

BOOK - POST

**30TH
ANNUAL
REPORT
2015-2016**



If undelivered, please return to :
KEY CORP LIMITED
16/16-A, Civil Lines
Kanpur - 208 001.

**30TH
ANNUAL
REPORT
2015-2016**



KEY CORP LIMITED

**BOARD OF DIRECTORS**

Shri Yadupati Singhanian, *Chairman*
Dr. K. B. Agarwal, *Vice-Chairman*
Dr. B. D. Agarwal
Shri Padam Kumar Jain
Ms Manju Jain
Shri G. D. Maheshwari, *Executive Director*

COMPANY SECRETARY

Shri S. N. Tripathi

**JOINT SECRETARY/
COMPLIANCE OFFICER**

Shri V. K. Pandey

CHIEF FINANCE OFFICER

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

30th Annual Report**NOTICE**

Notice is hereby given that the 30th Annual General Meeting of Members of Key Corp Limited will be held on Wednesday, the 10th August, 2016 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 as at 31st March, 2016, and the Statement of Profit & Loss 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 (DIN 00235154) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. V.P. Aditya & Company, Chartered Accountant (Registration No. 000542C) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

"RESOLVED THAT subject to guidelines issued by the Securities Exchange Board of India and the Stock Exchange from time to time, consent of the Company be and is hereby accorded to voluntarily delist the equity shares from the Stock Exchange Mumbai".

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

By Order of the Board
G.D. Maheshwari
Executive Director

Dated : 14th May, 2016

**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 Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August 2016 to 10th August, 2016 (both days inclusive).
4. 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.
5. 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.
6. Dr. B.Ā. Agarwal aged about 72 years, retires by rotation at the ensuing Annual General Meeting. He was appointed in the year 1995. He is M.Sc. and Ph.D. and possess 39 years experience in Research and Administration. He is not directly interested as Director in any other company.
7. Members seeking any information with regard to the accounts of the company are requested to write to the company at its Registered Office, so as to reach at least 10 days before the date of the meeting to enable the Management to keep the information ready.
8. Members who hold shares in Physical/Dematerialized Form are requested to bring their Folio No./Depository Account Number and client ID Number for identification.
9. Pursuant to clause 49 of the Listing Agreement relating to Corporate Governance, the particulars of Directors proposed to be appointed or re-appointed are given in the report on Corporate Governance attached to the Directors Report.
10. In terms of Section 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Necessary arrangements have been made by the Company with Central Depository Services Ltd. ("CDSL") to facilitate remote e-voting. Remote e-voting is optional and members shall have the option to vote either through remote e-voting or in person at the General Meeting through Ballot or Polling paper.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 03.08.2016.

A person, whose name is recorded in the register of member or in the register of beneficial owner maintained by the depositories as on cut-off date i.e. 03.08.2016 only shall be entitled to avail the facility of remote e-voting/voting through ballot or polling paper at the meeting.

The instructions for shareholders voting electronically are as under:

- I. The voting period begins on 06.08.2016 at 9.00 A.M. and ends on 09.08.2016 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 03.08.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. The shareholders should log on to the e-voting website www.evotingindia.com
- III. Click on "Shareholders".
- IV. Now enter your user ID.
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - c) Members holding shares in physical form should enter folio number registered with the Company.
- V. Next enter the image verification as displayed and Click on "Login".
- VI. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below :-

For Members holding shares in Demat and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholder)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the company/depository participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in capital letter. Eg. If your name is Heera Singh with sequence number 1 then enter HE00000001 in the PAN field.
DOB	<ul style="list-style-type: none"> Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<ul style="list-style-type: none"> Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the Depository or Company, please enter the member ID/Folio Number in the dividend bank details field as mentioned in instructions (iv).

- VIII. After entering these details appropriately click on "SUBMIT" tab.
- IX. Members holding shares in physical form will then reach directly the company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is



to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the **EVSN** for the relevant "company name" on which you choose to vote.
- XII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolutions.
- XIV. After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- XV. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page.
- XVII. If demat account holder has forgotten the changed password then Enter the User ID and image verification Code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Non individuals shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. A scanned copy of the registration form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evotingindia.com.
- XIX. After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the accounts for which they wish to vote on.
- XX. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- XXI. A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XXII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- XXIII. The Company has appointed Ms. Vibha Mehrotra (Prop. M/s. Vibha Mehrotra & Company, Kanpur) a Practicing Company Secretary (C.P. No. 3103) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

XXIV. A copy of this notice has been placed on the website of the Company and the website of CDSL.

XXV. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the facility of ballot paper or polling paper shall be made available at the meeting.

For abundant clarity, please note that the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

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

By Order of the Board
G.D. Maheshwari
Executive Director

Dated : 14th May, 2016

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under section 102 of the Company's Act, 2013 the Explanatory Statement set out material facts to the Special Business under item No. 5 of the accompanying Notice.

ITEM NO. 5:

The Equity Shares of the Company are listed in the Bombay Stock Exchange Ltd. It is proposed to delist the shares on Stock Exchange Mumbai as there is very low trading volume which does not justify continuance of the listing at the said Stock Exchange. Accordingly Special Resolution is proposed for your approval.

No Directors of the Company is interested in the said resolution.

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

By Order of the Board
G.D. Maheshwari
Executive Director

Dated : 14th May, 2016



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 30th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2016.

