

**22ND
ANNUAL
REPORT
2007-2008**

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


M. Secretary



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 Raj Kumar Gupta
Shri G. D. Maheshwari, *Executive Director*

COMPANY SECRETARY
JOINT SECRETARY
CHIEF FINANCE OFFICER

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
State Bank of India
ICICI Bank Ltd.

REGISTERED OFFICE

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

22nd Annual Report

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 16th August, 2008 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, 2008, 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 R.K. Gupta who retires by rotation and, being eligible, offers 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.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification(s) the following resolution as ordinary resolution :

"RESOLVED THAT pursuant to the provision of section 269, 198 & 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any other modification re-enactment thereof and subject to such approval as may be necessary, the company hereby accords its consent and approval to the re-appointment of Shri G.D. Maheshwari as whole time director of the Company, with the designation 'Executive Director' for a further period of 5 years with effect from 1st October 2008 on a monthly remuneration of Rs. 12,000/- (Rupees Twelve Thousand only) in the grade of Rs. 10,000-500-15,000/- with the authority to the board to vary his annual increment. He shall enjoy benefits which are applicable/ payable to the other staff member of the company. He will not be paid any sitting fees"

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

Dated : 10th May, 2008

By Order of the Board
Dr. K. B. Agarwal
Vice Chairman

**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 9th August, 2008 to 16th August, 2008 (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 M/s. ABS Consultants Pvt. Ltd. 99, Stephen House, 6th Floor, 4, B.B.D. Bag (E), Kolkata-700 001.
5. Dr. B. D. Agarwal, aged 64 years, retires by rotation at the ensuing Annual General Meeting. He was appointed as a Director in the year 1995. He is M.Sc. & P.h.d. and possess 35 years experience in Research & Administration. He is not directly interested as a director in any other Company.
6. Shri R. K. Gupta, aged 47 years, retires by rotation at the ensuing Annual General Meeting. He is a practicing Chartered Accountant. He was appointed as Director in the year 2001. He has vast experience in Accounts & Corporate Law. He is directly interested as a director in Samridh Consultant Pvt. Ltd.

Looking to their experience, their re-appointments are beneficial to the Company.

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

By Order of the Board
Dr. K. B. Agarwal
Vice Chairman

Dated : 10th May, 2008

ANNEXURE TO THE NOTES

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

As required Under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the Special Business under Item No.5 of the accompanying Notice.

Shri G.D. Maheshwari, 'Executive Director', aged 51 years is acting as a whole time director w.e.f. 01.10.2003. Looking to his experience and performance, his re-appointment for a further period of 5 years w.e.f. 01.10.2008 is beneficial to the company. He is designated as Executive Director to look after and manage day to day affairs of the company on a monthly remuneration of Rs. 12,000/- and shall enjoy benefits which are applicable/payable to the other staff members of the company. He is a post graduate in commerce and holds 23 years experience in managerial position. His appointment is in the interest of the company.

No director except Shri G. D. Maheshwari is deemed to be interested or concerned in the resolution.

*22nd Annual Report***DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 22nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2008.

		(Rs. in lakhs)	
		<u>31.3.2008</u>	<u>31.3.2007</u>
FINANCIAL RESULTS			
Income from Operations	28.37	42.31
Income from Investment in Mutual Fund	158.12	129.00
Other Income	0.04	0.26
Net Profit for the year	140.42	123.07
Less : Deferred Tax	0.25	(3.40)
Provision for Income tax	0.41	2.06
Profit after Tax	139.76	117.61
Balance of Profit brought forward	92.65	75.03
Amount available for appropriation after adjustments	232.41	192.65
APPROPRIATION			
General Reserve	150.00	100.00
Balance carried over to Balance Sheet	82.41	92.65

DIVIDEND

In order to build up resources, your Directors do not recommend payment of dividend for the Financial Year 2007-08.

PERFORMANCE

Looking to the highly competitive market scenario, your Company has done well. The Company is 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 R. K. Gupta are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Your directors have decided to re-appoint Shri G. D. Maheshwari as a whole time director w.e.f. 01.10.2008. designated as Executive Director of the company, subject to approval of the members for a further period of 5 years. A special resolution in this regard is placed and recommended for your approval.

