

# 25TH ANNUAL REPORT 2010-2011



KEY CORP LIMITED

100, 2025 - 10025

2010-2011



**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/  
COMPLIANCE OFFICER**  
**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

**NOTICE**

Notice is hereby given that the 25th Annual General Meeting of Members of Key Corp Limited will be held on Saturday, the 20th August, 2011 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, 2011, 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 : 21st May, 2011

By Order of the Board  
**S.N. Tripathi**  
*Company Secretary*





## 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 13th August, 2011 to 20th August, 2011 (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 Padam Kumar Jain, aged 67 years, retires by rotation at the ensuing Annual General Meeting. He was appointed in the year 1995. He is post graduate in Commerce and possess 41 years experience in financial and Securities market. He is directly interested as Director in the following companies:-
  - i) SPFL Securities Ltd.
  - ii) Padam Kumar Jain Real Estate Pvt. Ltd.
  - iii) S.P.F.L. Commodities Pvt. Ltd.
6. Shri G.D. Maheshwari aged 54 years, retires by rotation at the ensuing Annual General Meeting. He is a Post Graduate in Commerce and is working with the company since inception. He was appointed Executive Director w.e.f. 1st October, 2003.

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

Regd. Office :  
16/16-A, Civil Lines,  
Kanpur-208001.

Dated : 21st May, 2011

By Order of the Board  
**S.N. Tripathi**  
Company Secretary

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 25th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2011.

(Rs. in lakhs)

	31.3.2011	31.3.2010
<b>FINANCIAL RESULTS</b>		
Income from Operations	85.92	55.16
Income from Investment in Mutual Fund	88.28	131.77
Other Income	0.02	0.04
Net Profit for the year	118.21	136.05
Less : Provision for Income tax	5.84	0.55
Less : Provision for Deferred Tax	(1.24)	(2.34)
Less : Provision for Standard Assets	1.00	-
Profit after Tax	112.62	137.85
Balance of Profit brought forward	12.68	24.83
Amount available for appropriation after adjustments	125.30	162.68
<b>APPROPRIATION</b>		
General Reserve	100.00	150.00
Balance carried over to Balance Sheet	25.30	12.68

## DIVIDEND

In order to build up resources your Directors do not recommend payment of dividend for the Financial Year 2010-11.

## 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 are listed with The U.P. Stock Exchange Ltd., Kanpur and Bombay Stock Exchange Ltd., Mumbai.

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 completed upto the assessment year 2009-10 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 has not held any meeting.

## SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

During the year the committee held eight meetings.

## 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 and applied them consistently and made judgments and 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, 2011 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.

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

Place : Kanpur  
Dated : 21st May, 2011

## 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 22 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 economic conditions, your company has done well and has secured the business to the tune of Rs.407.80 lacs.

### VIII) HUMAN RESOURCES :

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