(₹ in lakhs)

31.3.2016 31.3.2015

FINANCIAL RESULTS

Income from Operations	...	...	44.98	46.80
Income from Investment in Mutual Fund	...	...	121.24	152.39
Other Income	...	...	3.28	16.51
Less : Operating Expenditure	...	...	64.23	59.88
Profit Before Depreciation and Finance Cost	...	...	105.27	155.82
Less : Depreciation	...	...	2.28	2.31
Less : Finance Cost	...	...	0.17	0.17
Net Profit for the Year before Tax	...	...	102.82	153.34
Less : Provision for Income Tax	...	...	0.00	0.91
Less : Provision for Deferred Tax	...	...	(1.03)	0.83
Profit after Tax	...	...	103.85	151.60
Balance of Profit brought forward	...	...	45.34	43.74
Amount available for appropriation after adjustments	...	...	148.68	195.34

APPROPRIATION TO

General Reserve	...	...	75.00	150.00
Statutory Reserve Fund	...	...	20.77	0.00
Balance carried over	...	...	52.91	45.34

2. DIVIDEND

In order to build up resources your Directors do not recommend payment of dividend for the Financial Year 2015-16.

3. 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.

4. DIRECTORS

- In accordance with the provisions of section 152 of the Companies Act, 2013 and the Company's Articles of Association, Dr. B.D. Agarwal Director retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.
- Further the Board appraised the performance of the independent directors and found their contribution to the proceedings of the Board beneficial for the Company. They have attended almost all the Board meetings and Committee meetings held from time to time. Further, the independent directors have given a declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

5. AUDITORS AND AUDITORS REPORT

The present Auditors M/s V. P. Aditya & Company, Chartered Accountants, will retire from their office at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. You are requested to consider their appointment. The qualifications in the auditors report is self explanatory and has been described in the notes on account.

6. PARTICULARS OF EMPLOYEES

There are no employees getting salary in excess of the limit as specified under the provision of section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

7. 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.

8. LISTING WITH STOCK EXCHANGE

The Companies shares are listed with 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.

9. DELIST OF SHARES

As the trading of Company shares on Stock Exchange is very thin, it has been proposed to delist the shares of the Company from the BSE Stock Exchange. A resolution in this regard has been proposed for consideration and approval of the shareholders.

10. INCOME TAX PROCEEDINGS

Company's assessments are completed upto the assessment year 2014-15

11. AUDIT COMMITTEE

During the year the committee held four meetings.

12. NOMINATION & REMUNERATION COMMITTEE

The company has constituted this committee in accordance with the requirements of Section 178(1) of the Act. The Company's policy on directors appointment and remuneration is governed by the provisions of Section 178(4) of the Act. During the year Committee held one meeting.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year the committee held three meetings.

14. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance is enclosed as integral part of the Annual Report together with the Auditors Certificate in compliance.



15. 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.

16. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 the Board has appointed M/s. Vibha Mehrotra & Co. Practicing Company Secretary of Kanpur (CP Membership No. 3103) as Secretarial Auditors of the Company. The Secretarial Audit Report for the financial year ended March 31st, 2016 is annexed to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

17. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in MGT9 is annexed hereto as Annexure 'A' and form integral part of this report.

18. RELATED PARTY TRANSACTIONS

Subject to Note No. B(iii) of the Annual Accounts there was no significant transaction of material nature with the related parties viz Promoters, Directors, Management or relatives during the year and the provisions of Section 188 of the Company's Act, 2013 are not attracted.

19. REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel of the Company. The details of this Policy is explained in the Corporate Governance Report.

20. RISK MANAGEMENT POLICY

The Company has endeavoured to develop and implement a risk management policy, incorporating and identifying economic, financial and environmental risks.

21. EVALUATION OF BOARD AND ITS COMMITTEES

The evaluation of the Independent Directors was carried out by the entire Board excluding the directors being evaluated. Further, the Board also carried out assessment of its own performance and that of its committees based upon criteria such as performance against set objectives, contribution to the development of long term strategy and risk management, level of communication amongst the Board/Committee members and of the Board/Committee members with Key Managerial Personnels.

22. MEETING OF THE BOARD OF DIRECTORS

The details of the member of meetings of the Board held during the financial year 2015-16 forms part of the Corporate Governance Report.

23. CODE OF CONDUCT

The Board of Directors has already adopted a Code of Ethics & Business Conduct for the Directors and Senior Managerial Personnel.

24. 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, 2016 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;
- V. that the internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively;
- VI. proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

25. ACKNOWLEDGEMENT

Your Directors wish to thanks the employees for their dedication and hard work.

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

For and On behalf of the Board
K.B. AGARWAL
Vice Chairman

Dated : 14th May, 2016



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 30 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 competitive and subdued economic conditions, your company has done well and has secured the business to the tune of Rs. 133.30 lacs.

VIII) HUMAN RESOURCES :

The company has a professional team to control its day to-day activities under the guidance of the Executive Director.

30th Annual Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014].

To,
The Members
KEY CORP LIMITED
16/16-A, Civil Lines
Kanpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Key Corp Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 (audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of :

- i) The Companies Act, 2013 (the Act) and the rules made thereunder ;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder ;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period).
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)