AUDITORS

M/s V. P. Aditya & Company, Chartered Accountants, Kanpur, 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.

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 earning and outgo during the year.

LISTING INFORMATION

The equity shares of your Company continue to be listed with The U.P. Stock Exchange Association Ltd., Kanpur. The Company has requested the Bombay Stock Exchange to revoke suspension of trading.

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

INCOME TAX PROCEEDINGS

Company's assessments are upto date and there is no outstanding demand against the Company.

AUDIT COMMITTEE

During the year committee held four meetings.

REMUNERATION COMMITTEE

During the year the committee held one meeting.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance and a certificate from the Auditors confirming compliance forms part of this report.

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, 2008 and of the profit 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 : 10th May, 2008

For and On behalf of the Board
DR. GAUR HARI SINGHANIA
Chairman

22nd 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 Agreement is set out below :

1. 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 stakeholders including shareholders, employees and the clients. 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.

2. BOARD OF DIRECTORS

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

One promoter Non-Executive & Non-Independent Director, Three Independent Non-Executive Directors, One Non-Independent Non-Executive Director and One Non-Independent Executive-Director.

The Board of Directors met 5 times during the year. These were on **09/04/2007, 05/05/2007, 14/07/2007, 15/10/2007 and 14/01/2008.**

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 22.09.2007	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	6	6	-	-
Dr. K. B. Agarwal Vice-Chairman	Promoter Non-Independent Non-Executive	5	5	Yes	-	2	3	-
Dr. B. D. Agarwal Director	Non-Independent Non-Executive	5	1	No	-	-	-	-
Shri Padam Kumar Jain Director	Independent Non-Executive	5	4	Yes	-	3	-	-
Shri Raj Kumar Gupta Director	Independent Non-Executive	5	4	Yes	-	1	-	-
Shri G. D. Maheshwari Director	Non-Independent Executive	5	5	Yes	-	-	-	-

3. AUDIT COMMITTEE

A. Composition and Broad Terms of Reference

The Audit Committee of the Company comprise of following three directors :

Shri R.K. Gupta	:	Independent,	Non Executive Director & Chairman of the Committee
Shri Padam Kumar Jain	:	Independent,	Non Executive Director
Shri G.D. Maheshwari	:	Non-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 covers 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, 2008 four meetings were held on 3rd May 2007, 12th July 2007, 13th October, 2007 and 12th January, 2008.

The Committee adopted the annual accounts for the year 2006-2007 in their limited review meeting held on 3rd May, 2007.

The attendance of the committee meetings is as under :

Name of Members	Meetings Held	Meetings Attended
Shri Raj Kumar Gupta	4	4
Shri Padam Kumar Jain	4	4
Shri G. D. Maheshwari	4	4

4. REMUNERATION COMMITTEE

A. Composition

The remuneration Committee of the Company comprised of Shri Padam Kumar Jain, Dr. K.B. Agarwal & Shri Raj Kumar Gupta.

B. Meetings / Attendance

During the financial year ended 31st March, 2008 One meeting was held on 29th September, 2007.

The attendance of the committee meetings is as under :

Name of Members	Meetings Held	Meetings Attended
Shri Padam Kumar Jain	1	1
Dr. K. B. Agarwal	1	1
Shri Raj Kumar Gupta	1	1

The Committee increased the remuneration of Shri G. D. Maheshwari Executive Director in their meeting held 29th September 2007.

C. Remuneration Policy

Remuneration policy of the company is directed towards rewarding performance based on review of achievements. However during the year only sitting fee was paid to the Non-Executive Directors. Remuneration was paid to Executive Director as per the terms of his appointment approved by the general body.

D. Remuneration of Directors :

Details of Remuneration/Sitting Fee to all the Directors for the year ended 31st March, 2008 :

Name of Directors	Salary	Benefits	Sitting Fee	Total
Dr. Gaur Hari Singhania	—	—	500	500
Dr. K. B. Agarwal	—	—	3000	3000
Shri Padam Kumar Jain	—	—	3750	3750
Dr. B. D. Agarwal	—	—	500	500
Shri Raj Kumar Gupta	—	—	3750	3750
Shri G. D. Maheshwari	144000	49181	—	193181

22nd Annual Report

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Share Transfer Committee inter-alia 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	7	7
Shri Padam Kumar Jain	7	7

Shri V.K. Pandey, Jt. Secretary, is the Compliance Officer of the Company and assigned with the responsibilities of overseeing Investor's Grievance. His Email address is keycorp@ricmail.com and Telephone No. 0512-2305416, 3013416 and Fax No. 0512-3919463.

