

**15TH
ANNUAL
REPORT
2000-2001**

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KEY CORP LIMITED



BOARD OF DIRECTORS

Dr. Gaur Hari Singhania, *Chairman*
Dr. K. B. Agarwal, *Vice-Chairman*
Dr. B. D. Agarwal
Shri Padam Kumar Jain
Shri Rajendra Kumar Gupta

FINANCE CONTROLLER

Shri Sanjeev Garg

AUDITORS

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

LEGAL ADVISOR

Shri Ravindra Verma

BANKERS

Bank of Baroda
Indian Overseas Bank
The Nainital Bank Limited

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REGISTERED OFFICE

16/16-A, Civil Lines
Kanpur - 208 001

15th Annual Report

NOTICE

Notice is hereby given that 15th Annual General Meeting of Members of Key Corp Limited will be held on Tuesday, the 31st July, 2001 at 10.30 a.m. at the Registered Office of the Company at 16/16-A, Civil Lines, Kanpur to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company for the year ended 31st March, 2001, and the Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Dr. B. D. Agarwal who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Raj Kumar Gupta be and is hereby appointed as director of the Company to represent small shareholder constituency".

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution :

"RESOLVED THAT in pursuance of the directives/guidelines issued by the Securities Exchange Board of India and the Stock Exchange from time to time, consent of the Company be and is hereby accorded to voluntary delisting of its equity shares from the Stock Exchange, Mumbai".

Regd. Office :

16/16-A, Civil Lines
Kanpur-208 001

Dated : 21st April, 2001

By Order of the Board
K. B. Agarwal
Director

**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. An explanatory statement pursuant to provisions of Section 173(2) of the Companies Act, 1956 in respect of Special Business at Item No. 4 & 5 of the accompanying Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 2001 to 31st July, 2001 (both days inclusive).
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.

Annexure to the Notice :**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the Special Business under item Nos.4 and 5 of the accompanying Notice.

Item No.4 :

The Board has sue-moto appointed Shri Raj Kumar Gupta as Additional Director of the Company in terms of Article 96 of the Articles of Association who hold office upto the date of ensuing Annual General Meeting. He holds 100 shares in the Company. As per the amended provisions of Section 252 read with Companies (Appointment of Shareholders Director) Rules, a director may be elected amongst the constituency of small share-holders. Shri Gupta has already filed his consent in writing to act as a director. Shri R.K. Gupta is a Chartered Accountant and have considerable experience in accounts and finance. Keeping in view his experience and qualification, directors consider it to be in the interest of the Company, if he is appointed as director to represent small shareholders constituency. Your directors recommend the said Resolution for your approval.

Shri R. K. Gupta may be deemed to be concerned or interested in the Resolution relating to his appointment.

Item No. 5 :

The Equity Shares of the Company are listed with U.P. Stock Exchange Association Ltd., Kanpur which is the Regional Stock Exchange and additionally on the Stock Exchange Mumbai. It is proposed to delist the shares on Stock Exchange Mumbai as there is very low trading volume which does not justify continuance of the listing at the said Stock Exchange. Accordingly Special Resolution is proposed for your approval.

No director of the Company is interested in the said resolution.

Regd. Office :
16/16-A, Civil Lines
Kanpur-208 001

Dated : 21st April, 2001

By Order of the Board
K. B. Agarwal
Director

15th Annual Report

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 15th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2001.

		(Rs. in lakhs)	
		<u>31.3.2001</u>	<u>31.3.2000</u>
FINANCIAL RESULTS			
Income from operations	...	142.11	392.20
Other Income	...	3.58	1.17
Net Profit for the year	...	1.94	28.94
Less : Provision for Income tax	...	0.16	3.34
Amount available for appropriation after adjustments	...	15.32	41.85
APPROPRIATIONS			
General Reserve	...	-	30.00
Terminal loss/Adjustment on sale of Lease Assets	...	265.84	-
Balance carried over to Balance Sheet	...	(250.51)	11.85

DIVIDEND

On account of inadequate profits, your Directors do not recommend payment of Dividend for the Financial Year 2000-2001.

PERFORMANCE

During the year under review the Company executed lease and hire purchase business aggregating to Rs. 322.61 lakhs. The cumulative business done upto the end of the year stands at Rs. 10997.57 lakhs.

The leasing industry is facing severe competition from Bank. Further due to recession in transport sector, the Company is not able to solicit sound business proposals for Leasing & Hire Purchase. It is, however, trying to build-up sound portfolio of old vehicles and hope to do better in the coming year.

FIXED DEPOSIT

33 depositors have not claimed payment of Rs. 4,06,611/- after the deposit became due for repayment. After the close of the year 3 depositors have been paid amount aggregating to Rs. 51,374/-.

DIRECTORS

Shri B.D. Agarwal is retiring at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board appointed Shri Raj Kumar Gupta as Additional Director of the Company who shall hold office upto the ensuing Annual General Meeting and is seeking election. He represents small shareholders constituency.



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.

AUDIT COMMITTEE

As per the requirements of Section 292A of the Companies Act, 1956 the directors of the Company have constituted "Audit Committee" of three directors.

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.

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

The Company has no activities relating to conservation of energy or technology absorption. There is no foreign exchange earnings and outgo during the year under review.

LISTING INFORMATION

The equity shares of the Company are listed at Kanpur (The Regional Stock Exchange) and Mumbai. The Annual Listing Fee is paid upto date. The trading volume of shares with the Stock Exchange Mumbai is very low and does not justify continuance of the listing with the Stock Exchange Mumbai. Notice includes a special resolution seeking your consent in this respect.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm :

- i) that in the preparation of Annual Accounts, the applicable accounting standards had been followed;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2001 and of the profit or loss of the Company for that year;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the director have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

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

Kanpur
21st April, 2001

For and On behalf of the Board
GAUR HARI SINGHANIA
Chairman