

K.J INTERNATIONAL LIMITED  
Sangrana Sahib, Taran Taran Road  
Amritsar

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of K.J International Ltd, will be held on Thursday the 14th day Of August, 2003 at 10.00are at the Registered Office of the Company at Sangrana Sahib, Taran Tarn Road, Amritsar, to transact the following Business:-


Ordinary Business:-

The Company is not operating the business due to heavy losses and trying to Revive. So there was no business

Dated: - 14.07.03

By Order of the Board

Place: - Amritsar

  
Arun Arora  
(Joint Managing Director)

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DIRECTOR'S REPORT  
K.J INTERNATIONAL LIMITED  
SANGRANA SAHIB TARAN TARN ROAD  
AMRITSAR

Dear Members,

Your Directors have the pleasure in presenting their report along with the Financial statements for the year ending March 31, 2003.

**Review of operations**

Since India is one of the biggest exporter of Non Basmati, and most of such Exporters outsource the branding & grading work of Non Basmati, since your Company has the infrastructure for the same the Company approached a number of Exporters so that the Company could get Job Work in relation to branding. After approaching a number of Exporters your Company was successful in Finding an exporter who outsourced the branding work to the Company on the Condition of obtaining satisfactory results after a trial production. So your Company did the production on a trial basis, but unfortunately The results of the same were not up to the mark as was expected by the Outsourcer. So the Company was not able to get the final order. Here your Directors would like to mention that the same has been due to the poor Condition of the Plant & Machinery of the Company. Other than this there was No Business done by the Company.

**Dividend**

In view of the current financial status of the Company your Directors are not in a position to declare any amount of Dividend.

**One Time Settlement with the Company Bankers**

Further your Company has been able to finalize the One Time Settlement Scheme which was offered to the Consortium Bankers of the Company viz. (Indian Bank???, Punjab National Bank, State Bank of Bikaner & Jaipur, Banaras Bank (now Bank Of Baroda)) by the Directors of the Company. The Total Debt of the Consortium Bankers stood at Rs.40.82 Cr and this has been settled at an amount of Rs.14 cr which is to be paid over a period of one year. Also your Company is in the final stages of the negotiations towards the One Time Settlement Scheme with the IDBI. Favorable conclusions are expected To arrive in the near future.

**Directors**

Mr. Naresh Arora retires by rotation at this Annual General Meeting and being Eligible offers himself for reappointment.

**Corporate Governance**

A report on Corporate Governance including Auditor's Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of The listing agreement is contained elsewhere in this Annual Report.

**Auditors**

The Statutory Auditors M/s L N Malik & Associates, Chartered Accountants, Delhi retire at this Annual General Meeting, and being eligible offer Themselves for reappointment.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo.**

Since the Company has not carried on any business during the year so the Particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable on the

### Employee Particulars

No Employee of the Company comes under the preview of the Section and Rules Which envisage the Employee Particulars to be disclosed, so the same is not Included in this Report.


### Director's Responsibility Statement

As required by the provisions of Section 217(2A) of the Companies Act, 1956 Director's Responsibility Statement is attached at Annexure 'A'

### Acknowledgements

Your Director's express their Gratitude to all the Banks and Regulatory and Governmental Authorities for their continued support.

Place: - Amritsar  
Date: - 14.07.03

  
Arun Arora  
(Jt. M.D.)

For and on behalf of the Board

  
Om Parkash Arora  
(Chairman)

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• Annexure - A to the Director's Report  
Director's Responsibility Statement

To the Members,

We the Directors of K.J International Ltd. confirm the following:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting standards in accordance with the provisions of the Companies Act, 1956 for safeguarding of the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

For and on behalf of the Directors

Place: - Amritsar  
Date: - 14.07.03

Arun Arora  
(Jt. M.D.)

Om Parkash Arora  
(Chairman)

## Report on Corporate Governance

### 1. Company Philosophy

Corporate Governance assumes a great deal of importance in the business life of K J International Ltd. it is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligations to stakeholders and is guided by strong emphasis on transparency, accountability and integrity.

### 2. Board of Directors

The Board of the Company consists of 4 Directors. following is the details of the composition of Board of Company.

There are no independent directors in the Company due to the Poor financial health of the Company.

Mr. Om Prakash Arora	Chairman
Mr. Raj Kumar Arora	Jt M.D
Mr. Arun Arora	Jt M.D
Mr. Naresh Kumar Arora	Whole Time Director

### 3. Audit Committee

As a measure of good corporate governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, An audit committee has been constituted as a sub committee to the Board. The Function of aforesaid committee includes:- Oversight of the company's financial reporting process and disclosure of Financial information so that the books disclose true and fair view of the State of affairs of the company.

