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11TH ANNUAL REPORT 1996-97



KEY CORP LIMITED

**BOARD OF DIRECTORS**

Dr. Gaur Hari Singhania, *Chairman*
 Dr. K. B. Agarwal, *Vice-Chairman*
 Dr. B. D. Agarwal
 Shri M. P. Vora
 Shri Padam Kumar Jain
 Shri V. B. Agarwal

MANAGER FINANCE

Shri Sanjeev Garg

AUDITORS

M/s V. P. Aditya & Co.
Chartered Accountants
 Kanpur - 208 001

LEGAL ADVISOR

Shri K. N. Pal, *Advocate*

BANKERS

Bank of Baroda
 Indian Overseas Bank
 Bareilly Corporation Bank Limited
 The Nainital Bank Limited

FINANCIAL INSTITUTIONS

Industrial Development Bank of India
 Small Industrial Development Bank of India

REGISTERED OFFICE

16/16, Civil Lines
 Kanpur - 208 001

11th Annual Report

NOTICE

Notice is hereby given that 11th Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 2nd August, 1997 at 10.00 a.m. at Merchants' Chamber Conference Room, 14/76, Civil Lines, Kanpur - 208 001 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. B.D. Agarwal who retires by rotation and, being eligible, has agreed to act as Director, if re-appointed.
3. To appoint a Director in place of Shri Padam Kumar Jain who retires by rotation and, being eligible, has agreed to act as Director, if re-appointed.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Registered Office :
16/16, Civil Lines
Kanpur-208 001

By Order of the Board
K. B. Agarwal
Director

21st May, 1997

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22.07.1997 to 02.08.1997 (both days inclusive).
3. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company will transfer unclaimed dividend relating to the year 1993-94 to the general revenue account of the Central Government by 11.11.1997. The members who have valid claims to the unclaimed dividend referred to above may claim the same before 29.10.1997 to enable the Company to process the same from the Company and after 11.11.1997 from the Registrar of Companies, U.P., Kanpur in the prescribed manner.
4. Members are requested to inform the change, if any, in their registered addresses to the Company at the Company's Registered Office at Kanpur.
5. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company for consolidation of their holding in one folio.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 11th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1997.

		(Rs. in lakhs)	
		<u>31.3.1997</u>	<u>31.3.1996</u>
FINANCIAL RESULTS			
Income from operations	...	543.63	456.58
Other Income	...	5.64	2.18
Net Profit for the year	...	63.61	67.82
Less : Provision for taxes	...	8.21	—
Amount available for appropriation	...	59.71	74.31
after certain adjustments			
APPROPRIATIONS			
Dividend (Proposed)	...	—	30.00
General Reserve	...	50.00	40.00
Balance carried over to Balance Sheet	...	9.71	4.31

DIVIDEND

In view of the recent guidelines issued by the R.B.I. and to conserve the resources, your Directors do not recommend declaration of Dividend for the Financial Year 1996-97.

PERFORMANCE

During the year under review the Company executed lease and hire purchase business aggregating to Rs. 1432.46 lakhs. The cumulative business done upto the end of the year stands at Rs. 6929.15 lakhs.

International Trade Division has successfully established business contact with foreign buyers and it is hoped that this Division will significantly contribute to the growth of Company during the current year.

FIXED DEPOSIT

During the year, your Company mobilised Rs. 301.74 lacs which contributed significantly to Company's growth. There are 70 depositors who have not claimed payment of Rs. 4,26,504/- after the deposit became due for repayment. After the close of the year 40 depositors have been paid/renewed payments of Rs. 1,01,470/-.

DIRECTORS

Sarvshree Dr. B.D. Agarwal and Padam Kumar Jain are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

M/s. V.P. Aditya & Company, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting. They are eligible for re-appointment.

PARTICULARS OF EMPLOYEES

There was no employee in the Company whose particulars are required to be furnished U/s 217 (2A) of the Companies Act, 1956.

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CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to conservation of energy or technology absorption. The Company earned foreign exchange of Rs. 94,714 during the year under review and spent Rs. 1,81,793/- towards foreign tour.

ACKNOWLEDGEMENT

Directors wish to place on record their deep appreciation for sincere cooperation the Company has received from its Bankers, Financial Institutions, Fixed Deposit holders, Clients and Shareholders. Your Directors also wish to thank all the employees for their unstinted contribution to the performance of the Company.

For and On behalf of the Board
GAUR HARI SINGHANIA
Chairman

Kanpur.
21st May, 1997





AUDITORS' REPORT

TO THE MEMBERS OF KEY CORP LIMITED

We have audited the attached Balance Sheet of KEY CORP LIMITED as at 31st March, 1997, and the Profit & Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 such books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - (d) 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 significant Accounting Policies & Notes on Accounts in Schedule-16 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 1997 and
 - (ii) in so far as it relates to the Profit & Loss Account of the Profit of the Company for the year ended on that date.

For V. P. Aditya & Company
Chartered Accountants
V. P. BHARGAVA
Partner

Kanpur.
21st May, 1997

Annexure to the Auditors Report

Referred in paragraph 1 of our report of even date.

- (i) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. We have been informed that the physical verification of fixed assets, was carried out by the management and no discrepancies were noticed.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) Since the Company had no closing stock of finished goods, stores, spare parts and raw material, clauses (iv) to (vi) of the Order are not applicable.
- (iv) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

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- (v) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under Section 301 and/or the companies under same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- (vi) In respect of loans and advances in the nature of loans given to employees and others, recovery of principal amounts and interest, wherever applicable, have been as stipulated.
- (vii) *In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw material including components, plant and machinery, equipments and other assets for the sale of goods.*
- (viii) According to the information and explanations given to us, there are no transactions of purchase of goods and materials, and sale of goods, materials and services, aggregating during the year to Rs. 50,000 or more in respect of each party made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- (ix) The Company has accepted deposits during the year from the public. The directives issued by the Reserve Bank of India and the provisions of Section 58(A) of the Companies Act, 1956 have been complied with.
- (x) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (xi) According to the records of the Company, it has regularly deposited during the year, provident fund dues with the appropriate authorities. We are informed that at present Employees State Insurance Scheme is not applicable to this Company.
- (xii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding for a period of more than six months as at 31st March, 1997 from the day they became payable.
- (xiii) According to the information and explanations given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligations.
- (xiv) The Company is not a sick industrial company within the meaning of clause (O) of Sub Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xv) During the year under audit the Company has dealt in shares and securities. Proper records have been maintained of such transactions and contracts, timely entries have been made therein. These shares and other investments have been held by the Company in its own name, except to the extent of the exemption granted under Section 49(4) of the Companies Act, 1956 (1 of 1956)
- (xvi) We are informed that nature of business of the Company is such that clauses (xii), (xiv) & (xx) of paragraphs 4(A), 4(B) and 4(C) clauses (ii), (iii) of 4(D) of Manufacturing and Other Companies (Auditor's Report) Order, 1988 are not applicable.

For V. P. Aditya & Company
Chartered Accountants
V. P. BHARGAVA
Partner

Kanpur.
21st May, 1997