

## NOTICE

Notice is hereby given that the 24th Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 31st July, 2010 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, 2010, 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. 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.

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

Dated : 8th May, 2010

By Order of the Board

  
G. D. Maheshwari  
Executive 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. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> July 2010 to 31<sup>st</sup> July, 2010 (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 66 years, retires by rotation at the ensuing Annual General Meeting. He was appointed in the year 1995. He is M.sc. and P.hd. and possess 37 years experience in Research and Administration. He is not directly interested as a director in any other company.
6. Shri R. K. Gupta aged 49 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 and 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.

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Executive Director

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 24th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

<b><u>FINANCIAL RESULTS</u></b>	(Rs. in lakhs)	
	<b><u>31.03.2010</u></b>	<b><u>31.03.2009</u></b>
Income from Operations	55.16	41.73
Income from Investment in Mutual Funds	131.77	44.35
Other Income	0.04	0.02
Net Profit for the Year	136.05	43.18
Less: Provisions for Income Tax	0.55	-
Less : Provision for Deferred Tax	(2.34)	0.36
Less : Provision for Fringe Benefit Tax	-	0.40
Profit after tax	137.85	42.42
Balance of Profit brought forward	24.83	82.41
Amount Available for appropriation after adjustments	162.68	124.83
<b><u>APPROPRIATION</u></b>		
General Reserve	150.00	100.00
Balance Carried over to Balance Sheet	12.68	24.83

**DIVIDEND**

In order to build up resources your Directors do not recommend payment of dividend for the Financial Year 2009-10.

**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.

**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 Auditor's confirming compliance forms part of this report.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

In terms of Clause 49 of Listing Agreement of the Stock Exchanges, Management Discussions and Analysis Report 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, 2010 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 : 8th May, 2010

For and on behalf of the board



DR. GAUR HARI SINGHANIA  
Chairman

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

### **I) STRUCTURE AND DEVELOPMENT:**

Your Company is an registered NBFC and is engaged in finance business since inception from 1986. The Company's thrust area is vehicle financing, particularly in old vehicle finance. The Company has developed expertise in financing and recovery of its loan and built up sound portfolio of old vehicles. The business activities of the Company are mainly concentrated in U.P. where it has found enough scope.

### **II) OPPORTUNITIES AND THREATS:**

With the growth in economy, particularly the service sector, there is ample scope for vehicle financing which is company's thrust area. Company has developed expertise during the period of 20 years in financing of used vehicles. Company looks forward to avail such opportunities by expanding area net-work.

However, as the vehicle financing is high risk area, particularly in the northern region where the company is operating, it is moving forward with caution. Moreover there is severe competition from the organized banking sector particularly, private sector banks.

### **III) PRODUCT-WISE PERFORMANCE:**

The company is not a manufacturing company and is engaged only in vehicle financing. The performance of the company has been satisfactory looking to global down turn.

### **IV) OUTLOOK:**

As has been explained above, future business scenario is hopeful.

### **V) RISKS AND CONCERNS:**

Risk is an inherent part of finance business. Your company, however, has taken steps in strengthening the risk management systems and practices. The company is continuously monitoring the business by deputing recovery managers. Company during the last several years has not lost any money in recovering its loans.

### **VI) INTERNAL CONTROL SYSTEM:**

The company has adequate Internal Control System commensurate with the size and nature of its business with regard to finance, recovery and investment.

### **VII) OPERATIONAL PERFORMANCE:**

Looking to the highly competition and subdued economy conditions, your company has done well and has secured the business to the tune of Rs.265.10 lacs.

### **VIII) HUMEN RESOURCES:**

The company has professional team to control its day today activities under guidance of Whole Time Director.

## 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 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 15/04/2009, 02/05/2009, 18/07/2009, 14/10/2009 and 16/01/2010.

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 Director	Category	No of Board Meetings Held	No of Board Meetings Attended	Attendance of the last AGM held on 18/07/2009	No of Directorship in other Companies		No. of Membership in Committee of Directors in other Companies	
					Chairman	Director	Chairman	Member
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	2
Dr. B. D. Agarwal Director	Non-Independent Non-Executive	5	2	No	-	-	-	-
Shri Padam Kumar Jain Director	Independent Non-Executive	5	4	Yes	-	3	-	-
Shri Raj Kumar Gupta Director	Independent Non-Executive	5	4	Yes	-	2	-	-
Shri G. D. Maheshwari Director	Non- Independent Executive	5	5	Yes	-	-	-	-

### CODE OF CONDUCT:

The CEO of the Company has submitted his report regarding Code of Conduct by the Directors and Senior Management for the year ended 31<sup>st</sup> March, 2010 and the same is annexed with this report.