The Composition of the Audit Committee is

Mr. Raj Arora
Mr. Arun Arora
Mr. Om Prakash Arora

The chairman of the Committee is Mr. Raj Arora, and he was present on the Previous AGM to answer any queries from the end of the members. All the Members of the committee met on 2 different occasions during the year and Discussed the relevant issues.

### 4. Details of Annual Remuneration

Keeping in view the financial position of the company none of the Board of Directors drew any remuneration from the Company.

### 5. Investor's Grievances

The company takes all necessary initiatives so as to dispose of any Investor grievances. All of the complaints received (except one where the Matter is in dispute) were disposed off and there is no pending investor Grievance.

### 6. Venue and time of last three Annual General Meetings

Date	Venue	Time
1. 30.09.2002	Registered Office	10.00 AM
2. 29-09-2001	Registered Office	10.00 AM
3. 12-09-2002	Registered Office	10.00 AM

**Certificate**

To the Members of K.J International Ltd.

We have examined the compliance of the conditions of Corporate Governance by K.J International Ltd for the year ended 31.03.2003 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The conditions of Corporate Governance is the responsibility of the company's management. Our examination is limited to the procedures of implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements 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.

On the basis of our review and according to the information and explanations given to us, the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the respective stock exchanges have been complied with in all material respect by the company and that no investor grievance (except 1) is pending for a period exceeding one month against the Company as per the records maintained by the company in respect of the Investor's grievance.

Place: - Delhi

For L.N. Malik & Co.  
LN Malik

*LN Malik*  
Partner

Date: - 14.08.03

for and on behalf of  
LN Malik & Company  
Chartered Accountants



**MALIK & CO.**

5625, QUTAB ROAD,  
NEW DELHI - 110055  
PHONE: 23527232, 23528375

**CHARTERED ACCOUNTANTS**

5. Further to the 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, subject to our observations in Paras 4 (d), (e) and (g).

(b) Subject to our observations set out in Paras 4 (d), (e), (g) in our opinion proper books of account as required by law have been maintained by the company, so far as appears from our examination of these books.

(c) The Balance sheet and Profit & Loss Account are in agreement with the books of account of the company.

(d) In our opinion, the Balance sheet and Profit & Loss Account comply with Mandatory Accounting Standards referred to in sub section 3(c) of section 211 of the Companies Act, 1956 to the extent applicable except Accounting Standard 13 Accounting for Investment (Refer our observation in 4(E) above) and accounting standard 15 accounting of retirement benefit.

(e) On the basis of written representation received from the directors, We report that none of the directors of the Company is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

(f) Subject to the comments made by us in para (4) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting policies and Notes thereon given the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.

(i) In the case of the Balance-Sheet of the state of affairs of the Company as at 31st March, 2003.

(ii) In the case of the Profit & Loss account of the loss of the company for the year ended on that date.

(iii) In case of cash flow statement, of the cash flows for the year ended on that date.

Date : 14.08.2003  
Place : New Delhi

for L.N.MALIK & COMPANY  
(Chartered Accountants)

*for*  
L.N.MALIK  
(PARTNER)



**J. N. MALIK & CO.**  
**CHARTERED ACCOUNTANTS**

5625, QUTAB ROAD,  
 NEW DELHI — 110055  
 PHONE: 23527832, 23528375

**AUDITOR'S REPORT**

To  
 The Shareholders,  
 K.J. INTERNATIONAL Ltd.,  
 AMRITSAR.

1. We have Audited the attached Balance Sheet of M/S K. J. International Ltd., Sangrana Sahib, Tarn Taran Road, Amritsar as at March 31, 2003 and also the Profit & Loss Account and the Cash Flow statement for the year 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 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 Manufacturing and other Companies (Auditors' Report) order, 1988 issued by the company Law Board in terms of section 227(4A) of the Companies Act, 1956 we annex, hereto a statement on the matter, specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the annexure referred to in para (3) above, we report that subject to:

(a) The accounts have been prepared on the basis that the company is going concern even though the factory had been lying closed. The company's ability to continue is dependent on substantial financial support and future profitability.

(b) Non-provision of interest on secured loans.

(c) Secured loans from banks have become unsecured due to inadequate security.

(d) Extent of recoverability of certain debts has not been ascertained and no provision has been made for possible losses.

(e) Details of investment has not been available to us, as such we are unable to form any opinion on determination of market value of investment and there effects on accounts.

(f) Note No.6 regarding non-provision of gratuity as the same is accounted on cash basis.

(g) Note No.7 non-disclosure of information regarding small scale undertaking as required by schedule VI of the Company Act, 1956.

