

**18TH  
ANNUAL  
REPORT  
2003-2004**

CERTIFIED TO BE A TRUE COPY  
For KEY CORP. LTD.

  
Jt. Secretary



**KEY CORP LIMITED**

*18th Annual Report*

**BOARD OF DIRECTORS**

Dr. Gaur Hari Singhania, *Chairman*  
Dr. K. B. Agarwal, *Vice-Chairman*  
Dr. B. D. Agarwal  
Shri Padam Kumar Jain  
Shri Raj Kumar Gupta  
Shri G. D. Maheshwari, *Exe. Director*

**COMPANY SECRETARY**  
**JOINT SECRETARY**  
**MANAGER FINANCE**

Shri D. N. Mishra  
Shri V. K. Pandey  
Shri R. N. Singh

**AUDITORS**

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

**LEGAL ADVISOR**

Shri Ravindra Verma

**BANKERS**

Bank of Baroda  
Indian Overseas Bank

**REGISTERED OFFICE**

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



## NOTICE

Notice is hereby given that the 18th Annual General Meeting of Members of Key Corp Limited will be held on Monday, the 27th September, 2004 at 10.00 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, 2004, 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 a Director in place of Shri Raj Kumar Gupta who retires by rotation and, being eligible, offer himself for re-appointment.
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.

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

Dated : 6th May, 2004

By Order of the Board  
K. B. Agarwal  
Director

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### 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 atleast 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2004 to 27th September, 2004 (both days inclusive).
3. Members who are holding shares in identical order of names in more than one folio are requested to write to the Registrar & Share Transfer Agent of the Company for consolidation of their holding in one folio.
4. Members are requested to inform the change, if any, in their registered addresses to the Registrar & Transfer Agent of the Company at their Office at 99, Stephen House, 6th Floor, 4, B.B.D. Bagh (E), Kolkata-700 001.
5. Dr. B. D. Agarwal aged 60 years retires by rotation at the ensuing Annual General Meeting. He is post graduate in science and holds Ph.D. from Indian Agriculture Research Institute. He possess 35 years experience in teaching, research and management. He is not directly interested as a director in any other Company.
6. Shri Raj Kumar Gupta aged 37 years retires by rotation at the ensuing Annual General Meeting. He is a Chartered Accountant and practicing F.C.A. and holds 15 years experience in accounting and finance. He is directly interested as a director in Samridhi Consultants Pvt. Ltd.

Looking to their experience, their reappointment are beneficial to the Company.

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

Dated : 6th May, 2004

By Order of the Board  
K. B. Agarwal  
Director



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 18th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2004.

		(Rs. in lakhs)	
		<u>31.3.2004</u>	<u>31.3.2003</u>
<b>FINANCIAL RESULTS</b>			
Income from Operations	...	77.71	35.04
Income from Investment in Mutual Fund	...	25.87	45.53
Other Income	...	15.82	0.87
Net Profit for the year	...	65.20	3.00
Less : Provision for Income tax	...	3.08	0.24
Amount available for appropriation after adjustments	...	70.63	2.76
<b>APPROPRIATION</b>			
General Reserve	...	43.43	—
Balance carried over to Balance Sheet	...	27.20	8.51

## DIVIDEND

In order to build up resources, your Directors do not recommend payment of dividend for the Financial Year 2003-04.

## PERFORMANCE

Looking to the highly competitive market scenario, your Company has done well. The financial market is undergoing structural changes and has become highly competitive. The Company is, therefore, concentrating in building up sound port-folio of old vehicles and to utilise the surplus funds in mutual fund schemes to augment income.

## DIRECTORS

Dr. B.D. Agarwal and Shri Raj Kumar Gupta are retiring by rotation 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 AND FOREIGN EXCHANGE**

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

**LISTING INFORMATION**

The equity shares of your Company continue to be listed with The U.P. Stock Exchange Association Ltd., Kanpur. Annual listing fee is paid upto date. The Company has already complied with the requirements contained in SEBI's (substantial acquisition of shares and take overs) Regulations, 1997 for delisting of its share from Bombay Stock Exchange by making an open offer to buy shares of dissentient shareholders on behalf of the promoters. Accordingly it has informed and made final request to The Stock Exchange, Mumbai on 21st March, 2003 to delist its share.

The Company's shares are marketable in Demat mode only. Shareholders are requested to convert their physical shareholding into Demat mode.

**INCOME TAX PROCEEDINGS**

The Commissioner of Income Tax (Appeals) have quashed the demand raised against the Company for the assessment years 1996-97 to 1998-99 arising out of the reassessment order passed against it. There is no outstanding demand against the Company.

