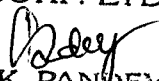


**23RD  
ANNUAL  
REPORT  
2008-2009**

CERTIFIED TO BE A TRUE COPY

For KEY CORP. LTD.

  
(V.K. PANDEY)  
Joint Secretary  
Compliance Officer



**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 S. N. Tripathi  
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

## *23rd Annual Report*

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### **NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 18th July, 2009 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, 2009, 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 Shri Padam Kumar Jain who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri G.D. Maheshwari 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.

Regd. Office :  
16/16-A, Civil Lines,  
Kanpur-208 001.  
Dated : 2nd May, 2009

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 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 11th July 2009 to 18th July, 2009 (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. Shri G. D. Maheshwari, aged 52 years, retires by rotation at the ensuing Annual General Meeting. He is Post Graduate in Commerce and is working with the company since inception. He was appointed as Executive Director w.e.f. 1st October 2003.
6. Shri Padam Kumar Jain, aged 65 years, retires by rotation at the ensuing Annual General Meeting. He was appointed as Director in the year 1995. He is Post Graduate in Commerce and possess 39 years experience in Financial & Securities Market. He is directly interested as a director in following Companies :-
  1. S.P.F.L. Securities Ltd.
  2. Padam Kumar Jain Real Estate Pvt. Ltd.
  3. S.P.F.L. Commodities Pvt. Ltd.

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

*Regd. Office :*  
16/16-A, Civil Lines,  
Kanpur-208 001.  
Dated : 2nd May, 2009

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

*23rd Annual Report***DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 23rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009.

		(Rs. in lakhs)	
		<u>31.3.2009</u>	<u>31.3.2008</u>
<b>FINANCIAL RESULTS</b>			
Income from Operations	...	41.73	28.37
Income from Investment in Mutual Fund	...	44.35	158.12
Other Income	...	0.02	0.04
Net Profit for the year	...	43.18	140.42
Less : Deferred Tax	...	0.36	0.25
Less : Provision for Fringe Benefit Tax	...	0.40	0.41
Profit after Tax	...	42.42	139.76
Balance of Profit brought forward	...	82.41	92.65
Amount available for appropriation after adjustments	...	124.83	232.41
<b>APPROPRIATION</b>			
General Reserve	...	100.00	150.00
Balance carried over to Balance Sheet	...	24.83	82.41

**DIVIDEND**

In order to build up resources, your Directors do not recommend payment of dividend for the Financial Year 2008-09.

**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**

Shri Padam Kumar Jain and Shri G.D. Maheshwari 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, 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 the 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, 2009 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 : 2nd May, 2009.

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

## 23rd 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 10/04/2008, 10/05/2008, 12/07/2008, 18/10/2008 and 10/01/2009.

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 <i>Chairman</i>	Independent Non-Executive	5	1	No	6	6	-	-
Dr. K. B. Agarwal <i>Vice-Chairman</i>	Promoter Non-Independent Non-Executive	5	5	Yes	-	2	3	-
Dr. B. D. Agarwal <i>Director</i>	Non-Independent Non-Executive	5	2	No	-	-	-	-
Shri Padam Kumar Jain <i>Director</i>	Independent Non-Executive	5	4	Yes	-	3	-	-
Shri Raj Kumar Gupta <i>Director</i>	Independent Non-Executive	5	4	Yes	-	1	-	-
Shri G. D. Maheshwari <i>Director</i>	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, 2009 four meetings were held on 10th May, 2008; 10th July, 2008, 16th October, 2008 and 10th January, 2009.

The Committee adopted the annual accounts for the year 2007-2008 in their meeting held on 10th May, 2008.

The attendance of the committee meetings is as under :

<b>Name of Members</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
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, 2009 One meeting was held on 21st July, 2008.

The Committee increased the remuneration of Shri G.D. Maheshwari, Executive Director in their meeting held on 21st July, 2008.

<b>Name of Members</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Shri Padam Kumar Jain (Chairman)	1	1
Dr. K. B. Agarwal	1	1
Shri Raj Kumar Gupta	1	1

##### **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, 2009 :

<b>Name of Directors</b>	<b>Salary</b>	<b>Benefits</b>	<b>Sitting Fee</b>	<b>Total</b>
Dr. Gaur Hari Singhania	—	—	1000	1000
Dr. K. B. Agarwal	—	—	5000	5000
Shri Padam Kumar Jain	—	—	6000	6000
Dr. B. D. Agarwal	—	—	2000	2000
Shri Raj Kumar Gupta	—	—	6000	6000
Shri G. D. Maheshwari	180000	47049	—	227049



*23rd 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	2	2
Shri Padam Kumar Jain	2	2

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@relianceemail.net](mailto:keycorp@relianceemail.net) and Telephone No. 0512-2305416, 3013416 and Fax No. 0512-3919463.

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

**6. GENERAL BODY MEETING**

Location and time, where last three AGMs were held :

Financial Year	Date	Time	Place of the Meeting
2007-2008	16.8.2009	10.00 a.m.	16/16-A, Civil Lines, Kanpur
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

During the year ended 31st March, 2009, 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 is 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](http://www.keycorpltd.com)

**10. GENERAL SHAREHOLDER INFORMATION****10.1. Annual General Meeting**

Day, Date and Time	- Saturday, the 18th July, 2009 at 10.00 am.
Venue	- Registered Office of the Company at 16/16-A, Civil Lines, Kanpur - 208 001

**10.2. Financial Calendar (tentative)****Results for the quarter**

Ending June 30, 2009	-	Last week of July, 2009
Ending Sept. 30, 2009	-	Last week of Oct., 2009
Ending Dec. 31, 2009	-	Last week of Jan., 2010

**Result for the year**

Ending March 31st, 2010	-	Upto 30th June, 2010
Annual General Meeting	-	Upto September, 2010

- 10.3. Book Closure Date** - 11th July, 2009 to 18th July, 2009  
(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 suspension of trading.

**10.6. Stock Code**

Demat ISIN in NSDL/CDSL - **INE130F01016**

**10.7. Stock Market Price data for the year 2008-2009**

During the year, the market quotation of the stock at U.P. Stock Exchange Asson. Ltd., 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, 2009**

No. of Equity Share held	No. of Folios	% of Folios	No. of Share Held	% of Shares Held
001 to 500	8677	95.50	1402842	23.38
501 to 1000	303	3.34	243139	4.05
1001 to 2000	77	0.85	111200	1.86
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	4139019	68.98
<b>TOTAL</b>	<b>9086</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>