliances. Further the Board members and senior management personnel have failed to affirm compliance with the code of conduct on annual basis. The minutes of the Board meetings do not contain disclosure of interest by directors;
14. The Company has failed to periodically review the risk assessment and minimization procedures ;
15. The company has not published quarterly unaudited financial results in the newspaper as required by the provisions of Listing Agreement ;

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

**For MSN Associates**  
**Company Secretaries**  
**Nishad Umranikar**  
**[Partner]**  
**FCS – 4910 ; C.P. No. – 3070**  
**Pune, 28<sup>th</sup> August 2015**

## **INDEPENDENT AUDITORS REPORT**

To,  
The Members of Jog Engineering Limited:

### **Report On the Financial Statement**

We have audited the attached Balance Sheet of Jog Engineering Limited as at 31<sup>st</sup> March 2015 and also Profit and Loss Statement and Cash Flow statement of the Company for the year ended on that date and a summary of the significant accounting policies and other explanatory information. 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.

### **Management's Responsibility for the Financial Statement**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standard on auditing issued by the Institute of chartered Accountants of India. Those Standards required that we comply with ethical requirements and plan and performs the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment, the auditor consider internal control relevant to the company's preparation and fair presentation of the financial statement in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

a) Attention is invited to the following notes:

- i) *Note of financial statement no. 2.1 regarding non-provision of interest payable on deposits from public on period after maturity, which are matured but not paid of amount Rs. 208.07 Lac.*
- ii) *Note of financial statement no. 13 regarding diminution in value of long term equity investment in Mahakali Flyover Company Limited having value Rs. 69.97 Lac.*

b) *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 under-mentioned debts / advances /claims.*

- i) *Note of financial statement No. 15 regarding long term trade receivables outstanding for more than five years: Claims aggregating to Rs. 5,328.11 Lac (out of which Rs. 3,991.30 Lac receivable from subsidiary Company) taken as income in earlier years considered by the Management as good and recoverable in respect of which the ultimate shortfall in recovery, if any, is not presently quantifiable.*
- ii) *Note of financial statement No. 14 regarding Loans and advances given to related parties, claims aggregating to Rs. 711.45 Lac, considered by the Management as good and recoverable in respect of which the ultimate shortfall in recovery, if any, is not presently quantifiable.*
- iii) *Note of financial statement No. 14 regarding deposits and advances with other than related parties, claims aggregating to Rs. 366.13 Lac, considered by the Management as good and recoverable in respect of which the ultimate shortfall in recovery, if any, is not presently quantifiable.*

*So the effects of above on profit and loss of Company cannot be ascertained.*

c) *In our opinion, the company do not have going concern status for reasons stated in note no. 3 of financials statement.*

*However, as per the management's view, the company has business prospects as stated in note no. 3 and accounts has been drawn on the basis of going concern assumption.*

*We are unable to determine financial impact due to adjustment that may have to be made to the value of assets and liabilities in case such assumption of going concern basis is vitiated in any manner.*

d) *Without considering the matters referred para "b" and "c" above, the effect of which could not be determined and where we are unable to express an opinion, for the reasons stated in that paragraph, had the observations made by us in para "a (i) and (ii)" above been considered, there would be a loss of Rs. 987.80 Lac for the year ended 31<sup>st</sup> March 2015 (as against the reported figure of loss of Rs. 709.76 Lac), Reserve & surplus Account (Debit balance being accumulated loss) would have been Rs. 5710.48 Lac (as against the reported figure of Rs. 5432.44 Lac).*

Subject to our comments above, the financial statement give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2015;
- b) in the case of the Profit & Loss Statement of the loss for the year ended on that date;
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

a) As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

b) As required by Section 143(3) of the Act, we report that:

- i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) 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 those books



- iii) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv) *In our opinion, subject to:*
  - 1. Note of financial statement no. 22 regarding recognition of certain claims as revenue in earlier years without evidence of final acceptability of the claims aggregating to Rs. 595.18 Lac (forming part of Debtors) which is not in accordance with Accounting Standard 7- "Accounting for construction contracts"
  - 2. Note to Financial Statement no.16 regarding valuation of inventory aggregating Rs. 262.71 Lac of which net realizable value can not be ascertained, which is not in accordance with Accounting Standard 2- "Valuation of inventory".
  - 3. Note of financial statement no. 13 regarding valuation of non-current investment in subsidiary Company Mahakali Flyover Co. Ltd aggregating to Rs. 69.97 Lac, which is not in accordance with Accounting Standard -13 "Accounting for investment".

The Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v) *The Directors are disqualified as on 31<sup>st</sup> March 2015 from being appointed as a Director in term of section 164(2) of the Act.*
- vi) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 24 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund, by the Company.