**AUDIT COMMITTEE**

As per the requirement of Section 292A of the Companies Act, 1956 and also the Listing Agreement with the Stock Exchanges, an Audit Committee of the Board of Directors is already in place. During the year, committee held five meetings.

**CORPORATE GOVERNANCE**

Pursuance to Clause 49 of the Listing Agreement, your Company has to mandatory comply with the requirements of Corporate Governance. A report of compliance of Corporate Governance is annexed together with a Certificate from the Auditors of the Company on compliance.

**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 & applied them consistently and made judgments & estimates that are reasonable & 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 2004 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 directors have prepared the annual accounts on a going concern basis.

Place : Kanpur  
Dated : 6th May, 2004

For and On behalf of the Board  
GAUR HARI SINGHANIA  
*Chairman*

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*18th Annual Report***REPORT ON CORPORATE GOVERNANCE**

The detailed report on Corporate Governance in the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreements is set out below :

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stockholders including shareholders, employees, the government. The Company believes that all its operations and actions must serve the goal of the enhancing overall shareholder value over a sustained period of time.

**BOARD OF DIRECTORS**

The present strength of the Board of Directors is Six, whose composition is given below.

One promoter Non-Executive Director, four independent Non-Executive Directors and One independent Executive-Director.

The Board of Directors met 5 times during the year. These were on 26/04/2003, 31/05/2003, 26/07/2003, 20/10/2003 and 17/01/2004.

The Composition of the Board of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other Companies are given below :

Name of Directors	Category	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM held on 29.9.2003	No. of Directorship in other Companies		No. of Membership in Committee of Directors in other Companies	
					Chairman	Director	Chairman	Director
Dr. Gaur Hari Singhania Chairman	Independent Non-Executive	5	1	No	2	5	-	1
Dr. K. B. Agarwal Vice-Chairman	Promoter Non-Executive	5	5	Yes	-	1	1	-
Dr. B. D. Agarwal Director	Independent Non-Executive	5	1	No	-	-	-	-
Mr. Padam Kumar Jain Director	Independent Non-Executive	5	5	Yes	-	2	-	-
Mr. Raj Kumar Gupta Director	Independent Non-Executive	5	5	Yes	-	1	-	-
Mr. G. D. Maheshwari Director	Independent Executive	2	2	No	-	-	-	-

**AUDIT COMMITTEE****A. Composition and Broad Terms of Reference**

The Audit Committee of the Company comprises of following four directors :

Dr. K.B. Agarwal : Promoter, Non Executive Director  
 Shri Padam Kumar Jain : Independent, Non Executive Director  
 Shri R.K. Gupta : Independent, Non Executive Director  
 Shri G.D. Maheshwari : Independent, Executive Director

All these Directors possess knowledge of corporate Finance/Accounts/Company Law. The Statutory Auditors attend the meetings as invitees.





The terms of reference of this Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

### **B. Meetings/Attendance**

During the financial year ended 31st March, 2004, five meetings were held on 25th April, 2003, 29th May, 2003, 24th July, 2003, 17th October, 2003 and 15th January, 2004.

The Committee adopted the annual account for the year 2002-2003 in their meeting held on 29th May, 2003.

The attendance of the committee meetings is as under :

Name of Members	Meetings Held	Meetings Attended
Dr. K.B. Agarwal	5	5
Shri Padam Kumar Jain	5	5
Shri Raj Kumar Gupta	5	5
Shri G.D. Maheshwari	5	5

### **SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

The Share Transfer Committee has been given the powers to deal with all the matters related to transfer, transmission, issuance of duplicate share certificates, split and/or consolidation requests. The Share Transfer Committee meets regularly. The members of the Committee and their attendance is given below :

Name of Members	Meetings Held	Meetings Attended
Dr. K.B. Agarwal	9	9
Shri Padam Kumar Jain	9	9

Shri V.K. Pandey, Jt. Secretary, was designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing Investor's Grievance.

During the year under review, no complaint were received from any shareholders.

### **DIRECTORS REMUNERATION**

During the year no remuneration, except sitting fee was paid to the Non-Executive Directors. Remuneration was paid to Executive Director is as per the approval given by the Shareholders of the Company.

Details of Remuneration/Sitting Fee to all the Directors for the year ended 31st March, 2004.

Name of Directors	Salary	Benefits	Sitting Fee	Total
Dr. Gaur Hari Singhania	—	—	500	500
Dr. K. B. Agarwal	—	—	3750	3750
Mr. Padam Kumar Jain	—	—	3750	3750
Dr. B. D. Agarwal	—	—	500	500
Mr. Raj Kumar Gupta	—	—	3750	3750
Mr. G. D. Maheshwari	60000	32764	—	92764