### 3. AUDIT COMMITTEE

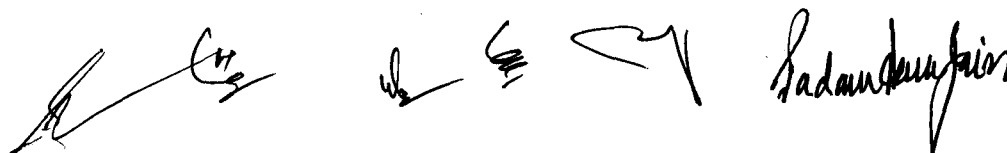
#### A. Composition and Broad Terms of Reference

The Audit Committee of the Company comprises 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, 2010, four meetings were held on 2nd May 2009, 17th July, 2009, 14th October, 2009 and 16th January, 2010.

The Committee adopted the annual accounts for the year 2008-2009 in their meeting held on 2nd May, 2009.

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, 2010 One meeting was held on 18th October, 2009.

The Committee increased the remuneration of Shri G.D. Maheshwari Executive Director in their meeting held on 18th October, 2009.

Name of Members	Meetings Held	Meetings Attended
Shri Padam Kumar Jain	1	1 Chairman
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, 2010.

Name of Director	Salary	Benefits	Sitting Fee	Total
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	202500	52152	-	254652

**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	3	3
Shri Padam Kumar Jain	3	3

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
2008 – 2009	18/07/2009	10:00 am	16/16-A, Civil Lines, Kanpur
2007 – 2008	16/08/2008	10:00 am	16/16-A, Civil Lines, Kanpur
2006 – 2007	22/09/2007	10:00 am	16/16-A, Civil Lines, Kanpur

During the year ended 31st March, 2010, 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 SHARE HOLDER INFORMATION

##### 10.1. Annual General Meeting:

Day, Date and Time	-	Saturday, the 31st July, 2010 At 10:00 a.m
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 2010	-	Last week of July, 2010
Ending Sept, 30 2010	-	Last week of Oct, 2010
Ending Dec, 31 2010	-	Last week of Jan, 2011

###### Results for the Year

Ending March 31 <sup>st</sup> 2011	-	Upto 30 <sup>th</sup> June, 2011
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Annual General Meeting	-	Upto September, 2011
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##### 10.3. Book Closure Date

-	24th July, 2010 to 31st July, 2010 (Both days inclusive)
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##### 10.4. Dividend Payment Date

-	Not Applicable (No Dividend proposed)
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**10.5. Listing on Stock Exchanges**

The Company's shares are listed with The U.P. Stock Exchange Association Limited., 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 - INE130F01 016

**10.7. Stock Market Price data for the year 2009-2010**

During the year, the market quotation of the stock at U.P. Stock Exchange Association Limited, 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 share holders within the time prescribed by the authorities.

**10.11.****a. Distribution of Shareholding as on 31<sup>st</sup> March, 2010**

No. of Equity Share Held	No. of Folios	% of Folios	No. of Shares Held	% of Shares Held
001 to 500	8673	95.49	1402642	23.38
501 to 1000	305	3.36	244339	4.07
1001 to 2000	76	0.84	110000	1.83
2001 to 3000	13	0.14	31600	0.53
3001 to 4000	07	0.08	24300	0.41
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>9083</b>	<b>100.00</b>	<b>6000000</b>	<b>100.00</b>

**b. Categories of Shareholders as on 31<sup>st</sup> March, 2010**

Category	% of Share Holding
Promoters	69.00
Body Corporate	0.52
Banks/FI's	0.01
Mutual Funds	0.01
Public(Indian)	30.46

**c. There is no institutional investors as shareholder of the company.****10.12. Dematerialisation of Shares and Liquidity**

As on 31st March, 2010, 73.26% of the Company's total shares representing 43,95,644 shares were held in dematerialised form and the balance 26.74% representing 16,04,356 shares were in physical form.