**FOR S. H. AMDEKAR & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**(FRN -100319W)**  
**S. H. AMDEKAR**  
**Proprietor**  
**Membership No. 37978**  
**Pune, 31st August 2015**

### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (1) The company is maintaining proper records to show full particulars including quantitative details and situation on Fixed Assets. The physical verification of fixed assets has been carried out at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification. None of the Fixed Assets has been revalued during the year.
- (2) (a) *The Inventory of construction material, consumables, stores and spare parts at the Company's one site having value Rs. 11.51 Lac for which criminal proceeding is in court of law. Pursuant to termination of a contract, Stocks having value of Rs. 251.20 Lac at the other site have been taken over by the Client of that site, which is a Company fully owned by the GoM and valuation thereof is as at the time of taking over by the Client. The matter in respect of termination and its after-effects, including settlement of accounts is subjudice in the Hon'ble Bombay High Court. The net realizable value of this inventory cannot be ascertained.*  
 (b) *The stock at sites cannot be verify by management due facts narrated above.*  
 (c) The Company is maintaining proper records of Inventory.
- (3) (a) As per the information and explanation given to us and the records produced to us for verification, the Company has made payment in previous period on behalf of / paid advances to the companies , firm and other parties covered under register maintained under section 189 of the Act as following:
  - (i) Mahakali Flyover Company Ltd. (a subsidiary the Company) Rs. 550.00 Lac: Pursuant to encashing by the PWD-GoM a Bank Guarantee of equal amount issued by the Company's Bank, for a contract that was assigned to this subsidiary:
  - (ii) Mr. P. P. Sheth (Director of the Company) Rs. 121.45 Lac,
  - (iii) M&P Associates (Partnership firm in which directors are Partners): Rs. 40 Lac, for purchase of a flat admeasuring 900 square feet in Dadar, Mumbai for a total consideration of Rs. 45 Lac.
 (b) *According to the information and explanations given to us, we are of the opinion that the rate of interest and conditions of such loans given by the Company is prima facie prejudicial to the interest of the Company as no interest is charged on such loans.*  
 (c) *We are unable to comment on regularity of repayment of principal amount because the terms of repayment have not been stipulated. These loans are interest free.*  
 (d) As per the information and explanations given to us, efforts are being made for recovery of amount outstanding as considered appropriate by the management.
- (4) In our opinion and according to the information and explanations given to us and having regard to the explanation there is adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to expenses , purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (5) *The company has not accepted deposit during the year. However following is status of the public deposit accepted previously and not paid*
  - (a) *The Company has defaulted w.e.f. 1<sup>st</sup> October 2002 onwards in repayment of deposits matured and claimed and the outstanding amount of such unpaid matured deposits and interest thereon upto the date of maturity as on 31<sup>st</sup> March 2015 is Rs. 126.60 Lac (P/Y Rs. 126.71Lac).*
  - (b) *Appropriate intimation of default was sent to the Company Law Board, Mumbai from time to time, in respect of each month since default.*
  - (c) *The Company had filed an application under section 58A of old Company Act, 1956 to Central Government for granting extension of repayment of deposits. The Company Law Board vide its order dated 14<sup>th</sup> June 2010, has allowed the Company to repay the overdue and matured deposits upto 31<sup>st</sup> March 2011. But the Company has made default in payment as per order.*
- (6) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the respective entities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (7) a. . According to the records of the Company, undisputed statutory dues including Income Tax, Sales Tax, Fringe Benefit Tax and other statutory dues have not been regularly deposited with the appropriate authorities. Provident Fund and ESI dues have generally been regularly deposited with the appropriate authorities during the year. There were no payments in respect of Customs Duty/ Excise Duty/ Service Tax during the year. *Based on the audit procedure and according to the information and explanation given to us the extent of arrears of outstanding statutory dues as at the end of the year for a period of more than 6 months from the date they became payable are as under in Rs. Lac:*

Nature of Dues	As on 31/03/2015 (Rs. In lac)
Income Tax / TDS	38.62
Sales Tax	24.05
Works Contract Tax	206.49
Fringe Benefit Tax	2.79

b. According to the information and explanations given to us and the records of the Company, the dues of Income Tax which have not been deposited on account of any dispute, are as follows in Rs. Lac:

Nature of Dues	Amount (Rs. In Lac)	Forum where pending
Income Tax AY 2008-09	212.89	Commissioner of Income tax
Income Tax A. Y. 2003-04	13.21	(Appeals)
Income Tax A. Y. 2005-06	9.63	

- (8) The accumulated losses of the Company as at 31<sup>st</sup> March 2015 are not less than 50% of the net worth of the Company and it has incurred cash losses in the current financial period and in the immediately preceding financial period.
- (9) Based on our audit procedures and according to the information and explanations given to us the Company has defaulted in repayment of dues to financial institutions, banks and amount of default is as stated hereunder in Rs. Lac

No.	Name of the Bank / Financial Institution	Amount of default as on 31.03.2015 (As per books of accounts)
1	Bank of Maharashtra	1543.63
2	Andhra Bank	4198.39
3	Development Credit Bank Ltd / ARCIL	2,754.88
4	IDBI Bank	1,265.95
	Total	9762.86

(Refer Note No.6 of financial statement)

- (10) The Company has given in earlier period, guarantee for loan taken by subsidiary from bank. The said guarantee has since been invoked by the beneficiary has been contested by Company.
- (11) No term loans have been availed by the Company during the year.
- (12) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**FOR S. H. AMDEKAR & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**(FRN -100319W)**  
**S. H. AMDEKAR**  
**Proprietor**  
**Membership No. 37978**  
**Pune, 31st August 2015**