During the year under review, no complaint was received from any shareholder.

6. GENERAL BODY MEETING

Location and time, where last three AGMs were held :

Financial Year	Date	Time	Place of the Meeting
2006-2007	22.9.2007	10.00 a.m.	16/16-A, Civil Lines, Kanpur
2005-2006	23.9.2006	10.00 a.m.	16/16-A, Civil Lines, Kanpur
2004-2005	24.9.2005	10.00 a.m.	16/16-A, Civil Lines, Kanpur

During the year ended 31st March, 2008, no special resolution has been proposed/ passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

7. DISCLOSURES

There are no related party relationship as described in clauses (a) to (e) of paragraph 3 of the Accounting Standard-18 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India.

8. No penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

9. MEANS OF COMMUNICATION

The Company submitted its Annual, Half Yearly & Quarterly results to the Stock Exchanges in accordance with the Listing Agreement and also published them in the two newspapers namely The Pioneer (English) and Kanpur Ujala (Hindi).

The financial results and shareholding pattern of the Company are also available on website www.keycorpltd.com

10. GENERAL SHAREHOLDER INFORMATION

10.1. Annual General Meeting

- | | |
|--------------------|---|
| Day, Date and Time | - Saturday, the 16th Aug., 2008 at 10.00 am. |
| Venue | - Registered Office of the Company at
16/16-A, Civil Lines, Kanpur - 208 001 |



10.2. Financial Calender (tentative)

Results for the quarter

ending June, 30 2008	- Last week of July, 2008
ending Sept., 30 2008	- Last week of Oct., 2008
ending Dec., 31 2008	- Last week of Jan., 2009

Result for the year

ending March, 31 2009	- Upto 31st May, 2009
Annual General Meeting	- Upto September, 2009

- 10.3. **Book Closure Date** - 9th Aug., 2008 to 16th Aug., 2008
(Both days inclusive)

- 10.4. **Dividend Payment Date** - Not Applicable (No dividend proposed)

- 10.5. **Listing on Stock Exchanges** - The Company's shares are listed with The U.P. Stock Exchange Association. Ltd., Padam Towers, Civil Lines, Kanpur-208 001

The Company has requested Bombay Stock Exchange to revoke suspennsion of trading.

10.6. Stock Code

Demat 'ISIN in NSDL/CDSL - INE130F01016

10.7. Stock Market Price data for the year 2007-2008

During the year, the market quotation of the stock at U.P. Stock Exchange Asson., Kanpur remained at Rs. 2.25.

10.8. Share Price performance in comparison to broad based indices - BSE and NSE

As only few transactions could take place in the Company's shares during the year hence the comparison of share price with BSE and NSE indices in management's view, is not necessary.

10.9. Registrar and Transfer Agent

M/s. ABS Consultants Pvt. Ltd., having its office at R.No. 99 Stephen House, 6th Floor 4 B.B.D. Bag (East), Kolkata-700 001 are Registrar and Transfer Agent for both demat and physical segment.

10.10. Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Shares in physical mode which are lodged for transfer are subject to exercise of option under compulsory transfer-cum-demat procedures. Share certificates are either dematerialised or returned to the respective shareholders within the time prescribed by the authorities.

10.11.(a) Distribution of Shareholding as on 31st March, 2008

No. of Equity Share held	No. of Folios	% of Folios	No. of Share Held	% of Shares Held
001 to 500	8674	95.53	1402542	23.38
501 to 1000	303	3.34	243139	4.05
1001 to 2000	74	0.82	106100	1.77
2001 to 3000	13	0.14	31600	0.53
3001 to 4000	07	0.08	24100	0.40
4001 to 5000	04	0.04	18700	0.31
5001 to 10000	04	0.04	29400	0.49
10001 and above	01	0.01	4144419	69.07
TOTAL	9080	100.00	6000000	100.00